

<p>STRATEGIC PURCHASING DIVISION</p>	<p><b>CITY OF HOUSTON, TEXAS</b>  <b>NOTICE OF REQUEST FOR PROPOSAL (RFP)</b>  <b>SOLICITATION NO.: S37-T24529</b></p>	<p><i>"PARTNERING TO  BETTER SERVE  HOUSTON"</i></p>
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NIGP CODE: 918-04

SOLICITATION DUE DATE/TIME: April 5, 2013 at 2:00 P.M., CST

SUBMITTAL LOCATION: City Secretary's Office  
City Hall Annex, Public Level  
900 Bagby Street  
Houston, Texas 77002

DESCRIPTION: **PROFESSIONAL AUDITING SERVICES**

<p>PRE-PROPOSAL CONFERENCE:</p>	<table border="0"> <tr> <td data-bbox="688 1016 756 1050"><i>Date</i></td> <td data-bbox="963 1016 1031 1050"><i>Time</i></td> <td data-bbox="1263 1016 1398 1050"><i>Location</i></td> </tr> <tr> <td data-bbox="641 1058 797 1094">03-15-2013</td> <td data-bbox="922 1058 1068 1094">10:00 A.M.</td> <td data-bbox="1198 1058 1472 1197">SPD, 901 Bagby, Conference Rm. 2 (Basement Level), Houston, TX 77002</td> </tr> </table>	<i>Date</i>	<i>Time</i>	<i>Location</i>	03-15-2013	10:00 A.M.	SPD, 901 Bagby, Conference Rm. 2 (Basement Level), Houston, TX 77002
<i>Date</i>	<i>Time</i>	<i>Location</i>					
03-15-2013	10:00 A.M.	SPD, 901 Bagby, Conference Rm. 2 (Basement Level), Houston, TX 77002					

In accordance with T.L.G.C. § Chapter 252, competitive sealed Proposals for the services specified will be received by the City Secretary's Office of the City of Houston at the above specified location, until the time and date cited. Offers must be in the actual possession of the City Secretary's Office on or prior to the time and date, and at the location indicated above. Late offers will not be considered.

Offers must be submitted in a sealed envelope or package with the Solicitation Number and the Offeror's name and address clearly indicated on the envelope or package. All offers must be completed in ink or typewritten. Additional instructions for preparing an offer are included in this Solicitation.

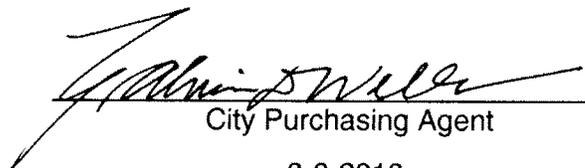
**OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION**

Solicitation Contact Person:  
Joyce Hays

\_\_\_\_\_  
Name

joyce.hays@houstontx.gov

\_\_\_\_\_  
E-Mail Address

  
\_\_\_\_\_  
City Purchasing Agent

3-8-2013

\_\_\_\_\_  
Date

**SPECIAL INSTRUCTIONS TO OFFEROR(S)**  
**SOLICITATION NO. S37-T24529**

**1.0 SUBMITTAL PROCEDURE:**

- 1.1 Six (6) copies of the Proposal, including one (1) printed original signed in BLUE ink, and additional six (6) electronic CD copies are to be submitted in a sealed envelope bearing the assigned Solicitation Number, located on the first page of the RFP document to:

City Secretary's Office  
City Hall Annex  
900 Bagby  
Houston, Texas 77002

- 1.2 The deadline for the submittal of the Proposal to the City Secretary's Office is no later than the date and time as indicated on the first page of the RFP document. Failure to submit the required number of copies as stated above may be subject for disqualification from the Proposal process.
- 1.3 Respondents may elect to either mail or personally deliver their Proposals to the City Secretary's Office.
- 1.4 The City of Houston shall bear no responsibility for submitting responses on behalf of any Offeror. Offeror(s) may submit their Proposal to the City Secretary's Office any time prior to the stated deadline.

**2.0 PROPOSAL FORMAT:**

- 2.1 The Proposal should be electronically generated, and the printed original signed in ink. They should not be submitted in elaborate or expensive binders. Legibility, clarity, and completeness are important and essential.
- 2.2 The Proposal must be signed by an individual(s) legally authorized to bind the Offeror(s), and must contain a statement that the Proposal and the prices contained therein shall remain firm for a period of one hundred-eighty (180) days.

**3.0 PRE-PROPOSAL CONFERENCE:**

- 3.1 A Pre-Proposal Conference will be held at the date, time, and location as indicated on the first page of the RFP document. Interested Offeror(s) should plan to attend. It will be assumed that potential Offeror(s) attending this meeting have reviewed the RFP in detail, and are prepared to bring up any substantive questions not already addressed by the City.

**4.0 ADDITIONAL INFORMATION AND SPECIFICATION CHANGES:**

- 4.1 Requests for additional information and questions should be addressed to the Administration and Regulatory Affairs Department, Strategic Purchasing Division Buyer, Joyce Hays, telephone: 832.393.8723, fax: 832.393.8759, or e-mail (preferred method to): [joyce.hays@houstontx.gov](mailto:joyce.hays@houstontx.gov), no later than **Wednesday, March 20, 2013 at 3:00 p.m. CST.** The City of Houston shall provide written response to all questions received in writing before the submittal deadline. Questions received from all Offeror(s) shall be answered and sent to all Offeror(s) who are listed as having obtained the RFP. Offeror(s) shall be notified in writing of any changes in the specifications contained in this RFP.

**5.0 LETTER(S) OF CLARIFICATION:**

- 5.1 All Letters of Clarification and interpretations to this Solicitation shall be in writing. Any Letter of Clarification(s) or interpretation that is not in writing shall not legally bind the City of Houston. Only information supplied by the City of Houston in writing or in this RFP should be used in preparing Proposal responses.
- 5.2 The City does not assume responsibility for the receipt of any Letters of Clarification sent to Offeror(s).

**SPECIAL INSTRUCTIONS TO OFFEROR(S)**  
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**6.0 EXAMINATION OF DOCUMENTS AND REQUIREMENTS:**

- 6.1 Each Offeror shall carefully examine all RFP documents and thoroughly familiarize themselves with all requirements prior to submitting a Proposal to ensure that the Proposal meets the intent of this RFP.
- 6.2 Before submitting a Proposal, each Offeror shall be responsible for making all investigations and examinations that are necessary to ascertain conditions and requirements affecting the requirements of this RFP. Failure to make such investigations and examinations shall not relieve the Offeror from obligation to comply, in every detail, with all provisions and requirements of the RFP.

**7.0 EXCEPTIONS TO TERMS AND CONDITIONS:**

- 7.1 All exceptions included with the Proposal shall be submitted in a clearly identified separate section of the Proposal in which the Offeror clearly cites the specific paragraphs within the RFP where the Exceptions occur. Any Exceptions not included in such a section shall be without force and effect in any resulting contract unless such Exception is specifically referenced by the City Purchasing Agent, City Attorney, Director(s) or designee in a written statement. The Offeror's preprinted or standard terms will not be considered by the City as a part of any resulting contract.
- 7.2 All Exceptions that are contained in the Proposal may negatively affect the City's Proposal evaluation based on the evaluation criteria as stated in the RFP, or result in possible rejection of Proposal.

**8.0 POST-PROPOSAL DISCUSSIONS WITH OFFEROR(S):**

- 8.1 It is the City's intent to commence final negotiation with the Offeror(s) deemed most advantageous to the City. The City reserves the right to conduct post-Proposal discussions with any Offeror(s).

**9.0 PROTEST:**

- 9.1 A protest shall comply with and be resolved, according to the City of Houston Procurement Manual [http://purchasing.houstontx.gov/docs/Procurement\\_Manual.pdf](http://purchasing.houstontx.gov/docs/Procurement_Manual.pdf) and rules adopted thereunder. Protests shall be submitted in writing and filed with both, the City Attorney and the Solicitation contact person. A pre-award protest of the RFP shall be received five (5) days prior to the solicitation due date and a post-award protest shall be filed within five (5) days after City Council approval of the contract award.
- 9.2 A protest shall include the following:
- 9.2.1 The name, address, e-mail, and telephone number of the protester;
- 9.2.2 The signature of the protester or its representative who has the delegated authority to legally bind its company;
- 9.2.3 Identification of the RFP description and the RFP or contract number;
- 9.2.4 A detailed written statement of the legal and factual grounds of the protest, including copies of relevant documents, etc.; and
- 9.2.5 The desired form of relief or outcome, which the protester is seeking.

**10.0 QUIET PERIOD/NO CONTACT:**

- 10.1 Starting on the date proposals to an RFP (or bids to an ITB) are due and expiring on the date the City Secretary publicly posts notice of any City Council agenda containing the applicable award ("Quiet Period"), actual and prospective respondents or bidders (including their representatives or persons acting on their behalf) are prohibited from contacting members of City Council or any City employees other than the contracting officer, in any manner regarding the issued RFP or ITB. Actual and prospective respondents or bidders include those

**SPECIAL INSTRUCTIONS TO OFFEROR(S)**  
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respondents or bidders who have received notice that they have not been chosen as finalists for any solicitation. Actual and prospective respondents or bidders (including their representatives or persons acting on their behalf) are expressly prohibited from offering, presenting or promising gratuities, favors, or anything of value to any member of an evaluation committee or any appointed or elected official or employee of the City of Houston, their families or staff members.

- 10.2 Notwithstanding the foregoing, the following types of communication only are exempt and shall be permitted by respondents and bidders during the Quiet Period:
  - 10.2.1 Respondent's formal response to the RFP;
  - 10.2.2 Communications publically made during the official pre-bid conference;
  - 10.2.3 Written requests for clarification during the period officially designated for such purpose by the contracting officer; and
  - 10.2.4 Communications during an oral interview, scheduled at the request of and for the benefit of the City's evaluation committee, if any.
- 10.3 During the Quiet Period, the solicitation contact person shall serve as the sole point of contact for any actual or prospective respondents. Nothing in this section shall prevent the respondent from making public statements to the City Council after the Quiet Period.
- 10.4 As part of their bid or RFP responses, respondents or bidders shall attest that they understand and agree not to contact any members of City Council or City employees—other than the solicitation contact person—during the Quiet Period and acknowledge that any such contact shall be grounds for disqualification from the bid or RFP process.

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## UNIFORM INSTRUCTIONS TO OFFEROR(S) SOLICITATION NO. S37-T24529

- 1.0 This RFP does not commit the City of Houston to award a contract, issue a purchase order, or to pay any costs incurred in the preparation of a Proposal in response to this request.
- 2.0 The Proposals will become part of the City's official files without any obligation on the City's part. All Responses shall be held confidential from all parties other than the City until after the contract is awarded. Afterward, the Proposals shall be available to the public.
- 3.0 The City of Houston shall not be held accountable if material from responses is obtained without the written consent of the Offeror by parties other than the City, at any time during the Proposal evaluation process.
- 4.0 In the event an Offeror submits trade secret information to the City, the information must be clearly labeled as a "**Trade Secret.**" The City will maintain the confidentiality of such trade secrets to the extent provided by law.
- 5.0 Offeror(s) shall not offer any gratuities, favors, or anything of monetary value to any official or employee of the City of Houston (including any and all members of Proposal evaluation committees).
- 6.0 Offeror(s) shall not collude in any manner, or engage in any practices, with any other Offeror(s), which may restrict or eliminate competition, or otherwise restrain trade. This is not intended to preclude subcontracts and joint ventures for the purposes of: a) responding to this RFP; or b) establishing a project team with the required experience and/or capability to provide the goods or services specified herein. Conversely, the City can combine or consolidate Proposals, or portions thereof, for the purposes mentioned above.
- 7.0 All Proposals submitted must be the original work product of the Offeror. The copying or paraphrasing of the work product of another Offeror is not permitted.
- 8.0 The RFP and the related responses of the selected Offeror will by reference (within either a contract or purchase order) become part of any formal Agreement between the selected Offeror and the City. The City and the selected Offeror may negotiate a Contract or contracts for submission to City Council for consideration and approval. In the event an Agreement cannot be reached with the selected Offeror, the City reserves the right to select an alternative Offeror. The City reserves the right to negotiate with alternative Offeror the exact terms and conditions of the contract.
- 9.0 Offeror(s), their authorized representatives and their agents are responsible for obtaining, and will be deemed to have, full knowledge of the conditions, requirements, and specifications of the RFP at the time a Proposal is submitted to the City.
- 10.0 The Agreement(s) shall become effective on or about **January 1, 2014** for a term of three (3) years. The City of Houston reserves the option of extending the Agreement(s) on an annual basis for two (2) additional one-year terms, or portions thereof.
- 11.0 If necessary for the completion of tasks required under the project, the City will provide reasonable working space to the Prime Contractor.
- 12.0 Clerical support and reproduction of documentation costs shall be the responsibility of the Prime Contractor. If required, such support and costs shall be defined in the negotiated Agreement.
- 13.0 Prime Contractor personnel essential to the continuity, and the successful and timely completion of the project should be available for the duration of the project unless substitutions are approved in writing by the City Project Director.
- 14.0 The Prime Contractor will be expected to adhere to all standard contractual requirements of the City which shall include, but are not limited to, provisions for: Time Extensions; Appropriation of Available Funds; Approvals; Term and Termination; Independent Contractor; Business Structure and Assignments; Subcontractors; Parties in Interest; Non-Waiver; Applicable Laws; Notices; Use of Work Products; Equal Employment Opportunity; Force Majeure; and Inspections and Audits.

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- 15.0 The City may terminate its performance under a contract in the event of a default by the Prime Contractor and a failure to cure such default after receiving notice of default from the City. Default may result from the Prime Contractor's failure to perform under the terms of the contract or from the Prime Contractor becoming insolvent, having a substantial portion of its assets assessed for the benefit of creditors, or having a receiver or trustee appointed.
- 16.0 Prime Contractor must promptly report to the City Project Director any conditions, transactions, situation, or circumstances encountered by the Prime Contractor which would impede or impair the proper and timely performance of the contract.
- 17.0 The City of Houston has sole discretion and reserves the right to cancel this RFP, or to reject any or all Proposals received prior to contract award.
- 18.0 The City reserves the right to waive any minor informality concerning this RFP, or to reject any or all Proposals or any part thereof.
- 19.0 The City reserves the right to request clarity of any Proposal after they have been received.
- 20.0 The City reserves the right to select elements from different individual Proposals and to combine and consolidate them in any way that best serves the City's interest. The City reserves the right to reduce the scope of the project and evaluate only the remaining elements from all Proposals. The City reserves the right to reject specific elements contained in all Proposals and to complete the evaluation process based only on the remaining items.
- 21.0 The selected Offeror(s) must furnish a "Certificate of Registration" which authorizes them to conduct business in the State of Texas prior to the awarding of the contract. Such Registration is obtained from the Texas Secretary of State's Office, which will also provide the certification thereof.
- 22.0 After contract execution, the successful Offeror shall be the Prime Contractor and responsible party for contracting and communicating the work to be performed to subcontractors, and for channeling other information between the City and subcontractors. Any subcontracting must be specified in the Proposal. Any subcontracting not specified in the Proposal will need prior written approval from the City Purchasing Agent.
- 23.0 Prime Contractor assumes total responsibility for the quality and quantity of all work performed, whether it is undertaken by the Prime Contractor or is subcontracted to another organization.
- 24.0 If subcontractor involvement is required in the use of license, patent, or proprietary process, the Prime Contractor is responsible for obtaining written authorization from the subcontractor to use the process, or provide another process comparable to that which is required and which is acceptable to the City, all at no additional cost or liability to the City.

**GENERAL TERMS AND CONDITIONS**  
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**1.0 INDEMNITY AND RELEASE:**

**1.1 RELEASE**

PRIME CONTRACTOR/SUPPLIER 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.

**1.2 INDEMNIFICATION**

PRIME CONTRACTOR/SUPPLIER 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:

- 1.2.1 PRIME CONTRACTOR/SUPPLIERS AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 1.1-1.3, "PRIME CONTRACTOR/SUPPLIER") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;
- 1.2.2 THE CITY'S AND PRIME CONTRACTOR/SUPPLIER'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER PRIME CONTRACTOR/SUPPLIER IS IMMUNE FROM LIABILITY OR NOT; AND
- 1.2.3 THE CITY'S AND PRIME CONTRACTOR/SUPPLIER'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER PRIME CONTRACTOR/SUPPLIER IS IMMUNE FROM LIABILITY OR NOT.
- 1.2.4 PRIME CONTRACTOR/SUPPLIER SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. PRIME CONTRACTOR/SUPPLIER'S INDEMNIFICATION IS LIMITED TO \$500,000 PER OCCURRENCE. PRIME CONTRACTOR/SUPPLIER SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.
- 1.2.5 CONTRACTOR AGREES TO AND SHALL 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 ALLEGING THAT THE CITY'S USE OF ANY EQUIPMENT, SOFTWARE, PROCESS, OR DOCUMENTS CONTRACTOR FURNISHES DURING THE TERM OF THIS AGREEMENT INFRINGES ON A PATENT, COPYRIGHT, OR TRADEMARK, OR MISAPPROPRIATES A TRADE SECRET. CONTRACTOR SHALL PAY ALL COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS, AND INTEREST) AND DAMAGES AWARDED. CONTRACTOR 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, CONTRACTOR 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 CONTRACTOR SHALL REFUND THE PURCHASE PRICE.

**GENERAL TERMS AND CONDITIONS**  
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1.3 INDEMNIFICATION-SUBCONTRACTOR'S INDEMNITY

1.3.1 CONTRACTOR SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE CITY.

2.0 INDEMNIFICATION PROCEDURES:

2.1 Notice of Claims. If the City or Prime Contractor 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:

2.1.1 a description of the indemnification event in reasonable detail,

2.1.2 the basis on which indemnification may be due, and

2.1.3 the anticipated amount of the indemnified loss.

2.2 This notice does not stop 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 Prime Contractor/Supplier is prejudiced, suffers loss, or incurs expense because of the delay.

2.3 Defense of Claims.

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

2.3.2 Continued Participation. If Prime Contractor 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. Prime Contractor 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 Prime Contractor 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.

3.0 INSURANCE REQUIREMENTS:

3.1 The Contractor shall obtain and maintain in effect during the term of this Agreement, insurance coverage as set forth below and shall furnish certificates of insurance showing the City as an additional insured, in duplicate form, prior to the beginning of the Contract. The City shall be named as an additional insured on all such policies except Professional Liability and Workers' Compensation, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under the Agreement. **The issuer of any policy shall have a Certificate of Authority to transact insurance business in the State of Texas or have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition of Best's Key Rating Guide, Property-Casualty United States.**

3.2 Comprehensive General Liability including Contractual Liability and Automobile Liability insurance shall be in at least the following amounts:

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- 3.2.1 Commercial General Liability Insurance including Contractual Liability:
  - 3.2.1.1 \$500,000 per occurrence
  - 3.2.1.2 \$1,000,000 aggregate, (defense costs excluded from face value of the policy)
- 3.2.2 Workers' Compensation:
  - 3.2.2.1 Amount shall be statutory amount
  - 3.2.2.2 **Employer's Liability cannot be used as a substitute for Workers' Compensation**
- 3.2.3 Automobile Liability (See Note Below):
  - \$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.
- 3.2.4 Employer's Liability:
  - 3.2.4.1 Bodily injury by accident \$100,000 (each accident)
  - 3.2.4.2 Bodily injury by disease \$100,000 (policy limit)
  - 3.2.4.3 Bodily injury by disease \$100,000 (each employee)
- 3.2.5 Professional Liability
  - 3.2.5.1 \$1,000,000 per occurrence \$1,000,000 aggregate
- 3.3 Automobile liability insurance for autos furnished or used in the course of performance of this contract including Owned, Non-owned and Hired Auto coverage (Any Auto coverage may be substituted for Owned, Non-owned and Hired Auto coverage.) If no autos are owned by the Contractor, coverage may be limited to Non-owned and Hired Autos. If Owned Auto coverage cannot be purchased by Contractor, Scheduled Auto coverage may be substituted for Owned Auto coverage. EACH AUTO USED IN PERFORMANCE OF THIS CONTRACT MUST BE COVERED IN THE LIMITS SPECIFIED.
- 3.4 If the City of Houston requires you to maintain in effect insurance coverage during the term of a contract resulting from the City's acceptance of your response to this request for proposal ("potential contract"), all of your insurance policies must require on their face, or by endorsement, that your insurance carrier waives any rights of subrogation against the City of Houston except for Professional Liability insurance. You must give 30-days' written notice to the City Purchasing Agent if any of your insurance policies are to be cancelled, materially changed, or not renewed. Within this 30-day period, you shall provide other suitable policies in lieu of those about to be canceled, materially changed, or not renewed so as to maintain in effect the required coverage. If you do not comply with this requirement, the Purchasing Agent, at his or her sole discretion, may: (1) immediately suspend you from any further performance under the potential contract 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 you under the potential contract.
- 3.5 If any part of the work is sublet, similar insurance shall be provided by or in behalf of the Subcontractor to cover their operations, and the Contractor shall furnish evidence of such insurance, satisfactory to the City. In the event a Subcontractor is unable to furnish insurance in the limits required under the contract, the Contractor shall endorse the Subcontractor as an Additional Insured on their policies excluding Workers' Compensation and Employer's Liability.

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- 3.5.1 (See Insurance Requirements Exhibit for a sample insurance certificate format.)
- 3.5.2 Only unaltered original insurance certificates endorsed by the underwriter are acceptable. Photocopies are unacceptable.
- 3.6 Contractor shall maintain in effect certain insurance coverage, which is described as follows:
- 3.6.1 Form of Policies: The Director may approve the form of the insurance policies, but nothing the Director does or fails to do relieves Contractor from its duties to provide the required coverage under this Agreement. The Director's actions or in-actions do not waive the City's right under this Agreement.
- 3.6.2 Issuers of Policies: The issuer of any policy shall have a Certificate of Authority to transact insurance business in Texas or have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide, Property-Casualty United States.
- 3.6.3 Insured Parties: Each policy, except those for Workers Compensation, Employer's Liability, and Professional Liability, must name the City (and its officers, agents, and employees) as Additional Insured parties on the original policy and all renewals or replacements.
- 3.6.4 Deductibles: Contractor 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.
- 3.6.5 Cancellation: Each policy must state that it may not be canceled, materially modified, or non-renewed unless the contractor gives the Director 30 days' advance written notice. Contractor shall give written notice to the Director within five days of the date on which total claims by any party against Contractor reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.
- 3.6.6 Subrogation: Each policy 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, except for Professional Liability insurance.
- 3.6.7 Endorsement of Primary Insurance: Each policy, except Worker's Compensation and Professional Liability (if any), 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.
- 3.6.7.1 All certificates of insurance submitted by Contractor shall be accompanied by endorsements for additional insured coverage in favor of the City for Commercial General Liability and Automobile Liability policies; and waivers of subrogation in favor of the City for Commercial General Liability, Automobile Liability, and Worker's Compensation/Employers' Liability policies. For a list of pre-approved endorsement, forms see <http://purchasing.houstontx.gov/forms.shtml>. The Director will consider all other forms on a case-by-case basis.
- 3.6.8 Liability for Premium: Contractor shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.
- 3.6.9 Subcontractors: Contractor 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. Contractor shall provide copies of insurance certificates to the Director.
- 3.6.10 Proof of Insurance: On the effective date and at any time during the Term of this Agreement, Contractor shall furnish the Director with Certificates of Insurance, along with an Affidavit from Contractor confirming that the Certificates accurately reflect the insurance coverage maintained. If requested in writing by the Director, Contractor shall furnish the City with certified copies of Contractor's actual insurance policies.

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3.6.10.1 Contractor shall continuously and without interruption, maintain in force the required insurance coverage's specified in this Section. If Contractor does not comply with this requirement, the Director, at his or her sole discretion, may immediately suspend Contractor from any further performance under this Agreement and begin procedures to terminate for default, or

3.6.10.2 Purchase the required insurance with City funds and deducts the cost of the premiums from amounts due to Contractor under this Agreement.

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

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

**4.0 CONTRACTOR PERFORMANCE LANGUAGE:**

4.1 Contractor should make citizen satisfaction a priority in providing services under this contract. Contractor's employees should be trained to be customer-service oriented and to positively and politely interact with citizens when performing contract services. Contractor's employees should be clean, courteous, efficient and neat in appearance at all times and committed to offering the highest degree of service to the public. If, in the Director's determination, the Contractor is not interacting in a positive and polite manner with citizens, the Contractor shall take all remedial steps to conform to the standards set by this contract and is subject to termination for breach of contract.

**5.0 INSPECTIONS AND AUDITS:**

5.1 City representatives may have the right to perform, or have performed, (1) audits of Contractor's books and records, and (2) inspections of all places where work is undertaken in connection with this Agreement. Contractor shall keep its books and records available for this purpose for at least three (3) years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

**6.0 INTERPRETING SPECIFICATIONS:**

6.1 *The specifications and product references contained herein are intended to be descriptive rather than restrictive. The City is soliciting Proposals to provide a complete product and service package, which meets its overall requirements. Specific equipment and system references may be included in this RFP for guidance, but they are not intended to preclude Offeror(s) from recommending alternative solutions offering comparable or better performance or value to the City. Unless specifically stated otherwise with regard to a specific item of equipment, it should be assumed that the City requires all equipment proposed for this project to be supported by a manufacturer's warranty, which is equal to or better than the prevailing standard in the industry.*

6.2 Changes in the specifications, terms and conditions of this RFP will be made in writing by the City prior to the Proposal due date. Results of informal meetings or discussions between a potential Offeror(s) and a City of Houston official or employee may not be used as a basis for deviations from the requirements contained in this RFP.

**7.0 CONTRACTOR DEBT:**

7.1 **IF CONTRACTOR, 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 CONTRACTOR HAS INCURRED A DEBT, HE SHALL IMMEDIATELY NOTIFY CONTRACTOR IN WRITING. IF CONTRACTOR 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 CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY RECOURSE THEREFOR.**

**SPECIAL TERMS AND CONDITIONS**  
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**1.0 LOCAL MINORITY/WOMEN BUSINESS ENTERPRISE PARTICIPATION:**

- 1.1 Contractor shall comply with the City's Minority and Women Business Enterprise ("M/WBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good faith efforts to award subcontracts or Supply Agreements in at least **24%** of the value of this Agreement to M/WBEs. Contractor 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.
- 1.2 Contractor shall require written subcontracts with all M/WBE subcontractors and shall submit all disputes with M/WBEs to binding arbitration to be conducted in Houston, Texas, if directed to do so by the OBO Director. M/WBE subcontracts must contain the Terms set out in **Exhibit II**.

**2.0 CITY CONTRACTORS' PAY OR PLAY PROGRAM:**

- 2.1 The requirements and terms of the City of Houston Pay or Play Program, as set out in Executive Order 1-7, are incorporated into this Agreement for all purposes. Contractor has reviewed Executive Order No. 1-7 and shall comply with its Terms and Conditions as they are set out at the time of City Council approval of this Agreement. This provision requires certain Contractors to offer to certain employees a minimal level of health benefits or to contribute a designated amount to be used to offset the costs of providing health care to uninsured people in the Houston/Harris County area. Failure to complete **Exhibit X** "Pay or Play" Acknowledgement Form & Certification of Agreement to Comply with Pay or Play Program may be just cause for rejection of your Proposal.

**3.0 CITY CONTRACTOR OWNERSHIP DISCLOSURE ORDINANCE:**

- 3.1 City Council requires knowledge of the identities of the owners of entities seeking to contract with the City in order to review their indebtedness to the City prior to entering into contracts. Therefore, all respondents to this RFP must comply with Houston Code of Ordinances Chapter 15, as amended (Sections 15-122 through 15-126) relating to the disclosure of owners of entities bidding on, proposing for or receiving City contracts.
- 3.2 Completion of Exhibit VI – "Affidavit of Ownership or Control" will satisfy this requirement. Failure to provide this information may be just cause for rejection of your Bid or Proposal.

**4.0 CITY OF HOUSTON FAIR CAMPAIGN ORDINANCE:**

- 4.1 The City of Houston Fair Campaign Ordinance makes it unlawful for a Contractor to offer any contribution to a candidate for City elective office. For purposes of this ordinance a contract is defined as any contract for goods or services having a value in excess of \$30,000 or more, regardless of the way by which it was solicited or awarded. **Exhibit V** of this RFP describes the contract and documentation requirements relating to this Ordinance.

**5.0 DRUG DETECTION AND DETERRENCE PROCEDURES FOR CONTRACTORS:**

- 5.1 It is the policy of the City to achieve a drug-free workforce and to provide a workplace that is free from the use of illegal drugs and alcohol. It is also the policy of the City that the manufacture, distribution, dispensation, possession, sale or use of illegal drugs or alcohol by Contractors while on City premises is prohibited. Accordingly, effective September 1, 1994, and pursuant to the Mayor's Executive Order 1-31, as a condition to the award of any contract for labor or services, a successful Offeror(s) must certify to its compliance with this policy. **EXHIBIT VII** contains the standard language, which will be used in each contract for labor or services, as well as the Executive Order 1-31 disclosure and compliance forms (Attachments A, B, and C). These forms must be completed and returned prior to award.

**6.0 HIRE HOUSTON FIRST:**

- 6.1 **Designation as a City Business or Local Business**

**SPECIAL TERMS AND CONDITIONS**  
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6.1.1 To be designated as a City or Local Business for the purposes of the Hire Houston First Program, as set out in Article XI of Chapter 15 of the Houston City Code, a bidder or proposer must submit the **Hire Houston First Application and Affidavit (“HHF Affidavit”)** to the Director of the Mayor’s Office of Business Opportunities and receive notice that the submission has been approved prior to award of a contract. Bidders are encouraged to secure a designation prior to submission of a bid or proposal if at all possible.

6.1.2 **Download the HHF Affidavit** from the Office of Business Opportunities Webpage at the City of Houston e-Government Website at the following location:

<http://www.houstontx.gov/hbsc/hirehoustonfirstaffidavit.pdf>

6.1.3 Submit the completed application forms to: Mayor’s Office of Business Opportunity, One Stop Business Center, 900 Bagby St., Public Level, Houston, TX 77002 or Applications may be submitted via e-mail to [HHF-MOBO@houstontx.gov](mailto:HHF-MOBO@houstontx.gov) or faxed to 832.393.0952 or Applications may be submitted with proposal response.

**Award of Procurement Pursuant to a Request for Proposal, Best Value Solicitation or Alternative-- Pursuant to Chapter 15 of the City Code of Ordinances**

6.2.1 IN EVALUATION OF A PROPOSAL SUBMITTED UNDER ANY OF THE ABOVE PROCUREMENT METHODS, THE CITY SHALL AWARD EXTRA POINTS EQUAL TO

- **THREE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A “LOCAL BUSINESS,” AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES, AND
- **FIVE PERCENT** OF THE TOTAL EVALUATION POINTS AVAILABLE TO A “CITY BUSINESS,” AS DEFINED IN SECTION 15-176 OF THE CITY OF HOUSTON CODE OF ORDINANCES
- UNLESS THE USER DEPARTMENT DETERMINES THAT AN AWARD TO THE LOCAL OR CITY BUSINESS WOULD UNDULY INTERFERE WITH CONTRACT NEEDS, AS PROVIDED IN SECTION 15-181 OF THE CODE.

**7.0 PROJECT ADMINISTRATION:**

7.1 Questions regarding the scope of the project, technical specifications, proposed applications, etc., may be addressed to the project manager at the Pre-Proposal conference.

**8.0 PROCUREMENT TIMELINE/SCHEDULE:**

8.1 Listed below are the important and estimated completion dates and times for this Request for Proposal (RFP).

<b><u>EVENT</u></b>	<b><u>DATE</u></b>
Date of RFP Issued	March 8, 2013
Pre-Proposal Conference	March 15, 2013
Questions from Proposers Due to City	March 20, 2013
Proposals Due from Offeror(s)	April 5, 2013
Notification of Intent to Award ( <i>Estimated</i> )	June 21, 2013
Council Agenda Date ( <i>Estimated</i> )	December 4, 2013
Contract Start Date ( <i>Estimated</i> )	December 31, 2013

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# SPECIFICATIONS / SCOPE OF WORK

## SOLICITATION NO.: S37-T24529

### 1.0 BACKGROUND

1.1 The City of Houston (COH), through the issue of this RFP, invites established certified public accounting firms to participate in the COH selection process to submit proposals for the purpose of providing professional services audits of the basic financial statements as listed in the COH Comprehensive Annual Financial Report (CAFR), an audit of the Schedule of Expenditures of Federal and State Awards (SEFA) and special services as needed. Current audit has a budget of approximately 10,000 professional hours. The FY 2011 and 2012 audits were completed in approximately six months. The FY 2013 audit is scheduled to be completed in five months. Background financial reports are available on the COH's website as follows:

1.1.1 FY 2012 CAFR

<http://www.houstontx.gov/controller/cafr/cafr2012.pdf>

1.1.2 FY 2012 Single Audit Report

<http://www.houstontx.gov/finance/singleaudit/singleaudit-20120630.pdf>

1.1.3 FY 2013 Budget

<http://www.houstontx.gov/budget/13budadopt/index.html>

### 2.0 DEFINITIONS

2.1 The authors of this RFP have made every attempt to use the terms defined in this section consistently and as defined in this section. Proposers should seek clarification of any term (whether defined in this section or not) that is used inconsistently or considered unclear.

2.1.1 **“Audit Committee”** means the Finance Director and the City Controller.

2.1.2 **“Basic Services”** is defined in Section 3.1.

2.1.3 **“Data Collection Form”** means the federal form reporting grant data required by the Federal Audit Clearinghouse.

2.1.4 **“Director”** means the Finance Director.

2.1.5 **“Generally Accepted Auditing Standards”** means auditing standards generally accepted in the United States of America.

2.1.6 **“Investment Committee”** means the committee chaired by the City Controller.

2.1.7 **“Mayor”** means the Mayor of the COH or her designated representative.

2.1.8 **“Out-of-Pocket Costs”** means the ordinary and reasonable costs of copying, printing, postage, messenger and delivery services incurred by the Auditor in the course of his/her performance of services under this contract. **Out-of-Pocket Costs** also includes the ordinary and reasonable cost of travel and per diem expenses or travel authorized by the Director or his/her designee.

2.1.9 **“Parties”** means all the entities set out in the Preamble who are bound by this Agreement.

# SPECIFICATIONS / SCOPE OF WORK

## SOLICITATION NO.: S37-T24529

2.1.10 “Special Services” is defined in Section 4.0.

### 3.0 DUTIES OF AUDITOR

The COH desires Auditor to perform two categories of services as set out below. Auditor shall provide all labor, materials, and supervision necessary to perform the Basic Services and, if requested and agreed to by Auditor, the Special Services, as well.

### 3.1 BASIC SERVICES

3.1.1 **Task 1:** Audit of Comprehensive Annual Financial Report (CAFR) commencing with fiscal year beginning July 1, 2013.

3.1.1.1 Auditor shall conduct annual financial audits of the COH's basic financial statements for the fiscal years ending June 30, 2014, 2015, and 2016. These audits shall be performed in accordance with generally accepted auditing standards; standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (“OMB”) Circular A-133, *Audits of States, Local Governments and Non-profit Organizations, as amended*.

3.1.1.2 The Auditor shall plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements, whether caused by error or fraud, and shall perform tests of the COH's compliance with certain provisions of laws, regulations, contract, and grants. However, because of the characteristics of fraud, particularly those involving concealment and falsified documentation (including forgery), a properly planned and performed audit may not detect a material misstatement. Therefore, an audit conducted in accordance with generally accepted auditing standards is designed to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. An audit is not designed to detect error or fraud that is immaterial to the financial statements or to detect immaterial instances of noncompliance.

3.1.1.3 In conjunction with its annual financial audit, the Auditor shall perform a compliance audit of management controls on investments, adherence to the COH's established investment policies and the quarterly reports prepared by the investment manager. The results of the review shall be reported to the Investment Committee.

3.1.1.4 As part of the audit, the Auditor shall consider the COH internal control process and assess control risk, as required by generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, for the purpose of establishing a basis for determining the nature, timing, and extent of auditing procedures necessary for expressing an opinion on the financial statements, and not as a means for providing assurance on the COH's internal control process or

**SPECIFICATIONS / SCOPE OF WORK**  
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to identify reportable conditions.

3.1.1.5 The auditing procedures shall include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. The Auditor shall make audit inquiries and request written responses from the COH's attorneys as part of the engagement.

3.1.1.6 As part of the audit of compliance with the requirements of major federal programs, the Auditor shall obtain an understanding of the COH internal control process related to administering major federal programs and the Auditor shall assess risk as required by OMB Circular A-133 for the purpose of establishing the nature, timing, and extent of auditing procedures necessary for expressing an opinion concerning compliance with laws and regulations related to major federal award programs.

3.1.1.7 As required by OMB Circular A-133, the compliance audit shall also include tests of transactions related to federal award programs for compliance with applicable laws and regulations. However, because of the concept of reasonable assurance and because the Auditor shall not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or illegal acts may exist and not be detected by the Auditor. The Auditor shall advise the COH; however, of any related matters that come to the Auditor's attention, and shall include such matters in the reports required for an audit in accordance with OMB Circular A-133. The Auditor's responsibility as Auditor is limited to the periods for which the auditor has been engaged as auditor or for which the Auditor has performed substantive auditing procedures.

3.1.1.8 The report on the Auditor's understanding of the COH internal control process and the assessment of control risk made as part of the COH financial statement audit shall include: (1) the scope of our work in obtaining an understanding of the COH internal control and in assessing the control risk; and (2) the reportable conditions, including the identification of material weaknesses identified as a result of the Auditor's work in understanding and assessing the control risk.

3.1.1.9 The Auditor shall complete and sign one copy of the Auditor's information section of the Data Collection form. COH management must prepare all other sections of the form and sign the form prior to its submission to the Federal Audit Clearinghouse.

3.1.1.10 The Auditor's ability to express an opinion and render those reports and the wording of the Auditors opinion and reports, will be dependent on the facts and circumstances at the date of such reports. If, for any reason, the Auditor is unable to complete the audit or is unable to form or has not formed an opinion, the Auditor may decline to express an opinion or decline to issue a report as a result of this engagement. If the

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Auditor is unable to complete the audit or if the auditor's reports require modification, the Auditor shall discuss the reasons with the Director.

3.1.1.11 The Auditor understands that the Auditor's reports on the COH internal control (as part of the financial statement audit and in compliance with laws and regulations) are intended for the information of the management and others within the COH and applicable federal and statute granting organizations.

3.1.1.12 The Auditor shall advise the COH Controller as the COH Controller prepares and compiles the Comprehensive Annual Financial Report (CAFR) in accordance with Governmental Accounting and Financial Reporting Standards which is published and issued by the Governmental Accounting Standards Board (GASB) and all eligibility requirements of the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program.

3.1.1.13 The Auditor shall determine and issue reports including opinions on:

3.1.1.13.1 The entity-wide financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COH, which collectively comprise the COH's basic financial statements as of the year end, and the respective changes in financial position and cash flows, where applicable, for the year then ended.

3.1.1.13.2 The financial statements of the Houston Airport System at year end, and the changes in financial position and cash flows thereof for the year then ended.

3.1.1.13.3 Whether the COH meets the financial assurance requirements of the Texas Commission on Environmental Quality (TCEQ).

3.1.1.13.4 Auditor shall prepare a management recommendation letter. The letter may communicate opportunities for the COH to improve the economy and efficiencies of the COH financial management practices that come to the Auditors attention during the audit process. The letter shall contain the responses from the responsible COH Department Directors. Prior to issuance, the Auditor shall review the proposed draft letter with the Director of Finance and the COH Controller. Subsequent to issuance, the Auditor shall review the final letter with the Mayor and City Council, if requested to do so. At the request of the COH and, within 90 days after the issuance of the management recommendation letter, the Auditor shall evaluate the quality of the implementation of all agreed-to recommendations and submit a report on the status and condition of implementation to the Director of Finance and the COH Controller.

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**3.1.2 Task 2: Single Audit Report including the SEFA**

**3.1.2.1** In conjunction with the CAFR financial audit, the Auditor shall perform an audit of federal awards under the Single Audit Act, 1996, as amended, Office of Management and Budget (OMB) Circular A-133, dated 1997 and any amendments or supplements thereto. Successor publications will also apply in addition to the auditor requirements of OMB Circular A-133; the Auditor shall perform the following tasks:

**3.1.2.2** The Auditor shall assist the COH, up to a maximum of 20 hours, in its efforts to obtain acceptance of the Plan for Corrective Action by the Federal Cognizant Agency.

**3.1.2.3** At the request of the Director, the Auditor shall conduct follow-up on corrective actions taken by the COH ninety (90) days after issuance of the final audit report, evaluate the COH's progress in correcting the problems, and separately report the findings to the Director of Finance and to the COH Controller.

**3.1.2.4** At the request of the Director, the Auditor shall follow-up on single-audit findings and recommendations to ascertain that resolution has been achieved. The Auditor shall, by the end of each month, submit a report to the Director and COH Controller on the quality and timeliness of individual resolution decisions.

**3.1.3 Task 3: State of Texas Single Audit Circular (Uniform Grant Management Standard)**

**3.1.3.1** In conjunction with the CAFR audit, the Auditor shall also perform auditing procedures on the COH state programs in accordance with the provisions of the State of Texas Single Audit Circular (Uniform Grant Management Standard)

**3.1.3.2** Prior to the COH publication of the State Single Audit Report, the Auditor shall review and evaluate the proposed Plan for Corrective Action.

**3.1.3.3** The Auditor shall assist the COH, up to a maximum of 20 hours, in its efforts to obtain acceptance of the Plan for Corrective Action by the State Cognizant Agency.

**3.1.3.4** At the request of the Director, the Auditor shall conduct follow-up on corrective actions taken by the COH ninety (90) days after issuance of the final audit report, evaluate the COH's progress in correcting the problems and report separate findings to the Director of Finance and the COH Controller.

**3.1.3.5** At the request of the Director, the Auditor shall be responsible for follow-up on State single audit findings and recommendations to ascertain that resolution has been achieved. The Auditor shall, by the end of each month, submit a report to the Director and COH Controller on the quality and timeliness of individual resolution decisions.

**3.1.4 Reports to be issued: Following the completion of the audit of each fiscal year's financial statements, the auditor shall issue:**

**3.1.4.1** A report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

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3.1.4.2 A report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with Government Auditing Standards.

3.1.4.3 A report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.

**4.0 SPECIAL SERVICES**

4.1 Special Services shall be requested in a written notice signed by the Mayor or designee only if City Council has allocated sufficient funds to pay for these Services.

4.1.1 Determine whether the COH is in substantial compliance with the significant financial and accounting requirements of ordinances pertaining to the revenue bonds associated with the various enterprise funds. The documents requiring opinions are:

4.1.1.1 Convention & Entertainment Facilities Department -Schedule of Pledged Revenues and Debt Service Requirements;

4.1.1.2 Airport - Schedule of Overhead and Direct Charges; Schedule of Gross Revenues, Net Revenues, and Debt Service Requirements;

4.1.1.3 Water and Sewer - Schedule of Gross Revenues, Net Revenues and Debt Service Requirements;

4.1.2 Selected Audits/Reviews/Corrective Action Plans. The Auditor may be requested to conduct various financial audits, and/or corrective action plans and reviews of COH activities and funds.

4.1.3 Other Audits. The Auditor shall furnish all services and materials necessary for the performance of financial and compliance audits of any fund, department, or division operations of the COH not included in the Scope of Services for Basic Services.

4.1.4 Travel. The Auditor shall journey to places outside Harris County, Texas in connection with any Special Services.

4.1.5 Expert Witness. The Auditor may be requested to assist the COH as an expert witness in litigation with third parties or administrative proceedings.

4.1.6 Special Investigations or Studies. The Auditor shall conduct special investigations or studies within the Auditor's expertise, but not specified as a Basic Service.

4.1.7 Bond and Note Offerings. The Auditor shall furnish all services and materials necessary to render consents, to date reviews or other requested services for use in connection with the sale of bonds, notes, etc.; prepare and submit written reports with respect to such funds; advise and assist the COH in connection with such work and in connection with the

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preparation of various official statements relating thereto. In a typical year, the COH will have four to six offerings:

- 4.1.7.1 A tax and revenue anticipation note for General Fund cash flow;
- 4.1.7.2 A public improvement bond issue;
- 4.1.7.3 Two utility system issues; and
- 4.1.7.4 An airport system and/or convention and entertainment system issue.

4.1.8 Conferences. The Auditor shall attend periodic conferences with COH officials and regulatory officials.

4.1.9 Quality Control Review (QCR). The Auditor shall review and evaluate the work of other CPA firms engaged by the COH. Such QCR will be provided for within the other CPA firm's contract with the COH and may be performed in conjunction with members of the COH Auditor's or federal cognizant audit agency staffs.

4.1.10 Governmental Accounting Standards Board. The Auditor shall furnish services and materials necessary or proper for the performance of reviewing the COH's planning, preparation and implementation of GASB pronouncements.

4.1.11 Training for Finance Department and Other City Staff. Each year of the contract, the Auditor shall provide training as outlined below:

4.1.11.1 Accounting and Auditing Updates

Provide a one-day seminar (equivalent to 8 CPE credits, including 2 credits of ethics) discussing accounting principles generally accepted in the United States of America, issues related to the COH, recently issued, recently adopted and/or proposed GASB pronouncements of significance to the City, and ethics. This seminar will be provided to the Finance Department personnel and other COH personnel designated by the Finance Director.

4.1.12 Any other services requested.

**5.0 COORDINATION OF PERFORMANCE**

5.1 Auditor shall coordinate its performance with the Director and other persons whom the Director designates.

**6.0 REPORTS**

6.1 Auditor shall provide progress updates as requested by the Director.

**7.0 SCHEDULE PERFORMANCE - GENERAL**

7.1 Time of Performance

Auditor's Services shall commence upon the date specified in a written Notice to Proceed letter from the Director, shall be diligently performed thereafter, and shall be completed within the following specified times, as specified below, in Section 7.2, unless an extension of time is agreed to by the Director, in writing.

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7.2 Due Dates

Due dates or subtasks and deliverables are given in the table below (7.2.1 and 7.2.2). Dates are the same for each Fiscal Year that the Auditor provides Basic Services and assumes that the COH's personnel provide the underlying reporting documents based on an agreed upon timetable that allows ample time for the Auditors to complete their work.

7.2.1 Task 1 – Audit Comprehensive Annual Financial Report (CAFR) for preceding Fiscal Year.

7.2.1.1 CAFR (Including Schedule Expenditures of Federal and State Awards)

Draft Report: October 27

Issue final Report: On or before November 15 **of each year.**

7.2.1.2 Houston Airport System CAFR

Draft Report: October 27

Issue Final Report: On or before November 15 **of each year.**

7.2.1.3 Adjusting Journal Entries

Proposed: Submit to COH Controller for review and approval prior to Draft CAFR

7.2.1.4 Opinion on Bond Compliance

Issue Final Report: On or before November 15 **of each year.**

7.2.1.5 Management Recommendation Letters

Draft Final Letter: On or before November 30

Issue Final Letter: On or before November 30 **of each year.**

7.2.2 Task 2 and Task 3 – (Single Audit Report for preceding Fiscal Year):

7.2.2.1 Preparation of SEFA for inclusion in CAFR

Completion: Same as CAFR dates.

7.2.2.2 Accountants' Reports - OMB Circular A-133

Draft Reports: Prepare and hold exit conference with Departments by November 15 **of each year.**

Draft Reports: Prepare and hold exit conference with Director of Finance and COH Controller by November 15 **of each year.**

7.2.2.3 **Follow-up:** 90 days after issuance of the Single Audit Issue Report: February 28, **of each year.**

**8.0 PERSONNEL OF THE AUDITOR**

8.1 Auditor shall replace any of its personnel or subcontractors whose work product is deemed unsatisfactory by the Director.

**9.0 WARRANTIES**

9.1 Auditor's performance shall conform to the generally accepted auditing standards, applicable to financial auditors contained in *Government Auditing Standards* (issued by the Comptroller General to

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the United States) and Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-profit organizations.*

**10.0 LICENSES & PERMITS**

- 10.1 Auditor shall obtain, maintain, and pay for all licenses, permits and certificates including all professional licenses required by any statute, ordinance, rule, or regulation for the performance of the contract.

**11.0 AUDITOR'S DUTIES**

- 11.1 In connection with the planning and the performance of the audit, generally accepted auditing standards and *Government Auditing Standards* require that certain matters be communicated to the Audit Committee. The Auditor shall report directly to the Audit Committee any fraud of which the Auditor becomes aware that involves senior management and any fraud (whether caused by senior management or other employees) of which the Auditor becomes aware that causes a material misstatement of the financial statements. The Auditor shall report to senior management any fraud perpetrated by lower level employees of which the Auditor becomes aware that does not cause a material misstatement to the financial statements; however, the Auditor shall not report such matters directly to the Audit Committee, unless otherwise directed by the Audit Committee. The Auditor shall inform the appropriate level of management of the COH and determine that the Audit Committee is adequately informed with respect to illegal acts that have been detected or have otherwise come to the Auditor's attention in the course of the audit, unless the act is clearly inconsequential.
- 11.2 If, after determining that the Audit Committee has been adequately informed of an illegal act that was detected or which has otherwise come to the Auditor's attention in the course of the audit, the Auditor concludes that: (1) the illegal act has a material effect on the financial statements; (2) senior management has not taken, and the Audit Committee has not caused senior management to take, timely and appropriate remedial actions with respect to the illegal act; and (3) the failure to take appropriate remedial actions is likely to result in a departure from the standard auditor's report or warrant the auditor's resignation from the audit engagement, the Auditor shall directly report the Auditor's conclusions to the Audit Committee and take such actions as are required, by state or federal law to report such matters to funding agencies and appropriate legal authorities.
- 11.3 The Auditor shall also report directly to COH management and the Audit Committee on matters coming to the Auditor's attention during the course of the audit that the Auditor believes are reportable conditions. Reportable conditions are significant deficiencies in the design or operation of internal control that could adversely affect the COH's ability to record, process, summarize, and report financial data consistent with the assertions of COH management within the financial statements.
- 11.4 In addition, the Auditor shall communicate to the Audit Committee, or determine that the Audit Committee is informed about certain other matters relating to the conduct of the audit, including, when applicable:
- 11.4.1 The Auditor's responsibility as auditors under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133;

**SPECIFICATIONS / SCOPE OF WORK**  
**SOLICITATION NO.: S37-T24529**

- 11.4.2 Significant accounting policies;
  - 11.4.3 Management judgments and accounting estimates;
  - 11.4.4 Audit adjustments;
  - 11.4.5 Other information in documents containing audited financial statements;
  - 11.4.6 Disagreements with management;
  - 11.4.7 Consultation by management with other accountants on significant matters;
  - 11.4.8 Difficulties encountered in performing the audit;
  - 11.4.9 Major issues discussed with management prior to COH's retention of Auditor.
- 11.5 The Auditor may also have other comments for management on matters Auditor observes and on possible ways to improve the efficiency of the COH's operations or other recommendations concerning internal control.
- 11.6 With respect to these communications, the Auditor shall discuss all comments, if appropriate, with the level of COH management responsible for these matters, prior to their communication to senior management and/or the Audit Committee.

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# **PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS**

## **SOLICITATION NO.: S37-T24529**

To simplify the review process and to obtain the maximum degree of comparability, the Proposal must follow the outline as set forth below and, at a minimum, contain the information as requested. Offeror(s) are encouraged to include additional relevant information.

### **1.0 TITLE PAGE:**

1.1 The title page should include the title and number of the RFP, name and address of the Offeror(s), and the date of the Proposal.

### **2.0 OFFER & SUBMITTAL FORM:**

2.1 PROPOSAL MUST BE SIGNED AND NOTORIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED AND THE TOTAL FIXED PRICE CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.

### **3.0 LETTER OF TRANSMITTAL:**

3.1 A letter of transmittal shall include the following:

3.1.1 The names, titles, addresses, and telephone numbers of the individuals who are authorized to make representation on behalf of the Offeror.

3.1.2 A statement that the per-unit proposed price and/or lump sum (if prices are proposed) is the total fixed price for the equipment and services enumerated.

3.1.3 A statement that the person signing the letter of transmittal is authorized to legally bind the Offeror; that the Proposal and the total fixed price contained therein shall remain firm for a period of one hundred-eighty (180) days, and that the Proposal will comply with the requirements and arrangements stated in the RFP.

### **4.0 EXPERTISE/EXPERIENCE/QUALIFICATION STATEMENT:**

4.1 Provide a brief statement describing the Offeror's background information, history, resources and/or track record. Please limit to three (3) pages.

4.2 Provide an organizational chart of proposed team or staff for this project.

4.3 Provide resumes of key personnel whom will be responsible for the delivery of the services/project.

4.4 Provide copies of key personnel certifications and/or licenses.

### **5.0 PROPOSED STRATEGY AND OPERATIONAL PLAN:**

5.1 Provide a detailed description and methodology of the proposed plan for the RFP requirements, which should include, but not be limited to the following:

5.1.1 A brief statement of the Offeror understanding of the work to be done; and

5.1.2 A detailed description that clearly defines the method of approach that will be utilized in the successful achievement of the RFP's intended Scope of Work.

# **PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS**

## **SOLICITATION NO.: S37-T24529**

### **6.0 FINANCIAL STATEMENTS:**

6.1 Submit your company's audited annual financial statements, in accordance with and as defined in the Financial Accounting Standards Board (FASB) regulation(s) for the past two years. In addition, include your and Dunn & Bradstreet Report or Federal Tax Forms Filed to the Internal Revenue Service (IRS) for the past two years.

### **7.0 CONTENTS:**

7.1 The contents should be identified by section, description, page number, and should include, at a minimum, the following sections:

7.1.1 Title Page

7.1.2 Signed and Notarized Offer and Submittal Form (Exhibit I)

7.1.3 Letter of Transmittal

7.1.4 Expertise/Experience/Reliability Statement

7.1.5 Organizational Chart, Resumes and Certifications/Licenses of Proposed Key Personnel

7.1.6 Proposed Strategy/Operational Plan

7.1.7 Proposed Equipment (If Applicable)

7.1.8 Financial Statement and Dunn & Bradstreet Reports or Federal Tax Forms Filed for Past Two Years

7.1.9 Signed M/WBE Forms: Attachment "A" Schedule of M/WBE Participation, and Attachment "B" Letter of Intent (Exhibit II)

7.1.10 List of References and List of Proposed Subcontractors (Exhibit I)

7.1.11 Pricing Form/Fee Schedule (Exhibit III)

7.1.12 Fair Campaign Ordinance Form "A" (Exhibit V)

7.1.13 Affidavit of Ownership or Control (Exhibit VI)

7.1.14 Drug Compliance Agreement Attachment "A" and Contractor's Certification of No Safety Impact Positions Attachment "C" (Exhibit VII)

7.1.15 Anti-Collusion Statement (Exhibit VIII)

7.1.16 Conflict of Interest Questionnaire (Exhibit IX)

7.1.17 City Contractors' Pay or Play Acknowledgement Form and Pay or Play Certificate Agreement (Exhibit X)

7.1.18 Hire Houston First Affidavit (Download Copy at <http://purchasing.houstontx.gov/index.shtml> and submit to MOBO via e-mail to [HHF-MOBO@houstontx.gov](mailto:HHF-MOBO@houstontx.gov) or fax to 832.393.0952) or submit copy with proposal.

7.1.19 Requested Information Outlined in the Scope of Work and Other Additional Relevant/Supporting Information or Alternate Proposals

**EVALUATION AND SELECTION PROCESS**  
**SOLICITATION NO.: S37-T24529**

**1.0 EVALUATION SUMMARY:**

1.1 An evaluation committee will develop a short list of Offeror(s) based upon the initial review of each Proposal received. The short listed Offeror(s) may be scheduled for a structured oral presentation, demonstration and/or interview. Such presentations will be at no cost to the City of Houston. At the end of the oral presentation, demonstration and/or interview, the evaluation of the short listed Offeror(s) will be completed. However, the evaluation committee reserves the right to issue letter(s) of clarity when deemed necessary to any or all Offeror(s). The oral presentations, demonstrations and/or interview may be recorded and/or videotaped.

**2.0 SELECTION PROCESS:**

2.1 The award of this contract(s) will be made to the respondent(s) offering the response which best meets the needs of the City. The City may make investigations, as it deems necessary, to determine the capabilities of the Offeror(s) to create, modify and implement the required application modules. The Offeror(s) shall furnish to the City such data as the City may request for this purpose. The City reserves the right to reject any offer if the evidence submitted by or the investigation of the Offeror(s) fails to satisfy the City or the Offeror(s) is deemed unqualified to provide the services contemplated. Each Proposal will be evaluated on the basis of the following evaluation criteria that are listed in order of importance below:

2.1.1	Expertise/Experience/Qualifications	35
2.1.2	Local Government Auditing Experience	25
2.1.3	Proposed Strategy and Operational Plan	25
2.1.4	Cost	10
2.1.5	M/WBE Participation	5

\* Hire Houston First Preference Points (City Business = five (5) extra percentage points or Local Business = three (3) extra percentage points and Non-City and Non-Local Business will receive zero (0) extra percentage points).

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**EXHIBIT I – OFFER AND SUBMITTAL, REFERENCES,  
PROPOSED SUBCONTRACTORS  
SOLICITATION NO.: S37-T24529**

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**EXHIBIT I – OFFER AND SUBMITTAL**  
**SOLICITATION NO.: S37-T24529**

NOTE: PROPOSAL MUST BE SIGNED AND NOTORIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED AND THE TOTAL FIXED PRICE CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.

"THE RESPONDENT WARRANTS THAT NO PERSON OR SELLING AGENCY HAS BEEN EMPLOYED OR RETAINED TO SOLICIT OR SECURE THIS CONTRACT UPON AN AGREEMENT OR UNDERSTANDING FOR A COMMISSION, PERCENTAGE, BROKERAGE, OR CONTINGENT FEE, EXCEPTING BONA FIDE EMPLOYEES. FOR BREACH OR VIOLATION OF THIS WARRANTY, THE CITY SHALL HAVE THE RIGHT TO ANNUL THIS AGREEMENT WITHOUT LIABILITY OR, AT ITS DISCRETION, TO DEDUCT FROM THE CONTRACT PRICES OR CONSIDERATION, OR OTHERWISE RECOVER THE FULL AMOUNT OF SUCH COMMISSION, PERCENTAGE, BROKERAGE OR CONTINGENT FEE."

Respectfully Submitted:

\_\_\_\_\_  
(Print or Type Name of Contractor – Full Company Name)

City of Houston Vendor No. (If already doing business with City): \_\_\_\_\_

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

By: \_\_\_\_\_  
(Signature of Authorized Officer or Agent)

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

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

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

Address of Contractor: \_\_\_\_\_  
Street Address or P.O. Box  
\_\_\_\_\_  
City – State – Zip Code

Telephone No. of Contractor: (\_\_\_\_\_) \_\_\_\_\_

Signature, Name and title of Affiant: \_\_\_\_\_

\_\_\_\_\_  
(Notary Public in and for)  
\_\_\_\_\_ County, Texas

My Commission Expires: \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_

**EXHIBIT I – REFERENCES**  
**SOLICITATION NO.: S37-T24529**

**LIST OF PREVIOUS CUSTOMERS**

- 1. Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contract Award Date: \_\_\_\_\_ Contract Completion Date: \_\_\_\_\_  
Contract Name/Title: \_\_\_\_\_  
System Description: \_\_\_\_\_  
\_\_\_\_\_
  
- 2. Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contract Award Date: \_\_\_\_\_ Contract Completion Date: \_\_\_\_\_  
Contract Name/Title: \_\_\_\_\_  
System Description: \_\_\_\_\_  
\_\_\_\_\_
  
- 3. Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contract Award Date: \_\_\_\_\_ Contract Completion Date: \_\_\_\_\_  
Contract Name/Title: \_\_\_\_\_  
System Description: \_\_\_\_\_  
\_\_\_\_\_
  
- 4. Name: \_\_\_\_\_ Phone No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Contract Award Date: \_\_\_\_\_ Contract Completion Date: \_\_\_\_\_  
Contract Name/Title: \_\_\_\_\_  
System Description: \_\_\_\_\_  
\_\_\_\_\_



**EXHIBIT II – MINORITY/WOMEN BUSINESS ENTERPRISES  
CONTRACT REQUIREMENTS  
SOLICITATION NO.: S37-T24529**

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**EXHIBIT II – ATTACHMENT “A”: SCHEDULE OF M/WBE PARTICIPATION**  
**SOLICITATION NO.: S37-T24529**

DATE OF REPORT: \_\_\_\_\_

BID NO.: \_\_\_\_\_

FORMAL BID TITLE: \_\_\_\_\_

NAME OF MINORITY/WOMEN SUBCONTRACTOR	OFFICE OF BUSINESS OPPORTUNITY CERTIFICATION NO.	STREET ADDRESS AND CITY, STATE, ZIP CODE	TELEPHONE NO.	SCOPE OF WORK	AGREE PRICE

TOTAL..... \$ \_\_\_\_\_

M/WBE PARTICIPATION AMOUNT..... \$ \_\_\_\_\_ %

TOTAL BID AMOUNT..... \$ \_\_\_\_\_

**EXHIBIT II – ATTACHMENT “A” (CONTINUED): SCHEDULE OF M/WBE PARTICIPATION**

**SOLICITATION NO.: S37-T24529**

IF YOU HAVE USED YOUR BEST EFFORTS TO CARRY OUT THE CITY'S M/WBE POLICY BY SEEKING SUBCONTRACTS AND SUPPLY AGREEMENTS WITH MINORITY AND WOMEN BUSINESS ENTERPRISES, YET FAILED TO MEET THE STATED PERCENTAGE GOAL OF THIS BID DOCUMENT, LIST BELOW YOUR GOOD FAITH EFFORTS FOR COMPLIANCE (DEFINITION OF REQUIREMENTS CAN BE OBTAINED THROUGH THE OFFICE OF BUSINESS OPPORTUNITY AT (713) 837-9000).
THE UNDERSIGNED WILL ENTER INTO A FORMAL AGREEMENT WITH THE MINORITY AND/OR WOMEN SUBCONTRACTORS AND SUPPLIERS LISTED IN THIS SCHEDULE CONDITIONED UPON AWARD OF A CONTRACT FROM THE CITY.
<b>NOTE:</b> ALL FIRMS LISTED ABOVE MUST BE CERTIFIED (OR ELIGIBLE FOR CERTIFICATION) BY THE OFFICE OF BUSINESS OPPORTUNITY. THIS SCHEDULE OF M/WBE PARTICIPATION SHOULD BE RETURNED, IN DUPLICATE, WITH THE BID FORM.

\_\_\_\_\_  
**BIDDER COMPANY NAME**

\_\_\_\_\_  
**SIGNATURE OF AUTHORIZED OFFICER OR AGENT OF BIDDER**

\_\_\_\_\_  
**NAME (TYPE OR PRINT)**

\_\_\_\_\_  
**TITLE**

**EXHIBIT II – ATTACHMENT “B”: M/WBE LETTER OF INTENT  
SOLICITATION NO.: S37-T24529**

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT.

TO: **City of Houston**  
**City Purchasing Agent**

**MINORITY/WOMEN BUSINESS ENTERPRISE (M/WBE) AND SUPPLIER**

**LETTER OF INTENT**

Contract Bid Number: \_\_\_\_\_

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

Bid Amount: \_\_\_\_\_

M/WBE Participation Amount: \$ \_\_\_\_\_ **M/WBE GOAL** \_\_\_\_\_%

1. \_\_\_\_\_ agrees to perform work/supply goods and/or  
**(Name of Minority/Women Business Enterprise)**  
Services in connection with the above-named contract and \_\_\_\_\_ as:  
**Name of Prime Contractor**

- (a) \_\_\_\_\_ An Individual
- (b) \_\_\_\_\_ A Partnership
- (c) \_\_\_\_\_ A Corporation
- (d) \_\_\_\_\_ A Joint Venture

2. \_\_\_\_\_ status is confirmed by M/WBE Directory made  
**(Name of Minority/Women Business Enterprise)**  
available through the City of Houston Office of Business Opportunity. Certificate No.: \_\_\_\_\_.

3. \_\_\_\_\_ and \_\_\_\_\_  
**(Name of Prime Contractor)** **(Minority/Women Business Enterprise)**  
intend to work on the above-named contract in accordance with the M/WBE Participation Section of the City of Houston Contract Bid Provision.

The Terms & Conditions of Attachment “C” attached hereto are incorporated into this Letter of Intent for all purposes.

\_\_\_\_\_  
(Signed -- Prime Contractor)

\_\_\_\_\_  
(Signed -- Minority/Women Business Enterprise)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

**EXHIBIT II – ATTACHMENT “C”: CERTIFIED M/WBE SUBCONTRACT TERMS**  
**SOLICITATION NO.: S37-T24529**

Contractor shall insure that all subcontracts with M/WBE subcontractors and suppliers are clearly labeled “**THIS CONTRACT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT**” and contain the following terms:

1. \_\_\_\_\_ (M/WBE subcontractor) shall not delegate or subcontract more than 50% of the work under this subcontract to any other subcontractor or supplier without the express written consent of the City of Houston’s Office of Business Opportunity (“the Director”).
2. \_\_\_\_\_ (M/WBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform 1) audits of the books and records of the subcontractor, and 2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep such books and records available for such purpose for at least four (4) years after the end of its performance under this subcontract. Nothing in this provision shall affect the time for bringing a cause of action nor the applicable statute of limitations.
3. Within five (5) business days of execution of this subcontract, Contractor (prime contractor) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.
4. As conclude by the parties to this subcontract, and as evidenced by their signatures hereto, any controversy between the parties involving the construction or application of any of the terms, covenants or conditions of this subcontract shall, on the written request of one party served upon the other or upon notice by Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 – “the Act”). Arbitration shall be conducted according to the following procedures:
  - a. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within thirty (30) days or the matter may be referred to arbitration.
  - b. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City’s contract with American Arbitration Association on file in the Office of the City’s Office of Business Opportunity.
  - c. Each party shall pay all fees required by the American Arbitration Association and sign a form releasing the American Arbitration Association and its arbitrators from liability for decisions reached in the arbitration.
  - d. In the event the American Arbitration Association no longer administers Office of Business Opportunity arbitration for the City, the Director shall prescribe alternate procedures as necessary to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

These provisions apply to goal oriented contracts. A goal oriented contract means any contract for the supply of goods or non-personal or non-professional services in excess of \$100,000.00 for which competitive bids are required by law; not within the scope of the MBE/WBE program of the United States Environmental Protection Agency on the United States Department of Transportation; and ;, which the City Purchasing Agent has determined to have significant M/WBE subcontracting potential in fields which there are an adequate number on known MBE’s and/or WBE’s to compete for City contract.

The M/WBE policy of the City of Houston will discussed during the pre-bid. For information assistance, and/or to receive a copy of the City’s Affirmative action policy and/or ordinance contact the Office of Business Opportunity at (713) 837-9000, 611 Walker, 7<sup>th</sup> Floor, Houston, Texas 77002.

**EXHIBIT II – ATTACHMENT “D”: OFFICE OF BUSINESS OPPORTUNITY AND  
CONTRACT COMPLIANCE M/WBE UTILIZATION REPORT  
SOLICITATION NO.: S37-T24529**

**Report Period:** \_\_\_\_\_

**PROJECT NAME & NUMBER:** \_\_\_\_\_

**AWARD DATE:** \_\_\_\_\_

**PRIME CONTRACTOR:** \_\_\_\_\_

**CONTRACT NO.:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

**CONTRACT AMOUNT:** \_\_\_\_\_

**LIAISON/PHONE NO.:** \_\_\_\_\_

**M/WBE GOAL:** \_\_\_\_\_

M/WBE SUB/VENDOR NAME	DATE OF OBO CERTIFICATION	DATE OF SUBCONTRACT	SUBCONTRACT AMOUNT	% OF TOTAL CONTRACT	AMOUNT PAID TO DATE	% OF CONTRACT TO DATE

Use additional pages if needed. Submit by the 15th day of the following month. Provide support documentation on all revenues paid to end of the report period to: M/WBE's to reflect up/down variances on Contract amount.

Office of Business Opportunity  
ATTN: Carlecia Wright 713-837-9000  
611 Walker, 7<sup>th</sup> Floor  
Houston, Texas 77002



**EXHIBIT IV – INSURANCE REQUIREMENTS AND SAMPLE  
INSURANCE CERTIFICATE  
SOLICITATION NO.: S37-T24529**

To comply with the Terms & Conditions for insurance in a City of Houston Service Contract, the Contractor's Insurance Certificate must be prepared as follows and shall meet the requirements set forth in this Solicitation:

- A. The City of Houston must be listed as an **additional insured** on the face of the Certificate, except those for Worker's Compensation and Employer's Liability.
- B. Each Policy must contain an endorsement to the effect that **the issuer waives any claim or right in the nature of subrogation** to recover against the City, its officers, agents or employees.
- C. The City of Houston must be included in the Insurer's Notification Requirement, which may be accomplished in one of the following ways:
  - 1. By the Contractor's Insurance Agent revising the standard cancellation clause to read substantially as follows (all handwritten strike-outs, additions, and changes to the original text, must all be initialed by the Insurance Agent authorized to make such changes):

=====CANCELLATION=====

J. D.

NON-RENEWED

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION

J. D.

DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE OF SUCH CHANGE TO THE CERTIFICATE HOLDER NAMED (TO THE LEFT), ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND~~

J. D.

~~UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~

=====

AUTHORIZED REPRESENTATIVE OF INSURER John Doe

=====

- O R -

- 2. By Attaching Endorsements in the form attached.
- D. Contractor shall require all subcontractors to carry insurance naming the City as an additional insured and meeting the all of the above requirements except as to amount. The amount shall be commensurate with the amount of the subcontract, but not in no case shall it be less than \$500,000 per occurrence.

**EXHIBIT IV – INSURANCE REQUIREMENTS AND SAMPLE  
INSURANCE CERTIFICATE  
SOLICITATION NO.: S37-T24529**

**CERTIFICATE OF INSURANCE EXPLANATIONS**

1. Certificate must not be more than 90 days old.
2. Name and Address of Producer writing coverage.
3. Name of each insurance company providing coverage (as listed in Best's Key Rating Guide or on company's Certificate of Authority on file with Texas Department of Insurance). Each company must have (1) a Certificate of Authority to transact insurance business in Texas or (2) be an eligible non-admitted insurer in the State of Texas and have a Best's rating of B+ or better and a Best's financial size category of class VI or better according to the most current edition Best's Key Rating Guide.
4. Name and address of Insured (as shown on policy)
5. Letter in the column must reference the insurer of the policy being described
6. Must be a policy number; no binders will be accepted
7. Date policy became effective
8. Expiration date must be at least **30** days from date of delivery of certificate
9. Name and file number of project
10. Name of project manager
11. Signature or facsimile signature of authorized representative of Producer (blue ink preferred)
12. All required endorsements must accompany the certificate

# EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR CONTRACT AWARD (\$50K OR MORE) SOLICITATION NO.: S37-T24529

## ACORD. CERTIFICATE OF INSURANCE Issue Date (MM/DD/YY)

PRODUCER

ISSUERS OF POLICIES. THE ISSUER SHALL HAVE A RATING OF AT LEAST B + AND FINANCIAL SIZE OF CLASS VI OR BETTER ACCORDING TO THE CURRENT YEAR'S BEST RATING.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

SAMPLE FORM

**COMPANIES AFFORDING COVERAGE**

- COMPANY A .....
- COMPANY B .....
- COMPANY C .....
- COMPANY D .....
- COMPANY E .....

**COVERAGE'S**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR.	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION (MM/DD/YY)	POLICY LIMITS
A.	<b>General Liability</b> (X) Commercial General Liability Claims Made (X) Occur. Owners & Contractors Prot.			General Aggregate Products-Comp/Op Agg. Personal & Adv. Injury Each Occurrence Fire Damage (Any one fire) Med. Expense (Any one person)	\$1,000,000 \$1,000,000 \$1,000,000 \$ 500,000 \$ 50,000 \$ 5,000
A.	<b>Automobile Liability</b> (X) Any Auto (X) All Owned Autos { Scheduled Autos { Hired Autos { Non-Owned Autos Garage Liability	Auto Liability Insurance for autos furnished or used in the course of performance of this Contract. Including Owned, Non-owned, and Hired Auto coverage. (Any Auto coverage may be substituted for Owned, Non-owned and Hired Auto Coverage.) If no autos are owned by Contractor, coverage may be limited to Non-owned and Hired Autos. If Owned Auto coverage cannot be purchased by Contractor, Scheduled Auto coverage may be substituted for Owned Auto coverage. EACH AUTO USED IN PERFORMANCE OF THIS CONTRACT SHALL BE COVERED IN THE LIMITS SPECIFIED.		Combined Single Limit Bodily Injury (Per person) Bodily Injury (Per Accident) Property Damage	\$1,000,000 \$ \$ \$
	<b>Excess Liability</b>			Each Occurrence Aggregate	\$ \$
	<b>Worker's Compensation and Employee Liability</b> Other	Statutory Limits		(X) <b>Statutory Limits</b> Each Accident Disease - Policy Limit Disease - Each Employee	\$ 100,000 \$ 100,000 \$ 100,000

DESCRIPTION OF OPERATION/LOCATIONS/VEHICLES/SPECIAL ITEMS

City of Houston is named as additional insured on Auto and General Liability policies, and Waiver of Subrogation on Auto, General Liability, and Worker's Compensation.  
For (Project Name)

CERTIFICATE HOLDER

SHALL BE MODIFIED AS FOLLOWS: **CANCELLATION**  
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED NON-RENEWED BEFORE THE EXPIRATION DATE THERE OF THE ISSUING COMPANY WILL MAIL THIRTY (30) DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT CITY OF HOUSTON / FINANCE AND ADMINISTRATION

DEPARTMENT – STRATEGIC PURCHASING DIVISION

P.O. BOX 1562  
HOUSTON, TEXAS 77251

AUTHORIZED REPRESENTATIVE

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

ISO | Commercial Auto Forms | 06/01/04  
POLICY NUMBER:

**COMMERCIAL AUTO  
CA 04 03 06 04**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS ADDITIONAL INSURED**

This endorsement modifies insurance provided under the following:

**BUSINESS AUTO COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

<b>Endorsement Effective:</b>	<b>Countersigned By:</b>  (Authorized Representative)
<b>Named Insured:</b>	

**SCHEDULE**

**Name and Address of Additional Insured:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. Who Is An Insured (Section II ) is amended to include as an "insured" the person(s) or organization(s) shown in the Schedule, but only with respect to their legal liability for acts or omissions of a person for whom Liability Coverage is afforded under this policy.
- B. The additional insured named in the Schedule or Declarations is not required to pay for any premiums stated in the policy or earned from the policy. Any return premium and any dividend, if applicable, declared by us shall be paid to you.
- C. You are authorized to act for the additional insured named in the Schedule or Declarations in all matters pertaining to this insurance.
- D. We will mail the additional insured named in the Schedule or Declarations notice of any cancellation of this policy. If we cancel, we will give 10 days notice to the additional insured.
- E. The additional insured named in the Schedule or Declarations will retain any right of recovery as a claimant under this policy.

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

POLICY NUMBER:

COMMERCIAL AUTO  
CA 04 44 03 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US (WAIVER OF SUBROGATION)**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM  
GARAGE COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

**Named Insured:**

**Endorsement Effective Date:**

**SCHEDULE**

**Name(s) Of Person(s) Or Organization(s):**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** Condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

# EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR CONTRACT AWARD (\$50K OR MORE)

SOLICITATION NO.: S37-T24529

ENDORSEMENT

This endorsement, effective 12:01 AM

Forms a part of policy no.:

Issued to:

By:

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **ADDITIONAL INSURED REQUIRED BY WRITTEN CONTRACT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY POLICY, COVERAGE APPLICABLE TO COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE (SECTION I - COVERAGES) ONLY

- A. Section II - Who Is An Insured** is amended to include any person or organization you are required to include as an additional insured on this policy by a written contract or written agreement in effect during this policy period and executed prior to the "occurrence" of the "bodily injury" or "property damage."
- B.** The insurance provided to the above described A additional insured under this endorsement is limited as follows:
1. COVERAGE A BODILY INJURY AND PROPERTY DAMAGE (Section I - Coverages) only.
  2. The person or organization is only an additional insured with respect to liability arising out of "your work" or "your product".
  3. In the event that the Limits of Insurance provided by this policy exceed the Limits of Insurance required by the written contract or written agreement, the insurance provided by this endorsement shall be limited to the Limits of Insurance required by the written contract or written agreement. This endorsement shall not increase the Limits of Insurance shown in the Declarations pertaining to the coverage provided herein.
  4. The insurance provided to such an additional insured does not apply to "bodily injury" or "property damage" arising out of an architect's, engineer's, or surveyor's rendering of or failure to render any professional services, including, but not limited to:
    - i. The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
    - ii. Supervisory, inspection, architectural, or engineering activities.
- 5.** This insurance does not apply to "bodily injury" or "property damage" arising out of "your work" or "your product" included in the "product-completed operations hazard" unless you are required to provide such coverage by written contract or written agreement and then only for the period of time required by the written contract or written agreement and in no event beyond the expiration date of the policy.
- 6.** Any coverage provided by this endorsement to an additional insured shall be excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis.
- C.** In accordance with the terms and conditions of the policy and as more fully explained in the policy, as soon as practicable, each additional insured must give us prompt notice of any "occurrence" which may result in a claim, forward all legal papers to us, cooperate in the defense of any actions, and otherwise comply with all of the policy's terms and conditions. Failure to comply with this provision may, at our option, result in the claim or "suit" being denied.

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

ENDORSEMENT No.

This endorsement, effective 12:01 AM:

Forms a part of policy no:

Issued to:

By:

Commercial Umbrella Liability Policy with CrisisResponse®

Additional Insured Endorsement - Products-Completed Operations and Primary Non-Contributing

This policy is amended as follows:

**Section VII. DEFINITIONS**, Paragraph M. is amended to include the following additional provision:

**Insured** means:

Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization is an additional insured on your policy, but only if such person or organization is included under the coverage provided by **Scheduled Underlying Insurance**. Such person or organization is an additional insured only with respect to liability:

1. arising out of **Your Work** at the location designated; or
2. included within the **Products-Completed Operations Hazard**.

This provision does not apply to liability arising out of the sole negligence of such person or organization for its own acts or omissions or those of its employees or anyone else acting on its behalf.

Coverage afforded to these additional insured parties will be primary to, and non-contributory with, any other insurance available to that person or organization.

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

ISO | Commercial General Liability Forms | 07/01/04

POLICY NUMBER:

**COMMERCIAL GENERAL  
LIABILITY  
CG 20 10 07 04**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

CG 20 10 07 04

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

ISO | Commercial General Liability Forms | 07/01/04

POLICY NUMBER:

**COMMERCIAL GENERAL  
LIABILITY**

CG 20 37 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

ISO | Commercial General Liability Forms | 01/01/96

POLICY NUMBER:

**COMMERCIAL GENERAL  
LIABILITY**

CG 20 11 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – MANAGERS OR LESSORS OF  
PREMISES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

1. Designation of Premises (Part Leased to You):
2. Name of Person or Organization (Additional Insured):
3. Additional Premium:

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II ) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

CG 20 11 01 96

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

ISO | Commercial General Liability Forms | 07/01/04

POLICY NUMBER:

**COMMERCIAL GENERAL  
LIABILITY**

CG 20 15 07 04

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – VENDORS**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s) (Vendor)	Your Products
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) shown in the Schedule, but only with respect to "bodily injury" or "property damage" arising out of "your products" shown in the Schedule which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
  - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - b. Any express warranty unauthorized by you;
  - c. Any physical or chemical change in the product made intentionally by the vendor;
  - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
  - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
    - (1) The exceptions contained in Sub-paragraphs d. or f.; or
    - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.



**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

ISO | Commercial General Liability Forms | 05/01/09  
POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY  
CG 24 04 05 09

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

**Name Of Person Or Organization:**

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us** of Section IV – **Conditions**:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

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**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**TEXAS WAIVER OF OUR RIGHT TO  
RECOVER FROM OTHERS ENDORSEMENT**

Policy Number:  
Effective Date:  
Named Insured and Address:

Endorsement Number:  
Effective hour is the same as stated on the Information Page of the policy.

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item 3.A. of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to

bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

**SCHEDULE**

1. ( ) Special Waiver  
Name of person or organization
2. ( ) Blanket Waiver  
Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.
3. Premium:  
The premium charge for this endorsement shall be \_\_\_\_\_ percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.
4. Advance Premium:

Countersigned by \_\_\_\_\_  
Authorized Representative

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

WC 42 03 04 A

(Ed. 1-00)

**TEXAS WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

This endorsement applies only to the insurance provided by the policy because Texas is shown in Item \_\_\_\_\_ of the Information Page.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule, but this waiver applies only with respect to bodily injury arising out of the operations described in the Schedule where you are required by a written contract to obtain this waiver from us.

This endorsement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

The premium for this endorsement is shown in the Schedule.

Schedule

1.  Specific Waiver

Name of person or organization

Blanket Waiver

Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

2. Operations:

ALL TEXAS OPERATIONS

3. Premium:

The premium charge for this endorsement shall be \_\_\_\_\_ percent of the premium developed on payroll in connection with work performed for the above person(s) or organization(s) arising out of the operations described.

4. Advance Premium:

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective  
Insured

Endorsement No.  
Premium \$

**EXHIBIT IV – SAMPLE INSURANCE CERTIFICATE FOR  
CONTRACT AWARD (\$50K OR MORE)  
SOLICITATION NO.: S37-T24529**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITED WAIVER OF TRANSFER OF RIGHTS OF RECOVERY  
AGAINST OTHERS TO US ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY SELF-INSURED RETENTION COVERAGE FORM

**Schedule**

**Name of Person or Organization: Where required by written contract.**

Under **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**, Condition **8. Transfer Of Rights Of Recovery Against Others To Us** is amended by the addition of the following provision:

We waive any right of recovery we may have against the person or organization shown in the **Schedule** above because of payments we make for injury or damage arising out of your ongoing operations done under a contract with that person or organization.

All other terms and conditions of this Policy remain unchanged.

**EXHIBIT V – FAIR CAMPAIGN ORDINANCE**  
**SOLICITATION NO.: S37-T24529**

The City of Houston Fair Campaign Ordinance makes it unlawful for a Contractor to offer any contribution to a candidate for City elective office (including elected officers and officers-elect). All respondents to this invitation to bid must comply with Houston Code of Ordinances Chapter 18 as amended relating to the contribution and solicitation of funds for election campaigns. Provisions of this ordinance are provided in part in the paragraphs that follow. Complete copies may be obtained from the office of the City Secretary.

Candidates for city office may neither solicit nor receive contributions except during a period commencing 270 calendar days prior to an election date for which a person is a candidate for such office and ending 90 calendar days after the election date, including runoff elections if such candidate is on the ballot.

Further, it shall be unlawful either for any person who submits a Bid or Proposal to contribute or offer any contribution to a candidate or for any candidate to solicit or accept any contribution from such person for a period commencing at the time of posting of the City Council Meeting Agenda including an item for the award of the Contract and ending upon the 30th day after the award of the Contract by City Council.

For the purposes of this Ordinance, a **Contract** is defined as each Contract having a value in excess of \$30,000 that is let by the City for professional services, personal services, or other goods or services of any other nature whether the Contract is awarded on a negotiated basis, request for Proposal basis, competitive Proposal basis or formal sealed competitive Bids. The term **Contractor** includes proprietors of proprietorships, partners having an equity interest of 10% or more of partnerships, (including limited liability partnerships and companies), all officers and directors of corporations (including limited liability corporations), and all holders of 10% or more of the outstanding shares of corporations.

**A STATEMENT DISCLOSING THE NAMES AND BUSINESS ADDRESSES EACH OF THOSE PERSONS WILL BE REQUIRED TO BE SUBMITTED WITH EACH BID OR PROPOSAL FOR A CITY CONTRACT.** Completion of the attached form entitled "**Contractor Submission List**" will satisfy this requirement. Failure to provide this information may be just cause for rejection of your Bid or Proposal.



**EXHIBIT V – FORM “A”: FAIR CAMPAIGN  
SOLICITATION NO.: S37-T24529**

List all officers of the corporation (if none state none”):

Name \_\_\_\_\_  
Officer \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_  
Officer \_\_\_\_\_ Address \_\_\_\_\_

Name \_\_\_\_\_  
Officer \_\_\_\_\_ Address \_\_\_\_\_

List all individuals owning 10% or more of outstanding shares of stock of the corporation (if none state “none”):

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

Name \_\_\_\_\_  
Address \_\_\_\_\_

I certify that I am duly authorized to submit this list on behalf of the firm, that I am associated with the firm in the capacity noted below and that I have personal knowledge of the accuracy of the information provided herein.

\_\_\_\_\_  
Preparer

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Note: This list constitutes a **government record** as defined by § 37.01 of the Texas Penal Code.

8/23/01

**EXHIBIT VI: CONTRACTOR OWNERSHIP  
DISCLOSURE ORDINANCE  
SOLICITATION NO.: S37-T24529**

City Council requires knowledge of the identities of the owners of entities seeking to Contract with the City in order to review their indebtedness to the City prior to entering Contracts. Therefore, all respondents to this Invitation to Bid must comply with Houston Code of Ordinances Chapter 15, as amended (Sections 15-122 through 15-126) relating to the disclosure of owners of entities bidding on, proposing for or receiving City contracts. Provisions of this ordinance are provided in part in the paragraphs that follow. Complete copies may be obtained from the office of the City Secretary.

Contracting entity means a sole proprietorship, corporation, non-profit corporation, partnership, joint venture, limited liability company, or other entity that seeks to enter into a contract requiring approval by the Council but excluding governmental entities.

A contracting entity must submit at the time of its Bid or Proposal, an affidavit listing the full names and the business and residence addresses of all persons owning five percent or more of a contracting entity or, where a contracting entity is a non-profit corporation, the full names and the business and residence addresses of all officers of the non-profit corporation.

Completion of the "**Affidavit of Ownership or Control**," included herein, and submitted with the Official Bid or Proposal Form will satisfy this requirement. Failure to provide this information may be just cause for rejection of your Bid or Proposal.

**EXHIBIT VI: AFFIDAVIT OF OWNERSHIP OR CONTROL**  
**SOLICITATION NO.: S37-T24529**

ORIG. DEPT.: \_\_\_\_\_

FILE/I.D. NO.: \_\_\_\_\_

**INSTRUCTION:** ENTITIES USING AN ASSUMED NAME SHOULD DISCLOSE SUCH FACT TO AVOID REJECTION OF THE AFFIDAVIT. THE FOLLOWING FORMAT IS RECOMMENDED: CORPORATE/LEGAL NAME DBA ASSUMED NAME.

STATE OF \_\_\_\_\_

§  
§  
§

**AFFIDAVIT OF OWNERSHIP OR CONTROL**

COUNTY OF \_\_\_\_\_

BEFORE ME, the undersigned authority, on this day personally appeared

\_\_\_\_\_ [FULL NAME] (hereafter "Affiant"),

\_\_\_\_\_ [STATE TITLE/CAPACITY WITH CONTRACTING ENTITY] of \_\_\_\_\_

[CONTRACTING ENTITY'S CORPORATE/LEGAL NAME] ("Contracting Entity"), who being by me duly sworn on oath stated as follows:

1. Affiant is authorized to give this affidavit and has personal knowledge of the facts and matters herein stated.

2. Contracting Entity seeks to do business with the City in connection with

\_\_\_\_\_ [DESCRIBE PROJECT OR MATTER] which is expected to be in an amount that exceeds \$50,000.

3. The following information is submitted in connection with the proposal, submission or bid of Contracting Entity in connection with the above described project or matter.

4. Contracting Entity is organized as a business entity as noted below (check box as applicable).

**FOR PROFIT ENTITY:**

**NON-PROFIT ENTITY:**

- SOLE PROPRIETORSHIP
- CORPORATION
- PARTNERSHIP
- LIMITED PARTNERSHIP
- JOINT VENTURE
- LIMITED LIABILITY COMPANY
- OTHER (Specify type in space below)

- NON-PROFIT CORPORATION
- UNINCORPORATED ASSOCIATION

## EXHIBIT VI: AFFIDAVIT OF OWNERSHIP OR CONTROL

**SOLICITATION NO.: S37-T24529**

5. The information shown below is true and correct for the Contracting Entity and all owners of 5% or more of the Contracting Entity and, where the Contracting Entity is a non-profit entity, the required information has been shown for each officer, *i.e.*, president, vice-president, secretary, treasurer, etc. **[NOTE: IN ALL CASES, USE FULL NAMES, LOCAL BUSINESS AND RESIDENCE ADDRESSES AND TELEPHONE NUMBERS. DO NOT USE POST OFFICE BOXES FOR ANY ADDRESS. INCLUSION OF E-MAIL ADDRESSES IS OPTIONAL, BUT RECOMMENDED. ATTACH ADDITIONAL SHEETS AS NEEDED.]**

### **Contracting Entity**

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

Business Address [***NO. /STREET***] \_\_\_\_\_

[***CITY/STATE/ZIP CODE***] \_\_\_\_\_

Telephone Number (\_\_\_\_\_) \_\_\_\_\_

Email Address [***OPTIONAL***] \_\_\_\_\_

Residence Address [***NO. /STREET***] \_\_\_\_\_

[***CITY/STATE/ZIP CODE***] \_\_\_\_\_

Telephone Number (\_\_\_\_\_) \_\_\_\_\_

Email Address [***OPTIONAL***] \_\_\_\_\_

### **5% Owner(s) or More (IF NONE, STATE "NONE.")**

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

Business Address [***NO. /STREET***] \_\_\_\_\_

[***CITY/STATE/ZIP CODE***] \_\_\_\_\_

Telephone Number (\_\_\_\_\_) \_\_\_\_\_

Email Address [***OPTIONAL***] \_\_\_\_\_

Residence Address [***NO. /STREET***] \_\_\_\_\_

[***CITY/STATE/ZIP CODE***] \_\_\_\_\_

Telephone Number (\_\_\_\_\_) \_\_\_\_\_

Email Address [***OPTIONAL***] \_\_\_\_\_

**EXHIBIT VI: AFFIDAVIT OF OWNERSHIP OR CONTROL**  
**SOLICITATION NO.: S37-T24529**

**6. Optional Information**

Contracting Entity and/or \_\_\_\_\_ [NAME OF OWNER OR NON-PROFIT OFFICER] is actively protesting, challenging or appealing the accuracy and/or amount of taxes levied against \_\_\_\_\_ [CONTRACTING ENTITY, OWNER OR NON-PROFIT OFFICER] as follows:

Name of Debtor: \_\_\_\_\_  
Tax Account Nos. \_\_\_\_\_  
Case or File Nos. \_\_\_\_\_  
Attorney/Agent Name \_\_\_\_\_  
Attorney/Agent Phone No. (\_\_\_\_\_) \_\_\_\_\_  
Tax Years \_\_\_\_\_

Status of Appeal [DESCRIBE] \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Affiant certifies that he or she is duly authorized to submit the above information on behalf of the Contracting Entity, that Affiant is associated with the Contracting Entity in the capacity noted above and has personal knowledge of the accuracy of the information provided herein, and that the information provided herein is true and correct to the best of Affiant's knowledge and belief.

\_\_\_\_\_  
Affiant

**SWORN TO AND SUBSCRIBED** before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(Seal)

\_\_\_\_\_  
Notary Public

**NOTE:**  
This affidavit constitutes a **government record** as defined by Section 37.01 of the Texas Penal Code. Submission of a false government record is punishable as provided in Section 37.10 of the Texas Penal Code. Attach additional pages if needed to supply the required names and addresses.

**EXHIBIT VII: DRUG DETECTION AND DETERRENCE  
PROCEDURES FOR CONTRACTORS  
SOLICITATION NO.: S37-T24529**

- (a) It is the policy of the City to achieve a drug-free workforce and to provide a workplace that is free from the use of illegal drugs and alcohol. It is also the policy of the City that the manufacture, distribution, dispensation, possession, sale or use of illegal drugs or alcohol by contractors while on City premises is prohibited. By executing this Contract, Contractor represents and certifies that it meets and shall comply with all the requirements and procedures set forth in the Mayor's Policy on Drug Detection and Deterrence, City Council Motion No. 92-1971 ("Mayor's Policy") and the Mayor's Drug Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), both of which are on file in the Office of the City Secretary.
- (b) Confirming its compliance with the Mayor's Policy and Executive Order, Contractor, as a condition precedent to City's obligations under this Contract, will have filed with the Contract Compliance Officer for Drug Testing ("CCODT"), prior to execution of this Contract by the City, (i) a copy of its drug-free workplace policy, (ii) the Drug Policy Compliance Agreement substantially in the format set forth in Attachment "A" to the Executive Order, together with a written designation of all safety impact positions, and (iii) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the format set forth in Attachment "C" to the Executive Order. If Contractor files written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every six (6) months during the performance of this Contract or upon the completion of this Contract if performance is less than six (6) months, a Drug Policy Compliance Declaration in a form substantially similar to Attachment "B" to the Executive Order. The Drug Policy Compliance Declaration shall be submitted to the CCODT within thirty days of completion of this Contract. The first six (6) month period shall begin to run on the date City issues its notice to proceed hereunder or if no notice to proceed is issued, on the first day Contractor begins work under this Contract.
- (c) Contractor shall have the continuing obligation to file with the CCODT written designations of safety impact positions and Drug Policy Compliance Declarations at anytime during the performance of this Contract that safety impact positions are added if initially no safety impact positions were designated. Contractor also shall have the continuing obligation to file updated designations of safety impact positions with the CCODT when additional safety impact positions are added to Contractor's employee work force.
- (d) The failure of Contractor to comply with the above Sections shall be a breach of this Contract entitling City to terminate in accordance with Article IV.

**EXHIBIT VII – ATTACHMENT “A”  
 DRUG POLICY COMPLIANCE AGREEMENT  
 SOLICITATION NO.: S37-T24529**

I, \_\_\_\_\_ as an owner or officer of  
 (Name) (Print/Type) (Title)  
 \_\_\_\_\_ (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 affirm 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.

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Contractor Name

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Title

**EXHIBIT VII – ATTACHMENT “B”  
 DRUG POLICY COMPLIANCE DECLARATION  
 SOLICITATION NO.: S37-T24529**

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 six months from \_\_\_\_\_ to \_\_\_\_\_, 19\_\_\_\_\_.

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

\_\_\_\_\_ Written drug testing procedures have been implemented in conformity with the Mayor's Drug **Initials** Detection and Deterrence Procedures for Contractors, Executive Order 1-31. Employees have been notified of such procedures.

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

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

\_\_\_\_\_ From \_\_\_\_\_ to \_\_\_\_\_ the following testing has occurred.  
**Initials** (start date) (end date)

	<u>Random</u>	<u>Reasonable Suspicion</u>	<u>Post Accident</u>	<u>Total</u>
Number of Employees Tested	_____	_____	_____	_____
Number of Employees Positive	_____	_____	_____	_____
Percent Employees Positive	_____	_____	_____	_____

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

\_\_\_\_\_ I affirm that falsification or failure to submit this declaration timely in accordance with established guidelines **(Initials)** 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

\_\_\_\_\_  
 Contractor Name

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Title

**EXHIBIT VII – ATTACHMENT “C” AND “D”  
 CONTRACTOR’S CERTIFICATION OF NO SAFETY IMPACT POSITIONS  
 SOLICITATION NO.: S37-T24529**

I, \_\_\_\_\_  
 (Name) (Print/Type) (Title)

as an owner or officer of \_\_\_\_\_  
 (Contractor) have authority to bind the Contractor with respect to its bid, and I hereby certify that Contractor has no employee safety impact positions as defined in §5.18 of Executive Order No. 1-31 that will be involved in performing this City Contract. Contractor agrees and covenants that it shall immediately notify the City's Director of Personnel if any safety impact positions are established to provide services in performing this City Contract.

\_\_\_\_\_  
 Date Contractor Name

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Title

**CONTRACTOR'S CERTIFICATION OF NON-APPLICATION OF  
 CITY OF HOUSTON DRUG DETECTION AND DETERRENCE PROCEDURES  
 FOR CONTRACTORS**

**ATTACHMENT “D”**

I \_\_\_\_\_ as an owner or officer of  
 (NAME) (PRINT/TYPE)

\_\_\_\_\_ (Contractor) have authority to bind the Contractor with respect to its bid, and I hereby certify that Contractor has fewer than fifteen (15) employees during any 20-week period during a calendar year and also certify that Contractor has no employee safety impact positions as defined in 5.18 of Executive Order No. 1-31 that will be involved in performing this City Contract. Safety impact position means a Contractor's employment position involving job duties that if performed with inattentiveness, errors in judgment, or diminished coordination, dexterity, or composure may result in mistakes that could present a real and/or imminent threat to the personal health or safety of the employee, co-workers, and/or the public.

\_\_\_\_\_  
**DATE** \_\_\_\_\_  
**CONTRACTOR'S NAME**

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**TITLE**

**EXHIBIT VIII – ANTI-COLLUSION STATEMENT**  
**SOLICITATION NO.: S37-T24529**

**Anti-Collusion Statement**

The undersigned, as Proposer, certifies that the only person or parties interested in this Proposal as principals are those named herein; that the Proposer has not, either directly or indirectly entered into any Agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the award of this Contract.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Proposer Signature

**EXHIBIT IX – CONFLICT OF INTEREST QUESTIONNAIRE**  
**SOLICITATION NO.: S37-T24529**

Chapter 176 of the Local Government Code requires every Vendor or Contractor with the City of Houston (“City”) to file a Conflict of Interest Questionnaire with the City Secretary of the City of Houston by the **seventh** business day after:

- (1) any contract discussions or negotiations begin, or
- (2) submitting an application, responses to requests for proposals, bids, correspondence, or any writing related to a potential Agreement with the City.

The Conflict of Interest Questionnaire is available for downloading from the Texas Ethics Commission’s website at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. The completed Conflict of Interest Questionnaires will be posted on the City Secretary’s website. There will also be a list of the City’s Local Government Officers on the City of Houston’s website.

Additionally, each Vendor or Contractor must file updated questionnaires no later than **September 1<sup>st</sup>** of each year that the Vendor or Contractor seeks to contract with the City, or the **seventh** business day after the date of an event that would render the questionnaire incomplete or inaccurate.

However, a Vendor or Contractor is not required to file a new questionnaire in any year if the vendor has completed a questionnaire between June 1<sup>st</sup> and September 1<sup>st</sup> of that year, unless the previous questionnaire is incomplete or inaccurate.

Original Conflict of Interest Questionnaire shall be filed with Houston’s Records Administrator (Ms. Anna Russell, City Secretary, 900 Bagby, First Floor, Houston, Texas 77002). Vendors and Contractors shall include a copy of the form that was submitted to the City Secretary as part of the Bid Package. Any questions about filling out this form should be directed to your attorney

Failure of any Vendor or Contractor to comply with this law is a Class-C misdemeanor.

# EXHIBIT IX – CONFLICT OF INTEREST QUESTIONNAIRE

## SOLICITATION NO.: S37-T24529

### CONFLICT OF INTEREST QUESTIONNAIRE

**FORM CIQ**

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session. This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).  
 By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.  
 A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

**OFFICE USE ONLY**

Date Received

**1** Name of person who has a business relationship with local governmental entity.

**2**  Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

**3** Name of local government officer with whom filer has employment or business relationship.

\_\_\_\_\_

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?

Yes       No

B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

Yes       No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?

Yes       No

D. Describe each employment or business relationship with the local government officer named in this section.

**4**

\_\_\_\_\_  
Signature of person doing business with the governmental entity

\_\_\_\_\_  
Date

# EXHIBIT X – PAY OR PLAY PROGRAM REQUIREMENTS

## SOLICITATION NO.: S37-T24529

### I. Pay or Play Program Elements

#### A. Purpose

Authorized by Ordinance 2007-534 and Executive Order 1-7, the purpose of the Pay or Play Program is (1) to create a more level playing field among competing contractors so that those who provide health benefits to their employees are not disadvantaged in the bidding process; and 2) to recognize and account for the fact that there are costs associated with the health care of the uninsured.

#### B. Program Elements

1. Covered Contracts: Contracts covered by the program are those that are advertised after July 1, 2007, which are valued at or above \$100,000 and are not primarily for the procurement of property, goods, supplies or equipment.
2. Covered employees: This program applies to employees of a covered Contractor or Subcontractor, including Contract labor, who are over age 18, work at least 30 hours per week and work any amount of time under a covered city Contract or Subcontract.
3. Compliance with the program means that the Contractor either:
  - “Pays” by contributing \$1.00 per covered employee per hour for work performed under the Contract with the City; or
  - “Plays” by offering health benefits to covered employees. Health benefits must meet or exceed the following standards:
    - The employer will contribute no less than \$150 per covered employee per month toward the total premium cost.
    - The employee contribution, if any amount, will be no greater than 50% of the total monthly premium cost.
4. Subcontracts: The Prime Contractor is responsible for compliance on behalf of covered employees, including Contract labor, of subcontractors with subcontracts valued at or greater than \$200,000, if the Subcontract is not primarily for the procurement of property, goods, supplies or equipment. Subcontractor compliance includes submission of applicable reports and/or payments to the Prime, as well as maintenance of records.
5. Exemptions/Waivers: The City of Houston will award a Contract to a Contractor that neither Pays nor Plays only if the Contractor has received an approved waiver.
6. Administration: Contractor performance in meeting Pay or Play program requirements will be managed by the contracting department. The Office of Affirmative Action and Contract Compliance will have administrative oversight of the program, including audit responsibilities. Questions about the program should be referred to the department POP Liaison or the Office of Affirmative Action and Contract Compliance.

# EXHIBIT X – PAY OR PLAY PROGRAM REQUIREMENTS

SOLICITATION NO.: S37-T24529

## II. Documentation and Reporting Requirements

- A. Document that must be signed and returned to administering department with the Bid/Proposal.
1. Notice to Prospective City Contractors (Form POP-1A) acknowledges Bidder/Proposers' knowledge of the program and its requirements, and the intention to comply.
- B. Documents that must be signed and returned to administering department within a period designated by the department's Contract Administrator, upon notification of low Bidder or successful Proposer status:
1. Certification of Contractor's Intent to Comply with Pay or Play Program (Form POP-2). Note Contractors that opt to "play" must provide proof of coverage, including documentation from insurance provider, and names of covered employees.
  2. List of Participating Subcontractors (Form POP-3).
- C. The Contractor will comply with the following reporting requirements:
1. Contractors that opt to Play  
Provide periodic reports to the Contract administrator showing proof of coverage. Reporting schedule will be determined by administering department based on length of Contract. (Form POP-7.)
  2. Contractors that opt to Pay  
Provide monthly reports to administering department, detailing names of employees, hours worked, exemptions (if any) and amount owed. (Form POP-5.)
- Contractors shall submit an initial report with the second invoice to the department. Payments based on monthly reports are due to the contracting department with submission of the following month's invoice. Payments may be made via wire transfer, provided that proof of transaction is submitted to administering department.

## III. Compliance and Enforcement

The Office of Business Opportunity (OBO) and Contract Compliance Office will audit program compliance. Contractors willfully violating or misrepresenting POP program compliance will be subject to corrective and/or punitive action, including but not limited to the assessment of fines and penalties and/or debarment.

The Pay or Play Program Requirements Form (POP-1) and all other POP Forms are available for downloading from the City of Houston's Website at <http://www.houstontx.gov/aacc/popforms.html>

**EXHIBIT X – FORM “1A”**  
**PAY OR PLAY PROGRAM ACKNOWLEDGEMENT FORM**  
**SOLICITATION NO.: S37-T24529**



**What this form does.** This form acknowledges your awareness of the Pay or Play program. Your signature affirms that you will comply with the requirements of the program if you are the successful Bidder/Proposer, and ensure the same on behalf of subcontracts subject to the Pay or Play Program.

If you cannot make this assurance now, do not return this form.

**For more information, contact the Contract Administrator.**

**Routing.** Return this form with your Bid or Proposal.

I declare under penalty of perjury under the laws of the State of Texas that if awarded a contract, I will comply with the requirements of the Pay or Play Program.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
City Vendor ID

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
E-Mail Address

**EXHIBIT X – FORM “2”  
PAY OR PLAY PROGRAM CERTIFICATE OF AGREEMENT  
SOLICITATION NO.: S37-T24529**

Contractor Name: \_\_\_\_\_ \$ \_\_\_\_\_  
*(Contractor/Subcontractor)* *(Amount of Contract)*

Contractor Address: \_\_\_\_\_

Project No.: [GFS/CIP/AIP/File No.] \_\_\_\_\_

Project Name: [Legal Project Name] \_\_\_\_\_

POP Liaison Name: \_\_\_\_\_

In accordance with the City of Houston Pay or Play Program authorized by Ordinance 2007-534 and Executive Order 1-7, Contractor/Subcontractor agrees to abide by the terms of this Program. This certification is required of all contractors for contracts subject to the program. You must agree EITHER to PAY or to PLAY for all covered employees. The Contractor/Subcontractor may also Pay on behalf of some covered employees and Play on behalf of other covered employees.

The Contractor/Subcontractor will comply with all provisions of the Pay or Play Program and will furnish all information and reports requested to determine compliance with program requirements of the Pay or Play Program (See Executive Order 1-7 for the terms of the Pay or Play program) The criteria of the program is as follows:

The Contractor/Subcontractor agrees to “Pay” \$1.00 per hour for work performed by covered employees under the contract with the City. If independent contract labor is utilized the Contractor/Subcontractor agrees to report hours worked by the independent contract laborer and pay \$1.00 per hour for work performed.

Otherwise the Contractor/Subcontractor agrees to “Play” by providing health benefits to each covered employee. The health benefits must meet the following criteria:

1. The employer will contribute no less than \$150 per employee per month toward the total premium cost for single coverage only; and
2. The employee contribution, if any amount, will be no greater than 50% of the total premium cost and no more than \$150 per month.
3. Pursuant to E.O. 1-7 section 4.04 a contractor is deemed to have complied with respect to a covered employee who is not provided health benefits if the employee refuses the benefits and the employee’s contribution to the premium is no more than \$40 per month.

Please select whether you choose to:	Pay	Play	Both

The Contractor/Subcontractor will file compliance reports with the City, which will include activity for covered employees subject to the program, in the form and to the extent requested by the administering department. Compliance reports shall contain information including, but not limited to, documentation showing employee health coverage and employee work records. **Note: The Contractor is responsible to the City for the compliance of covered employees of covered subcontractors and only forms that are accurate and complete will be accepted.**

*Estimated Number of:	Prime Contractor	Sub-Contractor
Total Employees on City Job		
Covered Employees		
Non-Covered Employees		
Exempt Employees		

\*Required  
 I hereby certify that the above information is true and correct.

\_\_\_\_\_  
 CONTRACTOR (Signature) DATE

\_\_\_\_\_  
 NAME AND TITLE (Print or Type)