THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

C61772
06-0140

I. PARTIES

A. Address

THIS AGREEMENT FOR SECURITY GUARD SERVICES FOR THE HOUSTON AIRPORT SYSTEM AT GEORGE BUSH INTERCONTINENTAL AIRPORT/HOUSTON (IAH), WILLIAM P. HOBBY AIRPORT (HOU) AND ELLINGTON FIELD (EFD) ("Agreement") is made on the date of countersignature by the City Controller ("Effective Date") between the **CITY OF HOUSTON, TEXAS** ("City"), a municipal corporation, and **THE BARBOSA GROUP INCORPORATED D/B/A EXECUTIVE SECURITY** ("Contractor"), a Texas corporation authorized to do business in Texas.

The initial addresses of the parties, which one party may change by giving written notice to the other party, are as follows:

City	Contractor
Director, Houston Airport System or Designee City of Houston P.O. Box 60106 Houston, Texas 77205-01061	The Barbosa Group Incorporated d/b/a Executive Security 3 Northpoint, Suite 200 Houston, Texas 77060 Attention: President

The Parties agree as follows:

B. Table of Contents

This Agreement consists of the following sections:

TABLE OF CONTENTS

Page No.

I. PARTIES 1
- A. Address 1
- B. Table of Contents 1
- C. Parts Incorporated 4
- D. Controlling Parts 4
- E. Signatures 5

II. DEFINITIONS 6

III. DUTIES OF CONTRACTOR 7
- A. Scope of Services 7
- B. Duty to Inspect 8
- C. Invoicing 8
- D. Payment of Subcontractors 8
- E. Personnel of Contractor 8
- F. RELEASE 8
- G. INDEMNIFICATION 9
- H. INDEMNIFICATION PROCEDURES 10
- I. Airport Security 11
- J. Insurance 11
- K. Confidentiality 13
- L. Conflicts of Interest 13
- M. Use of Work Products 14
- N. Licenses and Permits 14
- O. Compliance with Laws 14
- P. Compliance with Equal Opportunity Ordinance 15
- Q. Minority and Women Business Enterprises 15
- R. Drug Abuse Detection and Deterrence 15
- S. Environmental Laws 16
- T. Performance Bond 17

IV. DUTIES OF CITY 17
- A. Payment Terms 17
- B. Taxes 18
- C. Method of Payment - Disputed Payments 18
- D. Limit of Appropriation 18
- E. Access to Site 19

V. TERM AND TERMINATION 20
- A. Contract Term 20

B. Termination for Convenience by City 20
C. Termination for Cause by City 20
D. Termination for Cause by Contractor 21

VI. MISCELLANEOUS 21
A. Independent Contractor 21
B. Force Majeure 22
C. Severability 23
D. Entire Agreement 23
E. Written Amendment 23
F. Applicable Laws 23
G. Notices 23
H. Captions 24
I. Non-Waiver 24
J. Inspections and Audits 24
K. Enforcement 24
L. Ambiguities 24
M. Survival 25
N. Publicity 25
O. Parties In Interest 25
P. Successors and Assigns 25
Q. Business Structure and Assignments 25
R. Dispute Resolution 25
S. Remedies Cumulative 26
T. Contractor Debt 26

EXHIBITS

A. PERFORMANCE/WORK STATEMENT

B. FEE SCHEDULE

C. EQUAL EMPLOYMENT OPPPORTUNITY

D. MWBE SUBCONTRACT TERMS

E. DRUG POLICY COMPLIANCE AGREEMENT

F. CERTIFICATION OF NO SAFETY IMPACT POSITIONS

G. DRUG POLICY COMPLIANCE DECLARATION

H. PERFORMANCE BOND

C. Parts Incorporated

All of the above-described sections, exhibits, the Request for Proposal for Security Guard Services for the City of Houston Airport System, TC-6-0734-039-20814 ("RFP"), all Clarifications to the RFP and Contractor's written responses to the RFP and Clarifications are incorporated into this Agreement.

D. Controlling Parts

If a conflict among the sections or exhibits arises, the sections control over the exhibits and the sections and exhibits control over the RFP and Clarifications. If a conflict between the RFP and Clarifications arises, the Clarifications control over the RFP.

E. Signatures

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

ATTEST/SEAL (if a corporation):
WITNESS (if not a corporation):

By:
Name: Gene G Barbosa
Title: CEO / President

THE BARBOSA GROUP INCORPORATED
d/b/a EXECUTIVE SECURITY

By:
Name: Gene G Barbosa
Title: CEO / President
Tax Identification No. 760387463

ATTEST/SEAL:

City Secretary

CITY OF HOUSTON, TEXAS
Signed by:

Mayor

APPROVED:

Purchasing Agent

COUNTERSIGNED BY:

City Controller

APPROVED:

Richard M. Vacar, A.A.E.
Director, Houston Airport System

DATE COUNTERSIGNED:

2-10-06

APPROVED AS TO FORM:

Sr. Assistant City Attorney
L.D. File No. 0040500640001

II. DEFINITIONS

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

"Acceptable" means that the services, materials, equipment, etc., of the Work meet or exceed the requirements of the Agreement.

"Airport" means George Bush Intercontinental Airport/Houston (IAH), William P. Hobby Airport (HOU) and Ellington Field (EFD).

"Airport Security Manager (ASM)" is responsible for the security provisions of the Airport(s) and compliance with the security program.

"AOA" means Air Operations Area and includes, but is not limited to: runways, ramps, taxiways, and aprons.

"City" is defined in Section I. hereof.

"City Council" refers to the City's governing body.

"Contract or Agreement" means the Agreement between the parties, including all exhibits, any written amendments authorized by City Council and Contractor and documents incorporated by reference into this Agreement.

"Contractor" is defined in Section I. of this Agreement and includes its successors and assigns.

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

"Director" means the Director of the Houston Airport System, the City Purchasing Agent or his designee. This Agreement designates certain functions to be performed by the Director. For the purposes of the Agreement those functions are assigned to the Deputy Director of Public Safety and Technology and the Assistant Director of Technical Services Division. The Deputy and Assistant Directors of Aviation may delegate certain functions to other HAS employees with the approval of the Director.

"Effective Date" is defined in Section I. hereof.

"Hours of Operation" are defined in the Scope of Work and require Contractor to work continuously during the hours specified, including all holidays.

"Houston Airport System (HAS)" means the property and facilities of the City of Houston Department of Aviation which include, but are not limited to, George Bush Intercontinental

Airport/Houston (IAH), William P. Hobby Airport (HOU), Ellington Field (EFD), and the Houston Airport System Administration Buildings.

"Incident Report" means a written report prepared by a Professional Security Officer detailing and describing any significant event occurring during that officer's duty shift which affects or might reasonably be expected to affect the security or safety of the facility, the property located thereon, or any person at the facility.

"Non-Performance" means the failure of Contractor to perform according to the scope of the Agreement.

"Notice to Proceed" refers to a written notice from the Director instructing Contractor to begin performance.

"Post Orders" means those specific security requirements, as approved by the Director, for each location identified.

"Secured Area" means fenced-in areas of the Airports, including, but not limited to AOA at IAH, HOU, and EFD.

"Security Services" means the Basic and Additional services required by HAS that include, but are not limited to: post coverage, security survey, transition plan, and administrative tasks.

"SIDA" means security identification display area.

"Sub-Standard Performance" means Contractor has failed to perform the Work/Services of the Agreement in accordance with the specifications of the Agreement and/or has failed to perform the Work/Services of the Agreement to the satisfaction of the City.

"Unacceptable" means the proposal services, materials, equipment, etc. of the Work/Services do not meet the requirements of the Agreement.

"Work" or "Services" means any activity related to meeting the requirements of the Agreement.

III. DUTIES OF CONTRACTOR

A. Scope of Services

In consideration of the payment specified in this Agreement, Contractor shall provide Security Guard services at George Bush Intercontinental Airport (IAH), William P. Hobby Airport (HOU), and Ellington Field (EFD), as more particularly described in Exhibit "A".

B. Duty to Inspect

Contractor represents that it or its agent has inspected all sites affected by this Agreement and that it is not entitled to additional compensation for its failure to accurately account for all of the work required to be performed under this Agreement.

C. Invoicing

Contractor shall submit its invoices on forms approved in advance by the Director. Each invoice must be accompanied by support documents as may be requested by the Director. Each invoice Contractor submits must be in duplicate and each copy must include required support documents. Each invoice must be identified by the Contract name and Contractor number. All invoices are to be delivered or mailed to the following location:

The City of Houston
Houston Airport System
Accounts Payable Section
P.O. Box 60106
Houston, Texas 77205-0106

D. Payment of Subcontractors

Contractor shall make timely payments to all persons and entities supplying labor, materials, services, or equipment for the performance of this Agreement. CONTRACTOR SHALL DEFEND AND INDEMNIFY THE CITY FROM ANY CLAIMS OR LIABILITY ARISING OUT OF CONTRACTOR'S FAILURE TO MAKE THESE PAYMENTS. Contractor shall submit disputes relating to payment of MWBE subcontractors to arbitration in the same manner as any other disputes under the MWBE subcontract.

E. Personnel of Contractor

Contractor shall provide sufficient, fully qualified personnel to meet the performance requirements set forth in Exhibit "A". Contractor shall replace any of its personnel or subcontractors whose work product is deemed unsatisfactory by the Director. Contractor is responsible for the quality and quantity of all work performed under the Agreement, whether it is performed by Contractor and its employees or a subcontractor.

F. **RELEASE**

CONTRACTOR 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.

G. **INDEMNIFICATION**

CONTRACTOR 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) CONTRACTOR'S AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 1-3, "CONTRACTOR") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

(2) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; AND

(3) THE CITY'S AND CONTRACTOR'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT.

CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. CONTRACTOR'S INDEMNIFICATION IS LIMITED TO $1,000,000 PER OCCURRENCE. CONTRACTOR SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

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.

H. INDEMNIFICATION PROCEDURES

(1) Notice of Claims. If the City or 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 10 days. The notice must include the following:

(a) a description of the indemnification event in reasonable detail,

(b) the basis on which indemnification may be due, and

(c) the anticipated amount of the indemnified loss.

This notice does not estop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 10 day period, it does not waive any right to indemnification except to the extent that Contractor is prejudiced, suffers loss, or incurs expense because of the delay.

(2) Defense of Claims

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

(b) Continued Participation. If 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. 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 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.

I. Airport Security

Contractor shall comply with all HAS, TSA, FAA and any other governmental agency security directives, rules and regulations. The FAA and/or the TSA may assess fines and/or penalties for Contractor's non-compliance with the provisions of 49 CFR 1540 and 1542, as amended from time to time, or by other agencies for noncompliance with laws or regulations applicable to Contractor's operations. Within 10 days of notification in writing, Contractor shall reimburse the City for any fine or penalty assessed against the City because of Contractor's non-compliance with 49 CFR 1540 and 1542 or other applicable laws or regulations.

J. Insurance

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

(1) Minimum Insurance Requirements. Contractor shall maintain the following coverages in the following amounts:

(Coverage)	(Limit of Liability)
Workers' Compensation	Statutory for Workers' Compensation
Employer's Liability	Bodily Injury by accident $500,000 (each accident) Bodily Injury by Disease $500,000 (policy limit) Bodily Injury by Disease $500,000 (each employee)
Commercial General Liability: Including Broad Form Coverage, Contractual Liability, Bodily and Personal Injury, and Completed Operations	Bodily Injury and Property Damage, Combined Limits of $2,000,000 each Occurrence and $4,000,000 aggregate
Automobile Liability Insurance (for vehicles Contractor uses in performing under this Agreement, including Employer's Non-Owned and Hired Auto Coverage)	$1,000,000 combined single limit

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

(2) 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 inactions do not waive the City's rights under this Agreement.

(3) Issuers of Policies. The issuer of any policy (1) shall have a Certificate of Authority to transact insurance business in Texas or (2) shall be an eligible non-admitted insurer in the State of Texas and 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.

(4) 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.

(5) Deductibles. Contractor shall be responsible for and pay 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.

(6) Cancellation. Each policy must state that it may not be canceled, materially modified, or nonrenewed unless the insurance company 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.

(7) 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.

(8) Endorsement of Primary Insurance. Each policy, except Workers' 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.

(9) Liability for Premium. Contractor shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.

(10) 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.

(11) Proof of Insurance.

(a) 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.

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

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

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

(12) 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.

K. Confidentiality

Contractor and its agents, employees, contractors, and subcontractors shall hold all City information, data, and documents (collectively, "the Information") that they receive, prepare, or to which they have access, in strictest confidence. Contractor, its agents, employees, contractors, and subcontractors shall not disclose, disseminate, or use the Information unless the Director authorizes it in writing. Contractor shall establish procedures to ensure confidentiality of the Information and to prevent its unauthorized use and disclosure. Contractor shall obtain written agreements from its agents, employees, contractors, and subcontractors who perform work under this Agreement, which bind them to the terms in this paragraph.

L. Conflicts of Interest

If an actual or potential conflict arises between the City's interests and the interests of other clients Contractor represents, Contractor shall immediately notify the Director by fax transmission, e-mail, or telephone. If the Director consents to Contractor's continued representation of the other clients, he or she shall notify Contractor in writing. If the Director does not issue written consent within 3 business days after receipt of Contractor's notice,

Contractor shall immediately terminate its representation of the other client whose interests are or may be in conflict with those of the City.

M. Use of Work Products

Contractor conveys and assigns to the City its entire interest and full ownership worldwide in and to any work, invention, and all Documents, and the copyrights, patents, trademarks, trade secrets, and any other proprietary rights therein (collectively "Proprietary Rights") that Contractor, its agents, employees, contractors, and subcontractors (collectively "Authors") develop, write, or produce under this Agreement (collectively "Works").

The Authors shall not claim or exercise any Proprietary Rights related to the Works. If requested by the Director, Contractor shall place a conspicuous notation on any Works which indicates that the City owns the Proprietary Rights.

Contractor shall execute all documents required by the Director to further evidence this assignment and ownership. Contractor shall cooperate with the City in registering, creating, and enforcing Proprietary Rights arising under this Agreement. If Contractor's assistance is requested and rendered under this Section, the City shall reimburse Contractor for all out-of-pocket expenses it incurs in rendering assistance, subject to the availability of funds. On termination of this Agreement, or if requested by the Director, Contractor shall deliver all Works to the City. Contractor shall obtain written agreements from the Authors which bind them to the terms in this Section.

All Works developed, written, or produced under this Agreement for use as a contribution to a collective work; a part of a motion picture or other audiovisual work; a translation; a supplementary work; a compilation; an instructional text; a test; answer material for a test; or an atlas, are "works made for hire."

Contractor may retain copies of the Works for its archives. Contractor shall not otherwise use, sell, license, or market the Works.

N. Licenses and Permits

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

O. Compliance with Laws

Contractor shall comply with all applicable state and federal laws and regulations; the City Charter and Code of Ordinances; and HAS' rules and regulations.

P. Compliance with Equal Opportunity Ordinance

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

Q. Minority and Women Business Enterprises

It is the City's policy to ensure that Minority and Women Business Enterprises ("MWBEs") have the full opportunity to compete for and participate in City contracts. The objectives of Chapter 15, Article V of the City of Houston Code of Ordinances, relating to City-wide Percentage Goals for contracting with MWBEs, are incorporated into this Agreement.

Contractor shall make good faith efforts to award subcontracts or supply agreements in at least 12% of the value of this Agreement to MWBEs. The City's policy does not require Contractor to in fact meet or exceed this goal, but it does require Contractor to objectively demonstrate that it has made good faith efforts to do so. To this end, Contractor shall maintain records showing:

(1) subcontracts and supply agreements with Minority Business Enterprises,

(2) subcontracts and supply agreements with Women's Business Enterprises, and

(3) specific efforts to identify and award subcontracts and supply agreements to MWBEs. Contractor shall submit periodic reports of its efforts under this Section to the Affirmative Action Director in the form and at the times he or she prescribes.

Contractor shall require written subcontracts with all MWBE subcontractors and suppliers and shall submit all disputes with MWBE subcontractors to binding arbitration if directed to do so by the Affirmative Action Director. All agreements must contain the terms set out in Exhibit "D." If Contractor is an individual person (as distinguished from a corporation, partnership, or other legal entity), and the amount of the subcontract is $50,000 or less, then the subcontract must also be signed by the attorneys of the respective parties.

R. Drug Abuse Detection and Deterrence

(1) It is the policy of the City to achieve a drug-free workforce and workplace. The manufacture, distribution, dispensation, possession, sale, or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. Contractor shall comply with all the requirements and procedures set forth in the Mayor's Drug Abuse Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), which is incorporated into this Agreement and is on file in the City Secretary's Office.

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

(a) a copy of its drug-free workplace policy,

(b) the Drug Policy Compliance Agreement substantially in the form set forth in Exhibit "E," together with a written designation of all safety impact positions and,

(c) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the form set forth in Exhibit "F."

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

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

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

S. Environmental Laws

Contractor shall comply with all rules, regulations, statutes, or orders of the Environmental Protection Agency ("EPA"), the Texas Commission on Environmental Quality ("TCEQ"), and any other governmental agency with the authority to promulgate environmental rules and regulations ("Environmental Laws"). Contractor shall promptly reimburse the City for any fines or penalties levied against the City because of Contractor's failure to comply.

Contractor shall not possess, use, generate, release, discharge, store, dispose of, or transport any Hazardous Materials on, under, in, above, to, or from the site except in strict compliance with the Environmental Regulations. "Hazardous Materials" mean any substances, materials, or wastes that are or become regulated as hazardous or toxic substances under any applicable federal, state, or local laws, regulations, ordinances, or orders. Contractor shall not deposit oil, gasoline, grease, lubricants, or any ignitable or hazardous liquids, materials, or

substances in the City's storm sewer system or sanitary sewer system or elsewhere on City Property in violation of the Environmental Laws.

T. Performance Bond

Contractor shall furnish and maintain a performance bond for $500,000 conditioned on Contractor's full and timely performance of the Agreement (and payment of subcontractors). If the City exercises any option years, Contractor shall maintain a Performance Bond in the amount of $500,000 for each of the option years exercised. The bond must be in substantially the form attached as Exhibit "H" and issued by a corporate surety authorized and admitted to write surety bonds in Texas. If the amount of the bond exceeds $100,000, the surety must be listed on the current list of accepted sureties on federal bonds published by the United States Treasury Department or reinsured for any liability in excess of $100,000 by a reinsurer listed on the U.S. Treasury list.

IV. DUTIES OF CITY

A. Payment Terms

(1) Subject to all the terms and conditions of this Agreement, the City shall pay to Contractor, and Contractor accepts the fees specified in Exhibit "B," Fee Schedule, for all work provided by Contractor and its subcontractors under this Agreement. If hourly rates and fees for support services are not stated in Exhibit "B", the rates will be based on reasonable and customary rates and the Parties' written agreement.

(2) If the City pays Contractor for work performed by any subcontractor or for parts, supplies, equipment, or materials provided by any supplier, and Contractor withholds or has withheld payment to the subcontractor or supplier because of a deficiency in the quality or quantity of that subcontractor's or supplier's work or materials, the City may withhold a corresponding amount from any pending or future payments to Contractor until the next regular payment to Contractor occurring after the City receives reasonable documentation that the deficiency has been remedied.

(3) All invoices are subject to approval by the Director and are due and payable on or about 30 days after receipt and approval by the Director. All payments must be made by check made payable to Contractor. The City will not unreasonably delay or withhold payment or approval of any invoice. Neither payments made nor approval of invoices or services by the Director shall be construed as final acceptance or approval of that part of Contractor's services to which such payment or approval relates. Such payments do not relieve Contractor of any of its obligations under this Agreement.

B. Taxes

The City is exempt from payment of Federal Excise and Transportation Tax and Texas Limited Sales and Use Tax. Contractor's invoices to the City must not contain assessments of any of these taxes. The Director will furnish the City's exemption certificate and federal tax identification number to Contractor if requested.

C. Method of Payment - Disputed Payments

If the City disputes any items in an invoice Contractor submits for any reason, including lack of supporting documentation, the Director shall temporarily delete the disputed item and pay the remainder of the invoice. The Director shall promptly notify Contractor of the dispute and request remedial action. After the dispute is settled, Contractor shall include the disputed amount on a subsequent regularly scheduled invoice or on a special invoice for the disputed item only.

D. Limit of Appropriation

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

(2) In order to comply with Article II, Sections 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated the sum of $750,000.00 to pay money due under this Agreement (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Agreement, but they are not obligated to do so. Therefore, the parties have agreed to the following procedures and remedies.

(3) The City makes a supplemental allocation by sending a notice signed by the Director and the City Controller to Contractor and, where in excess of the amount specified in Paragraph (4) below, approved by motion or ordinance of City Council in substantially the following form:

"NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS"

TO: [Name of Contractor]

FROM: City of Houston, Texas (the "City")

DATE: [Date of notice]

SUBJECT: Supplemental allocation of funds for the purpose of the "[title of this Agreement]" between the City and (name of Contractor) countersigned by the City Controller on (Date of Countersignature) (the "Agreement").

I, (name of City Controller), City Controller of the City of Houston, certify that the supplemental sum of $_____, upon the request of the below-signed Director, has been allocated for the purposes of the Agreement out of funds appropriated for this purpose by the City Council of the City of Houston. This supplemental allocation has been charged to such appropriation.

The aggregate of all sums allocated for the purpose of such Agreement, including the Original Allocation, and all supplemental allocations (including this one), as of the date of this notice, is $_____.

SIGNED:

(Signature of the City Controller)
City Controller of the City

REQUESTED:

(Signature of the Director)
Director

(4) City Council delegates to the Director the authority to approve up to $11,959,929.60 in supplemental allocations for this Agreement without returning to Council.

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

E. Access to Site

Subject to HAS rules and regulations, Contractor may enter and leave work sites at all reasonable times without charge. Contractor and its employees may use the common areas and roadways at the Airport where the work sites are located. This excludes parking for Contractor's personnel and does not extend to any restricted area of the Airport, including without limitation, the AOA, which requires the Director's prior written approval and an HAS escort. Contractor shall repair any damage it or its employees caused as a result of its use of the common areas.

V. TERM AND TERMINATION

A. Contract Term

This Agreement is effective on the Effective Date and continues for 3 consecutive years from the date set forth in the Notice to Proceed, unless sooner terminated under this Agreement. Performance begins on the date specified in the Notice to Proceed issued by the Director. Contractor acknowledges that time is of the essence of this Agreement. If the Director, in his or her sole discretion, makes a written request for renewal to Contractor at least 30 days before expiration of the then-current term and if sufficient funds are allocated, then, upon expiration of the initial term, this Agreement is renewed for up to two successive one-year terms upon the same terms and conditions.

B. Termination for Convenience by City

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

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

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

C. Termination for Cause by City

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

(1) Contractor fails to perform any of its duties under this Agreement;

(2) Contractor becomes insolvent;

(3) all or a substantial part of Contractor's assets are assigned for the benefit of its creditors; or

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

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

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

D. Termination for Cause by Contractor

Contractor may terminate its performance under this Agreement only if the City defaults and fails to cure the default after receiving written notice of it. Default by the City occurs if the City fails to perform one or more of its material duties under this Agreement. If a default occurs and Contractor wishes to terminate the Agreement, then Contractor must deliver a written notice to the Director describing the default and the proposed termination date. The date must be at least 30 days after the Director receives the notice. Contractor, at its sole option, may extend the proposed termination date to a later date. If the City cures the default before the proposed termination date, then the proposed termination is ineffective. If the City does not cure the default before the proposed termination date, then Contractor may terminate its performance under this Agreement on the termination date.

VI. MISCELLANEOUS

A. Independent Contractor

Contractor is an independent contractor and shall perform the services provided for in this Agreement in that capacity. The City has no control or supervisory powers over the manner or method of Contractors' performance under this Agreement. All personnel Contractor uses or provides are its employees or subcontractors and not the City's employees, agents, or subcontractors for any purpose whatsoever. Contractor is solely responsible for the

compensation of its personnel, including but not limited to: the withholding of income, social security, and other payroll taxes and all worker's compensation benefits coverage.

B. Force Majeure

1. Timely performance by both parties is essential to this Agreement. However, neither party is liable for reasonable delays in performing its obligations under this Agreement to the extent the delay is caused by Force Majeure that directly impacts the City or Contractor. The event of Force Majeure may permit a reasonable delay in performance but does not excuse a party's obligations to complete performance under this Agreement. Force Majeure means: fires, interruption of utility services, epidemics in the City, floods, hurricanes, tornadoes, ice storms and other natural disasters, explosions, war, terrorist acts against the City or Contractor, riots, court orders, and the acts of superior governmental or military authority, and which the affected party is unable to prevent by the exercise of reasonable diligence. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn or other factors of general application; or an event that merely makes performance more difficult, expensive or impractical. Force Majeure does not entitle Contractor to extra Reimbursable Expenses or payment.

2. This relief is not applicable unless the affected party does the following:

(a) uses due diligence to remove the effects of the Force Majeure as quickly as possible and to continue performance notwithstanding the Force Majeure; and

(b) provides the other party with prompt written notice of the cause and its anticipated effect.

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

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

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

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

7. If a Force Majeure condition damages all or a portion of IAH, HOU and/or EFD, Contractor shall continue to perform under this Agreement in that portion of IAH, HOU and/or EFD, which has not been damaged by the Force Majeure condition, in accordance with the terms of this Agreement.

8. The Director shall determine when a Force Majeure condition has been removed. Contractor shall then provide all services required under this Agreement in accordance with the Fee Schedule in Exhibit "B".

C. Severability

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

D. Entire Agreement

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

E. Written Amendment

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

F. Applicable Laws

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

G. Notices

All notices required or permitted by this Agreement must be in writing and are deemed delivered on the earlier of the date actually received or the third day following: (1) deposit in a United States Postal Service post office or receptacle; (2) with proper postage (certified mail, return receipt requested); and (3) addressed to the other party at the address set out in

the preamble of this Agreement or at such other address as the receiving party designates by proper notice to the sending party.

H. Captions

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

I. Non-Waiver

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

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

J. Inspections and Audits

Representatives of the City have the right to perform, or to 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 4 years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

K. Enforcement

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

L. Ambiguities

If any term of this Agreement is ambiguous, it shall not be construed for or against any party on the basis that the party did or did not write it.

M. Survival

Contractor shall remain obligated to the City under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, the indemnity provisions.

N. Publicity

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

O. Parties In Interest

This Agreement does not bestow any rights upon any third party, but binds and benefits the City and Contractor only.

P. Successors and Assigns

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

Q. Business Structure and Assignments

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

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

R. Dispute Resolution

For purposes of this Section "Project Administrator" means the person the Director designates to monitor the progress of all Parties' performance under this Agreement.

Except as may otherwise be provided by law, a dispute that (1) does not involve a question of law; (2) arises during the performance of this Agreement; and (3) is not resolved between the Project Administrator and Contractor must be handled as described below:

(a) The Project Administrator shall put its decision in writing and mail or otherwise furnish Contractor with a copy. Contractor may abide by the decision or may appeal the decision to the Director.

(b) If Contractor desires to appeal a decision of the Project Administrator, Contractor must submit a written appeal to the Director. Contractor must file its written appeal within 7 working days following receipt of the Project Administrator's original decision. The Director shall provide Contractor with a written response to the appeal within 14 working days following its receipt. The decision of the Director is final.

S. Remedies Cumulative

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

T. Contractor Debt

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, SHE 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 FOR ANY PAYMENTS OWED TO CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY RECOURSE THEREFOR.

EXHIBIT "A"

SCOPE OF WORK
PERFORMANCEWORK STATEMENT

EXHIBIT "A"

SCOPE OF WORK
PERFORMANCE/WORK STATEMENT

1.0 OVERVIEW

Contractor shall provide Security Guard Services for the Houston Airport System (HAS). The HAS operates the City of Houston's three (3) Airports: George Bush Intercontinental Airport/Houston (IAH), William P. Hobby Airport (HOU), and Ellington Field (EFD). Security guard services form a vital part of Airport security and safety and are essential for Airport operations.

Additional services may be requested by the Director to ensure and maintain the quality of security service at the HAS. The Contractor is expected to provide highly qualified, trained, and licensed personnel as well as the management, supervision, and necessary equipment. The services outlined in this Agreement are critical to the operations at HAS.

2.0 SCOPE OF WORK

2.1 Services in General

Contractor shall provide all necessary personnel, management, supervision, relief, transportation, equipment, and incidentals. Contractor must provide a management plan that addresses security officer qualifications, selection, compensation, and training; post coverage; post order procedures; transition; administrative tasks; schedule and staffing of personnel; quality assurance; performance measurement program; continuous improvement program; employee recognition program; and incident tracking and documentation.

Contractor shall provide required levels of service to include permanent on-site staffing of uniformed unarmed Security Officers and temporary-duty Security Officers as may be required for special events and emergency situations; and other Security Services detailed herein.

2.2 Basic Services

The Security Guard Post Coverage Services are to be provided on an hourly rate (See Exhibit "B") and include, but are not limited to, the following:

A. POST COVERAGE

Contractor shall provide continuous post coverage as directed by the Director. No post shall be unattended at any time unless authorized by the Director. Complete Post Coverage comprising Security Officer(s), vehicle(s), necessary permits, licenses, and badging; compliance with Post Orders; all management, support staff,

relief coverage, training, and administrative tasks; functional equipment and necessary supplies, including but not limited to uniforms, time monitoring device, radios, flashlights, batteries, and inclement gear; and activity logs.

B. POST ORDERS

Proposed Post Orders must be submitted in substantially the same form as shown in Section 12 of Exhibit "A". Post Orders shall be approved by the ASM or his designee before implementation.

Contractor shall provide updated Post Orders to each Post, to include written procedures and/or checklists, to assist Security Officers in the performance of their duties.

Contractor will be evaluated periodically by HAS staff on its performance in accordance with this Agreement. Contractor management and supervisory must also conduct such periodic checks. Contractor must maintain comprehensive records of performance reviews and tests.

C. TRANSITION PLAN

Prior to execution of the Agreement, Contractor shall submit a detailed Transition Plan. "Phase-In" and Phase-Out" requirements are set forth in Section 8.3. The Transition Plan must be satisfactory to the Director.

D. ADMINISTRATIVE TASKS

Contractor shall perform the following:

1. Recruit and screen qualified personnel.
2. Conduct background checks.
3. Maintain records and schedules, and submit timely reports.
4. Keep necessary internal records to ensure proper Airport contacts and billing.
5. Quality Assurance or Continuous Process Improvement Program.
6. Post coverage monitoring or tracking system.

E. SCHEDULES, STAFFING & RESERVE PERSONNEL

In order to ensure all Posts are staffed at all times and relief coverage is provided, Contractor shall maintain fully qualified, licensed and trained personnel at all times. Contractor shall maintain a contingent of fully qualified, licensed and trained personnel at all times to provide an additional 20% post coverage above the then current personnel levels. Within 24 hours of a written request from the Director to the Project Manager, Contractor shall provide the additional personnel up to an additional 20% post coverage as set forth in the Director's written request.

The rates paid to Contractor will be as described in the Fee Schedule.

F. EQUIPMENT

Contractor shall provide all necessary equipment for Contractor's staff to discharge its duties, including employee uniforms, vehicles, communication devices, and automated timekeeping system. The City will provide only those items specifically detailed in Section 5.1, Facilities/Utilities.

3.0 MANAGEMENT INFORMATION

3.1 Contractor shall provide the information set forth in Section 9.

4.0 PERSONNEL QUALIFICATIONS

4.1 Contractor personnel qualifications must meet the minimum requirements detailed in Section. 10.

5.0 DUTIES OF HAS

5.1 Falicities/Utilities

HAS will provide existing electrical service to Contractor. HAS will provide guard booths with adequate heating, ventilating, and/or air conditioning. HAS will provide Contractor with office space at an Airport location for the duration of the Agreement. Contractor should arrange and be responsible for all other services and costs including furnishings, computers, and telephones.

5.2 Use of Parking Areas

Contractor's personnel may not park private vehicles at the designated post locations unless authorized by the Director or his designee. Designated parking areas will be provided by the Director at Contractor's own cost. Contractor shall provide all transportation for Contractor or its sub-contractors necessary to perform under the Agreement. Contractor's and its sub-contractor's vehicles must be clearly identified as required by the Director.

5.3 Contractor's Radio Communications Requirements

If required by the Airport Security Manager (ASM), HAS will provide Contractor with handheld radios with batteries and chargers for Contractor's use under this Agreement. The radios will be programmed to transmit and receive on Harris County trunked frequencies. Upon cancellation or termination of the Agreement, Contractor shall return all radios provided by HAS.

- Contractor shall operate the radios within protocols established by HAS and FAA.
- Contractor shall return radios requiring maintenance to HAS.
- Contractor shall pay for time and materials to repair any damaged radio(s) and full replacement costs for any radio(s) that are lost.
- Upon termination of the Agreement, the radios remain the property of HAS.

6.0 DUTIES OF CONTRACTOR

6.1 Project Manager

Contractor's Project Manager shall be on-site at IAH Airport five (5) days a week, Monday through Friday, during the hours 8:00 a.m. to 5:00 p.m. exclusive of City holidays and shall be on call 24/7 utilizing the most reliable communications available. The Project Manager shall not perform post duties. If the Project Manager is to be temporarily off-site, the Director must be notified in writing and an acting Project Manager identified and approved by the Director.

Project Manager shall attend regularly scheduled and ad-hoc meetings. The Project Manager shall attend meetings with the Director within 30 minutes of notice. The Project Manager shall prepare a typed meeting agenda covering the topics to be discussed and prepare minutes of the meetings in a form satisfactory to the Director. The Project Manager shall issue copies of the minutes to all attendees within 3 business days following each meeting. HAS will approve the minutes prior to distribution by the Contractor.

The Project Manager shall not be reassigned from this Agreement without prior approval of the Director. Such approval will not be unreasonably withheld so long as the replacement Project Manager is equally experienced, and skilled in a like position in a contract of similar size and scope.

6.2 Supervisor Function

In the absence of the Project Manager, the on-site supervisor shall function in the capacity of the Contractor's Project Manager. The supervisor(s) shall be on-site at IAH 24/7. Contractor must provide full coverage in accordance with the requirements of this Agreement.

The supervisor may only provide relief for a Security Officer during breaks, but shall not act to fill-in a post for a Security Officer considered out for the shift. Contractor shall provide supervision consisting of that level of management and administrative activity necessary to ensure each Security Officer is performing his/her duties in a safe and efficient manner and to ensure that each post location at which Security Guard Service is provided is staffed in accordance with the Post Orders.

6.3 Security Patrol Limitations

Contractor shall ensure that its Security Officers do not enter restricted areas of the Airport (unless authorized in the Post Orders) including, but not limited to, the following:

- Air Operations Area (AOA) at IAH, HOU, and EFD.
- Areas occupies by NASA and areas occupied by the Texas Air National
- Guard at EFD, unless specifically ordered by the Director concurrent with approval of any federal authority having jurisdiction.

In case of an emergency declared by the Director, all assigned Contractor personnel will receive appropriate instructions from the Director to the Project Manager and Supervisor(s) related to their responsibility as it is affected by the emergency situation.

6.4 Licenses

Contractor shall maintain in effect a valid Class B or Class C license issued by the Texas Dept. of Public Safety Private Security Bureau. Contractor's services should at all times comply with the requirements of the said Board.

All Post coverage provided by Contractor should be performed by personnel holding security officer's registration from the Texas Dept. of Public Safety Private Security Bureau.

6.5 Salaries of Contractor Employees

In order to maintain a high quality of professional security services, Contractor shall compensate employees at the following minimum salaries:

Wage Base

Description/Post Title	Minimum Hourly Wage
Professional Security Officer	$ 9.00
Supervisor	$10.80

6.6 Contractor Base Office

Contractor shall maintain a base office at an Airport location from which all security services for IAH, HOU, and EFD will be managed. Contractor shall provide a phone number or phone numbers, i.e. landline, cell phone, and fax, at

which Contractor or a designated agent of Contractor with supervisory authority may be reached on a 7 day a week 24-hour a day basis.

7.0 INCREASE OR DECREASE OF WORK – INCLUSION/EXCLUSION

During the Term of the Agreement, posts may be added or subtracted to meet the changing needs of HAS.

7.1 Inclusion Notice

HAS may add additional Post(s) by means of an Inclusion Notice signed by the Director. The Inclusion Notice will describe the additional Post(s) by Airport and location. Contractor shall be paid at the specified rate in the Fee Schedule.

7.2 Exclusion Notice

Any Post(s) that is subject to the Agreement may be excluded from the Agreement by means of an Exclusion Notice. The Exclusion Notice will describe the post(s) and Airport location that is to be excluded.

8.0 MISCELLANEOUS PROVISIONS

8.1 Airport Security Badging

Contractor shall comply with all applicable Federal rules governing security at the Airport, as may be amended from time to time.

A. All on-site personnel of Contractor, including sub-Contractors, are required to undergo and pass a fingerprint-based criminal history records check. The cost of badges, which is subject to change, is currently $45.00 each at IAH/HOU and $6.00 each at EFD. Costs for the fingerprint-based criminal history records check are reflected in the cost of the badges. Contractor shall pay for the cost of badges, including replacements thereof. Contractor personnel losing badges will be charged for replacement badges at the then current rate.

8.2 Assessment

Without limiting any other remedies available to the City, Contractor shall pay any fines assessed against the City resulting from FAA or TSA or any other governmental agency or court fines and penalties that are a direct result of Contractor's performance under the Agreement.

8.3 Phase-In/Phase-Out Services

A. CONTRACTOR'S PHASE-IN

Contractor shall be given up to a 30 day Phase-In period to accomplish transition of services. Contractor's Phase-In period begins on the date indicated in the Phase-In Notice from the Director. On the Phase-In start date, Contractor shall provide on-site, at a minimum, the Project Manager, necessary supervisory, technical, and other personnel to observe operations of the security guard services. Contractor will not be paid for Phase-In Services. Contractor shall have no responsibility for providing the security guard services during the Phase-In period.

B. CONTRACTOR'S PHASE-OUT

Contractor shall provide Phase-Out services for up to 30 days before expiration of the Agreement to the successor contractor at no additional charge to HAS. Phase-Out orientation comprises a maximum of 30 working days, 8 hours per day. Orientation shall include work procedures, record keeping, and reports. Contractor shall also provide the services required under the Agreement during its Phase-Out period.

8.4 Management and Administrative Tasks

Contractor shall manage and supervise Post Coverage. Management and supervision consists of that level of management and administrative activity necessary to assure that each Post location is staffed in accordance with the Post Orders for that location.

A. BASIC RECORDS AND REPORTS

Contractor shall develop procedures for maintaining records for service provided. As a minimum, the records must include:

1. Employee File (10-year background check, Security Clearances, Texas issued Registration and/or Commission cards, a valid Texas driver's license, a valid Texas State ID, and proof of citizenship).

2. Plans and Reports (Daily Activity Report, Weekly Summary Report, Monthly Summary Report, and Annual Summary Report).

3. Service Documentation (Inspection Report, Incident Reports and Logs, Customer Satisfaction Report, Productivity Report, and Performance Audit Report).

Contractor's record keeping system is subject to the Director's approval and all records required herein may be inspected by the Director to the extent legally permissible at any time during normal business hours. Additional records may

be required and may also be reviewed by the Director to the extent legally permissible.

Upon expiration or termination of the Agreement, all records produced and maintained on file become the property of HAS to the extent legally permissible. Contractor shall furnish a duplicate copy of all such files to be retained by HAS.

8.5 Work Verification

Contractor shall submit Post Report Forms to the respective ASM on a weekly basis, no later than noon every Monday. The Post Report Form must be in a format acceptable to the respective ASM. The Post Report Form must list, as a minimum, the date, name of employee, Post location, Post hours, total Post hours, and the number of days. A verified copy of the Post Report Form must be submitted with Contractor's invoice for payment. Invoices submitted without the Post Report Form will not be processed for payment until proper documentation is provided. Each invoice should list Post Coverage provided during the month.

9.0 MANAGEMENT INFORMATION TO BE SUPPLIED BY CONTRACTOR

Prior to execution of the Agreement, Contractor shall provide the following information in the format shown below. Answers should be precise and to the point. Marketing material is not an acceptable substitute for a direct answer.

9.1 Corporate Organization and Resources

A. Provide an execution summary, containing synopsis of Contractor's history, project development approach, pricing structure, and security guard service capability.

B. Provide a chart showing corporate organization starting from the CEO down to the Project Manager and indicate how this organization will interface with HAS.

C. Identify the corporate personnel who will have oversight of the Agreement and provide a resume of these individuals.

D. To demonstrate sufficient financial resources, provide audited annual reports or equivalent financial statements for the last 2 years.

E. Provide evidence that Contractor can provide the insurance indicated in this Request for Proposals.

9.2 Project Organization

A. Describe customer dispute resolution process.

B. Describe how Contractor determines the ratio of supervisor to security personnel on a project similar to HAS.

C. Describe Contractor's contingency plan in addressing the staffing requirements for additional security posts during special events, emergencies, and threat to homeland security.

D. Describe selection process and basis of hiring competent and qualified security personnel.

E. State how Contractor will ensure that resources are effectively applied to accomplish to scope of work defined herein.

F. Describe current compensation program.

G. Discuss how Contractor will foster alertness and responsiveness of reporting any wrongdoings or illegal activities in the workplace.

H. Describe productivity enhancement program.

9.3 Experience

A. Describe Contractor's experience in the services requested in this Agreement.

B. Relate Contractor's experience and the measures taken whenever the level of threat to security is raised by the Homeland Security Department.

C. Provide 5 references including name of client, location, point of contact, and services provided.

D. Define Contractor's competitive advantages for the services requested under this Agreement. Clearly state how HAS would benefit from partnering with Contractor.

9.4 Quality

A. Describe Contractor's Quality Assurance Program or continuous improvement process program currently in place.

B. Describe the process to be taken to rectify or minimize recurrences of quality problems.

C. Describe how Contractor would manage and resolve complaints, including those of HAS.

D. Describe how Contractor maintains consistent quality service across locations. How does contractor capture and report customer feedback?

E. Describe Contractor's incident tracking system and reporting mechanisms in place to document consistent service and quality.

F. Provide a methodology for assessing deductions from payment any time schedules, staffing, and reserve personnel requirements as outlined in Section 2.2(E) cannot be met, or desired outcomes as outlined in Section 2.2(A) are not achieved. The methodology should describe performance indicators, target levels, and a means of measuring and calculating the deductions. When describing your Quality Assurance Program propose a plan for corrective action whenever such deductions should accrue. Deductions shall include but not be limited to:

i. Unmanned post or staffing by unlicensed officer: Deduct standard rate for length of time post was unstaffed or staffed by unlicensed officer.
ii. Sleeping on duty: Deduct standard hourly rate for duration of sleeping on duty.
iii. Failure to be properly equipped: Deduct hourly rate of the officer not properly equipped for the duration of time not properly equipped.
iv. Failure of Contractor to meet all staffing requirements: Reimburse HAS for costs of coverage to meet staffing requirements of this Agreement.

9.5 Training

Contractor shall provide a description of its employee training program and list the training skills development it considers to be most important for employees assigned to the services requested. Sample list of training is shown in Section 13 for Contractor's use as guidelines in preparing the training program.

10.0 PERSONNEL QUALIFICATIONS

10.1 Security Officers

All Posts shall be covered by personnel meeting the following minimum requirements:

A. Be at least 21 years of age.

B. Possess a high school diploma obtained in the United States of America, or a general equivalency diploma obtained in the United States of America.

C. Be able to speak, understand, read, and write the English language, with demonstrated ability to pass a fluency test in writing, reading, and conversing in English. Such demonstrated ability may include, at the discretion of HAS,

satisfactory completion of the standard Test of English as a Foreign Language, or its equivalent.

D. Possess a valid Texas driver's license for the operation of motor vehicles.

E. Minimum of one (1) year of experience in any of the following:

- A guard or police position.
- College credits from an accredited institution of higher learning in criminal justice or police science at the equivalent rate of 32 credits per year, with a minimum of 60 credits.

F. Pass a physical examination prior to the Effective Date of the Agreement and within each 12 month period thereafter during the term of the Agreement, arranged for by Contractor and administered at the sole cost and expense of Contractor, which indicates general good health without physical defects or abnormalities which would interfere with the performance of Security Officer duties hereunder including, but not limited to, the following:

- Not less than 20/30 (Snellen) corrected vision in each eye.
- No color confusion or impaired color and depth perception.
- Unimpaired hearing (with hearing aid).

G. Pass an agility test required for performing normal or emergency duties including arduous physical exertion such as standing or walking an entire shift, climbing stairs, lifting and carrying objects weighing up to 50 lbs., running and enduring exposure to extreme weather conditions.

H. Pass a psychological examination required to ensure the emotional stability of individuals performing Security Officer's service work.

I. Pass substance abuse screening tests.

J. Retain Registration Cards issued by the Texas Dept. of Public Safety Private Security Bureau. Security Officers should meet the requirements of the Texas Department of Public Safety Private Security Bureau, pursuant to the authority of Texas Revised Civil Statutes, Title 10, Chapter 1702, as amended from time to time.

K. Be subjected to rigorous background checks prior to employment, including employment verification for the previous ten (10) years, credit checks, criminal checks, local police checks, psychological screening, physical fitness and medical screening.

L. Be free of indictment and not listed for any felony or other offense specified in the Texas Revised Civil Statutes, Title 10, Chapter 1702.

M. Have no record of any felony conviction nor a misdemeanor involving moral turpitude or any other offense specified in Title 10, Chapter 1702 of the Texas Revised Civil Statutes, and no more than one conviction for a non-traffic misdemeanor offense.

N. Have a detailed work experience listing for not less than the prior ten (10) years, and have character and business references for such work period from former employers, as applicable.

O. Demonstrate intelligence, and motivation.

P. Operate well under stress.

Q. Have good communication skills.

R. Adhere to high standards of alertness.

S. Present a professional appearance with clean, complete, and orderly uniform.

T. Have a helpful and positive attitude, and display courtesy, tact, integrity, and exemplary conduct at all times.

Contractor must furnish the Director information concerning the above no later than two weeks preceding execution of the Agreement, and at any time during the period of the Agreement as requested by the Director. When requested by the Director, Contractor should submit evidence substantiating said qualifications and requirements to the satisfaction of the Director at no additional cost to the City.

10.2 Project Manager

Prior to the execution of the Agreement, Contractor shall provide a detailed description of the Project Manager's qualifications. It is envisioned that the Project Manager must have a minimum of five (5) years' management and/or supervisory experience in the commercial guard service business or equivalent and should meet the following minimum requirements.

A. Be a United States citizen.

B. Be at least 21 years of age.

C. Have a BS degree or higher education received from accredited Universities obtained in the United States of America.

D. Be able to speak, understand, read, and write fluently the English language, with demonstrated ability to pass a fluency test in writing, reading, and conversing in English.

E. Have strong computer skills and ability to creats, analyze, and report management data.

F. Possess a valid Texas driver's license for the operation of motor vehicles.

G. Provide verified documentation of a 10-year employment background check to include references and employment history.

H. Licensed by Texas Department of Public Safety Private Security Bureau.

10.3 On-Site Supervisor

Prior to the execution of the Agreement, Contractor shall provide a detailed description of the On-Site Supervisors' qualifications. On-Site Supervisors must have a minimum of three (3) years' management and/or supervisory experience in the commercial guard service industry or an acceptable equivalent and should meet the following minimum requirements:

A. Be a United States citizen.

B. Be at least 21 years of age.

C. Have a two-year College or Associate Degree obtained in the United States of America.

D. Be able to speak, understand, read, and write the English language, with demonstrated ability to pass a fluency test in writing, reading, and conversing in English.

E. Possess a valid Texas driver's license for the operation of motor vehicles.

F. Provide verified documentation of a 10-year employment background check to include references and employment history.

G. Licensed by Texas Department of Public Safety Private Security Bureau.

11.0 SAMPLE POST REQUIREMENTS

The Contractor shall provide Post Coverage to accommodate typical Posts as detailed in the post requirement matrix below. NOTE: The Director may require Contractor to increase or decrease the estimated number of Posts and hours at any time during the term of this Agreement. The following Matrix outlines expected initial post requirements.

GEORGE BUSH INTERCONTINENTAL AIRPORT

Post Name	Daily Hours
LOADING DOCKS	
Terminals C, (N & S), E, FIS	24 hrs., M-Sun
GATES	
EV 3	24 hrs., M-Sun
NV13	24 hrs., M-Sun
WV53	24 hrs., M-Sun
NV53 (Assist in heavy traffic)	4 hrs., M-Fri
TC2	24 hrs., M-Sun
WV51	24 hrs., M-Sun
WV55	24 hrs., M-Sun
FV 5	24 hrs., M-Sun
Terminal B (Screening Checkpoint)	8 hrs., M-Sun

WILLIAM P. HOBBY AIRPORT

Post Name	Daily Hours
Gate NV-07	24 hrs., M-Sun

ELLINGTON FIELD

No permanent Post coverage is currently utilized for EFD. The Director will request on an "as-needed" basis.

12.0 POST ORDER PROCEDURES

Post Order procedures are provided as standard requirements but may vary based on post assignments as requested by the Director. Contractor shall do the following:

1. Ensure that each vehicle stops at any of the AOA or SIDA checkpoints, (with the exception of vehicle(s) under official Emergency responder escort); ensure that the driver and all occupants of the vehicle present their applicable Airport access media or other photo identification prior to allowing access to the AOA/SIDA. Any person(s) being escorted by an authorized badged individual must provide a minimum of a valid federal, state, or company photo identification to determine that the person(s) presenting the ID is whom they actually say they are, all of which must be recorded by the Security Officer(s) on the appropriate escort entry form(s):

   - Name, company phone number, valid state, local or federal issued driver's license number or a company identification badge number.

- During those occasions when official police escort is being accomplished, ONLY the escorting officer will be required to stop and present his/her photo ID prior to allowing the motorcade access to the AOA/SECURED Area/SIDA area.

The security officer is not expected to physically detain any person. If an individual proceeds through an access point without proper clearance, the guard should get as much information as possible concerning the vehicle and driver and call Airport Security immediately. Attempt to gather as much of the following information as possible:

- Company Name
- License Plate
- Any company "shop" number on the vehicle
- Description of vehicle: color, markings, configuration, contents (if unusual or unique)
- Description of driver and occupants (if any)
- Time and date of incident

2. Ensure that each vehicle must be stopped and checked. Even if the same vehicle and/or driver has accessed the gate several times in one day, the officer should check the ID of each occupant of the vehicle and submit it to the card reader for authorization or check it against the current "STOP LIST" for validation each time the vehicle accesses a gate. **The only exception to this would be, when a vehicle is clearly identified as an emergency response vehicle (HPD, HFD, Ambulance, Public Safety and Security or IAH Operations) with its light and/or siren on. In this event the security officer should still log as much information identifying the vehicle as possible and contact Security dispatch to advise them of the situation.

3. Vehicles with multiple occupants. The security guard should retrieve the airport ID's of the driver and each occupant within the vehicle and validate them in accordance with step 4 (ID Check Procedures).

4. <u>ID CHECK PROCEDURES</u>

Check the picture(s) on the ID's and see if it matches the holder(s). If the picture matches, proceed to step 5. If the picture does not match, proceed as follows:

a. Do NOT give the ID back to the individual.

b. Do NOT allow access through the gate.

c. Call Airport Security Dispatch immediately.

d. Fill out the guard incident report.

e. Get as much information as possible, concerning the vehicle and the driver in case he/she drives away.

f. Explain to the person(s) that you cannot allow him/her access and he/she needs to remain at the gate until Airport Public Safety and Technology (PS&T) arrives.

g. Attempt to get the individual(s) name, however, DO NOT persist if you recognize a problem.

5. Check expiration date of the ID.

   If the ID is expired, follow steps 4a - 4f above.

6. Check the color of ID for proper level of access. The ID should be one of the following colors in order to gain access to the Terminal Ramp areas:

   (Example Gates NV53, TC2E, TC4, 51, FV5, & FV 1 [color of badge would be stated here, i.e. yellow, red, etc])

7. Submit the ID of each badged employee in the vehicle to the card reader for validation. When the ID is inserted into the card reader, it enters information concerning that particular individual into the computer. In some locations, this also activates the gate mechanism. This is a critrical part of complying with TSA regulations. If an ID does not have access, or is not valid for any reason, the light on the card reader will remain RED. If this occurs, check the ID number of each badge against the current "STOP LIST". Should the ID badge number appear on the 'STOP LIST" the individual(s) should NOT be allowed access. Follow the steps outlined in steps 4a - 4f. If you do not find the badge number(s) on the "STOP LIST", check each ID for photo match, proper access color and expiration date. Check the vehicle for proper markings. Deny access if light turns red.

8. <u>STOP LIST PROCEDURES</u>

   If the card reader or gate is not working properly; contact C3 to report the problem. While waiting for maintenance to repair the problem, utilize the revised "STOP LIST" to ensure the person(s) trying to gain access is authorized. Following are "STOP LIST" procedures:

   a. Retrieve the ID.

   b. Check the number on the back of the ID against the revised "STOP LIST" numbers. The Houston Airport System will provide an updated "STOP LIST" for all security guard shelters on a daily basis. The Security Representatives may pick this list up Monday through Friday between 6:30 a.m. and 10 a.m. at the ID badging front counter. To ensure that the most current list is being used, compare the date against the current date. The "STOP LIST" being used should never be more than three (3) days prior to the current date. If you possess an outdated "STOP LIST" at your work location, contact your shift supervisor immediately for a replacement.

c. If the person is authorized you should not be able to find the number of the ID on the "STOP LIST".

d. If you find the number on the "STOP LIST", follow steps 4a - 4f.

e. If you do not find the number on the "STOP LIST", check the ID for photo match, proper access color and expiration date. Check the vehicle for proper markings. Do not allow access.

f. When all items check out you may allow access

g. If any of the above items are out of compliance, follow steps 4a - 4f.

9. VEHICLE PROCEDURES

Check the vehicle for the following:

a. Each vehicle should have company markings on both sides of the vehicle that are large enough to be visible from a minimum of 200 ft. away. The Security Officer should walk completely around each vehicle to ensure the appropriate markings are on both sides of the vehicle(s). The company name on vehicle should match company name on the ID. If these requirements are not met, deny access and follow steps 4a - 4f.

b. check the back and front doors of catering trucks to ensure they are in the closed position. If a door is opened, advise the driver to close it before allowing access. (This is a safety regulation to prevent items from falling out of the vehicles and damaging aircraft).

c. DO NOT WAVE a vehicle through the gate. Even if the same vehicle and/or driver have accessed the gate several times in one day, you should check the ID of each occupant of the vehicle and submit it to the card reader for validation each time. The only exception to this would be, when a vehicle is clearly identified as an emergency response vehicle (HPD, HFD, Ambulance or IAH Operations) with their light and/or siren on. In this event the guard should still log as much information identifying the vehicle as possible and contact Airport PS&T to advise them of the situation as soon as possible.

10. VEHICLE ESCORTING

a. If a vehicle arrives at a gate with no markings and/or the driver has no Airport ID, the vehicle should be escorted by an individual with a valid airport ID in a properly marked vehicle.

b. Fill out the Escort Vehicle Log. The logs will be turned in on a weekly basis to your supervisor. The Security On-Site Supervisor will turn them in to the HAS.

c. During official police escort of VIP's, only the escorting officer will be required to present his/her photo ID badge and voucher for the number of vehicles and passengers within those vehicles prior to allowing the motorcade access to the AQA/SIDA.

11. If you have an emergency situation contact Security Dispatch at 30-1300.

12. There may be conditions whereby the TSA issues Aviation Security directives or other conditions where the Airport may require additional measures to be taken depending on the Security posture of the Airport. These might include but are not limited to:

- Inspecting inside the back and closed compartment for each passenger car vehicle, catering trucks and vans for additional personnel, unauthorized or prohibited items.
- Manual logging of each vehicle that enters the gate.
- Manual logging of each person that enters.

You will be notified if these duties are required.

13. INCIDENT REPORTS

The Security On-Site Supervisor shall immediately (defined as within one-half hour) file a written report with the Airport Security Communications Center detailing and describing any extraordinary event that occurred during the duty shift which affects or might reasonably expect to affect the security or safety of the Airport. If no incident occurred, the supervisor will still forward a copy of the pass-on log stating "NO INCIDENTS" occurred during the current duty shift.

13.0 TRAINING

Prior to execution of the Agreement, Contractor shall provide a detailed description of its training program, number of class hours, and its approach to ensure that all security personnel have satisfactory completed the training program before reporting to work at any Airport Post. Contractor shall incorporate additional training as required by the state or federal government sectors.

Description of training should include, as a minimum, the items listed below.

a. Brief description of Post Coverage
b. Role of Security Officer in performing Post Order
c. Management support given to Security Officer
d. Stress the importance of professionalism and Customer Service & Ethics

e. Transportation Security Administration and Federal Aviation Regulations on Airport Safety
f. Documentation and Report Writing
g. Knowing what situations require a report
h. How management uses reports
i. Use of communication equipment

EXHIBIT "B"

FEE SCHEDULE

PRICING FORM	
YEAR I (IAH & HOU)	$ 2,214,172.80
YEAR I (Additional Security Guard Services)	$ 338,860.80
YEAR II (IAH & HOU)	$ 2,169,014.40
YEAR II (Additional Security Guard Services)	$ 331,948.80
YEAR III (IAH & HOU)	$ 2,169,014.40
YEAR III (Additional Security Guard Services)	$ 331,948.80
YEAR IV (IAH & HOU)	$ 2,235,340.80
YEAR IV (Additional Security Guard Services)	$ 342,144.00
YEAR V (IAH & HOU)	$ 2,235,340.80
YEAR V (Additional Security Guard Services)	$ 342,144.00
TOTAL	$12,709,929.60

SECURITY GUARD SERVICES

YEAR I

Contractor shall provide Professional Security Guard Services at George Bush Intercontinental Airport/Houston (IAH), William P. Hobby Airport (HOU), and Ellington Field (EFD) at the rates proposed below, inclusive of complete Post Coverage and Security Services as specified in the Scope of Work. The actual number of hours may be higher or lower than the estimate number indicated below. Contractor shall be paid only for hours actually requested and performed.

A. Estimated annual post hours at IAH

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
10,800	12	$15.69	$2,033,424.00

B. Estimated annual post hours at HOU

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
960	12	$15.69	$180,748.80
Sub Total (A + B) Year I			$2,214,172.80

C. Additional Security Guard Services

For budgetary purposes only, the City is providing a method to estimate the dollar amount of additional Security Guard Services for each contract year. The actual annual dollar amount may be higher or lower than the estimates and Contractor shall not receive any compensation for the difference. Contractor shall be paid only for additional Security Guard Services actually requested and performed.

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
1,440	12	$19.61	$338,860.80

For the Term of the Agreement, City shall not pay Contractor for security officer breaks (e.g. lunch, bathroom etc.). Overtime rates shall only be paid when (i) Contractor must pay overtime as a result of the Director's request for additional services with less than 24 hours notice; however, overtime rates will only be paid for necessary overtime incurred during the first 72 hours; or (ii) when the Director requests a specific officer to perform services beyond his/her normal 40 hours work week.

SECURITY GUARD SERVICES

YEAR II

Contractor shall provide Professional Security Guard Services at George Bush Intercontinental Airport/Houston (IAH), William P. Hobby Airport (HOU), and Ellington Field (EFD) at the rates proposed below, inclusive of complete Post Coverage and Security Services as specified in the Scope of Work. The actual number of hours may be higher or lower than the estimate number indicated below. Contractor shall be paid only for hours actually requested and performed.

B. Estimated annual post hours at IAH

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
10,800	12	$15.37	$1,991,952.00

B. Estimated annual post hours at HOU

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
960	12	$15.37	$177,062.40
Sub Total (A + B) Year II			$2,169,014.40

C. Additional Security Guard Services

For budgetary purposes only, the City is providing a method to estimate the dollar amount of additional Security Guard Services for each contract year. The actual annual dollar amount may be higher or lower than the estimates and Contractor shall not receive any compensation for the difference. Contractor shall be paid only for additional Security Guard Services actually requested and performed.

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
1,440	12	$19.21	$331,948.80

For the Term of the Agreement, City shall not pay Contractor for security officer breaks (e.g. lunch, bathroom etc.). Overtime rates shall only be paid when (i) Contractor must pay overtime as a result of the Director's request for additional services with less than 24 hours notice; however, overtime rates will only be paid for necessary overtime incurred during the first 72 hours; or (ii) when the Director requests a specific officer to perform services beyond his/her normal 40 hours work week.

SECURITY GUARD SERVICES

YEAR III

Contractor shall provide Professional Security Guard Services at George Bush Intercontinental Airport/Houston (IAH), William P. Hobby Airport (HOU), and Ellington Field (EFD) at the rates proposed below, inclusive of complete Post Coverage and Security Services as specified in the Scope of Work. The actual number of hours may be higher or lower than the estimate number indicated below. Contractor shall be paid only for hours actually requested and performed.

C. Estimated annual post hours at IAH

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
10,800	12	$15.37	$1,991,952.00

B. Estimated annual post hours at HOU

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
960	12	$15.37	$177,062.40
Sub Total (A + B) Year III			$2,169,014.40

C. Additional Security Guard Services

For budgetary purposes only, the City is providing a method to estimate the dollar amount of additional Security Guard Services for each contract year. The actual annual dollar amount may be higher or lower than the estimates and Contractor shall not receive any compensation for the difference. Contractor shall be paid only for additional Security Guard Services actually requested and performed.

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
1,440	12	$19.21	$331,948.80

For the Term of the Agreement, City shall not pay Contractor for security officer breaks (e.g. lunch, bathroom etc.). Overtime rates shall only be paid when (i) Contractor must pay overtime as a result of the Director's request for additional services with less than 24 hours notice; however, overtime rates will only be paid for necessary overtime incurred during the first 72 hours; or (ii) when the Director requests a specific officer to perform services beyond his/her normal 40 hours work week.

SECURITY GUARD SERVICES

YEAR IV

Contractor shall provide Professional Security Guard Services at George Bush Intercontinental Airport/Houston (IAH), William P. Hobby Airport (HOU), and Ellington Field (EFD) at the rates proposed below, inclusive of complete Post Coverage and Security Services as specified in the Scope of Work. The actual number of hours may be higher or lower than the estimate number indicated below. Contractor shall be paid only for hours actually requested and performed.

D. Estimated annual post hours at IAH

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
10,800	12	$15.84	$2,052,864.00

B. Estimated annual post hours at HOU

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
960	12	$15.84	$182,476.80
Sub Total (A + B) Year IV			$2,235,340.80

C. Additional Security Guard Services

For budgetary purposes only, the City is providing a method to estimate the dollar amount of additional Security Guard Services for each contract year. The actual annual dollar amount may be higher or lower than the estimates and Contractor shall not receive any compensation for the difference. Contractor shall be paid only for additional Security Guard Services actually requested and performed.

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
1,440	12	$19.80	$342,144.00

For the Term of the Agreement, City shall not pay Contractor for security officer breaks (e.g. lunch, bathroom etc.). Overtime rates shall only be paid when (i) Contractor must pay overtime as a result of the Director's request for additional services with less than 24 hours notice; however, overtime rates will only be paid for necessary overtime incurred during the first 72 hours; or (ii) when the Director requests a specific officer to perform services beyond his/her normal 40 hours work week.

SECURITY GUARD SERVICES

YEAR V

Contractor shall provide Professional Security Guard Services at George Bush Intercontinental Airport/Houston (IAH), William P. Hobby Airport (HOU), and Ellington Field (EFD) at the rates proposed below, inclusive of complete Post Coverage and Security Services as specified in the Scope of Work. The actual number of hours may be higher or lower than the estimate number indicated below. Contractor shall be paid only for hours actually requested and performed.

E. Estimated annual post hours at IAH

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
10,800	12	$15.84	$2,052.864.00

B. Estimated annual post hours at HOU

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
960	12	$15.84	$182,476.80
Sub Total (A + B) Year V			$2,235,340.80

C. Additional Security Guard Services

For budgetary purposes only, the City is providing a method to estimate the dollar amount of additional Security Guard Services for each contract year. The actual annual dollar amount may be higher or lower than the estimates and Contractor shall not receive any compensation for the difference. Contractor shall be paid only for additional Security Guard Services actually requested and performed.

Monthly Post Hours	# of Months	Hourly Rate	Total Costs
1,440	12	$19.80	$342,144.00

For the Term of the Agreement, City shall not pay Contractor for security officer breaks (e.g. lunch, bathroom, etc.). Overtime rates shall only be paid when (i) Contractor must pay overtime as a result of the Director's request for additional services with less than 24 hours notice; however, overtime rates will only be paid for necessary overtime incurred during the first 72 hours; or (ii) when the Director requests a specific officer to perform services beyond his/her normal 40 hours work week.

EXHIBIT "C"

EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

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

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

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

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

EXHIBIT "D"
MWBE SUBCONTRACT TERMS

Contractor shall ensure that all subcontracts with MWBE subcontractors and suppliers are clearly labeled **"THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION ACCORDING TO THE TEXAS GENERAL ARBITRATION ACT"** and contain the following terms:

1. _____ (MWBE 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 Affirmative Action Director ("the Director").

2. _____ (MWBE subcontractor) shall permit representatives of the City of Houston, at all reasonable times, to perform (1) audits of subcontractor's books and records, and (2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep its books and records available for inspection for at least 4 years after the end of its performance under this subcontract. Nothing in this provision shall change the time for bringing a cause of action.

3. Within 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 under Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of the agent.

4. Any controversy between the parties involving the construction or application of any of the terms, covenants, or conditions of this subcontract must, upon the written request of one party served upon the other or upon notice by the 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 must 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 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 the American Arbitration Association on file in the City's Affirmative Action Division Office.

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. If the American Arbitration Association no longer administers Affirmative Action arbitration for the City, the Director shall prescribe alternate procedures to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.

EXHIBIT "E"

DRUG POLICY COMPLIANCE AGREEMENT

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 "F"

CONTRACTOR'S CERTIFICATION
OF NO SAFETY IMPACT POSITIONS
IN PERFORMANCE OF A CITY CONTRACT

I, _____, _____,
(Name) (Title)

as an owner or officer of _____ (Contractor)
(Name of Company)

have authority to bind the Contractor with respect to its bid, and 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 _____.
(Project)

Contractor agrees and covenants that it shall immediately notify the City of Houston Director of Personnel if any safety impact positions are established to provide services in performing this City Contract.

_____ _____
(Date) (Typed or Printed Name)

_____
(Signature)

_____
(Title)

EXHIBIT "G"

DRUG POLICY COMPLIANCE DECLARATION

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)

_____ (Contractor)
(Name of Company)

have personal knowledge and full authority to make the following declarations:

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

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

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

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

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

_____ Initials — From _____ (Start date) to _____ (End date) the following testing has occurred:

	Random	Reasonable Suspicion	Post Accident	Total
Number Employees Tested	_____	_____	_____	_____
Number Employees Positive	_____	_____	_____	_____
Percent Employees Positive	_____	_____	_____	_____

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

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

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

_____
(Date)

_____
(Typed or Printed Name)

_____
(Signature)

_____
(Title)

EXHIBIT "H"

PERFORMANCE BOND

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

_____, ("Principal") and_____, ("Surety"), shall pay to the City of Houston, Texas ("City"), the penal sum of $_____ in accordance with the terms and conditions stated below:

On or about this date, the Principal executed a _____ Agreement in writing with the City for _____ ("Agreement"), which is incorporated into this Bond.

The conditions of this obligation are that if the Principal performs its obligations under the terms of the Agreement and this Bond in all respects, then this obligation is void and has no further force and effect; otherwise this obligation remains in effect and the sum of $_____is payable to the City on demand.

The Surety relieves the City and its representatives from the exercise of any diligence whatever in securing the Principal's compliance with the terms of the Agreement, and the Surety waives any notice to it of the Principal's default or delay in the performance of the Agreement. The Surety shall take notice of and is held to have knowledge of all acts or omissions of the Principal, its agents, and representatives in all matters pertaining to the Agreement.

The City and its representatives may at any time, without notice to the Surety, make any changes in the terms and conditions of the Agreement, or extend it, and may add to or deduct from the Principal's obligations under the Agreement. Such changes, if made, do not in any way relieve, release, condition, or limit the obligation in this Bond and undertaking or release the Surety therefrom.

SURETY AND PRINCIPAL AGREE TO AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS AGENTS, AND REPRESENTATIVES FROM ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, DAMAGES, FINES, AND EXPENSES ARISING OUT OF OR RESULTING FROM ANY FAILURE ON THE PART OF THE PRINCIPAL, ITS AGENTS, AND REPRESENTATIVES, TO FULLY PERFORM UNDER THE AGREEMENT, INCLUDING ANY CHANGES OR EXTENSIONS TO IT.

If the City brings any suit or other proceeding at law on the Agreement or this Bond, or both, the Principal and the Surety shall pay to the City the additional sum of 10 percent of whatever amount the City recovers, which sum of 10 percent is agreed by all parties to be indemnity to the City for the expense of and time consumed by its City Attorney, his or her assistants, and office staff, and other costs and damages to the City. The amount of 10 percent is fixed and liquidated by the parties because the exact damage to the City would be difficult to ascertain.

This Bond and all obligations created under it shall be performable in Harris County, Texas, and all are non-cancelable. This Bond must be automatically renewed annually on the anniversary of the effective date of the Bond for the term of the Agreement and any extensions, unless the Surety gives the Principal and the City 30 days written notice before the renewal date that the Surety will not renew this Bond, in which case the Principal shall provide the City with a replacement bond (in the same form as this Bond) before the renewal date. The provisions of V.T.C.A., Government Code Section 2253, as amended, control even though the Statute may not be applicable.

All notices required or permitted by this Bond must be in writing and are deemed delivered on the earlier of the date actually received or the third day following: (1) deposit in a United States Postal Service post office or receptacle; (2) with proper postage (certified mail, return receipt requested); and (3) addressed to the other party at the address set out on the signature page of this Bond or at such other address as the receiving party designates by proper notice to the sending party.

This Bond is effective on_____ and is binding on the Principal and the Surety, their heirs, executors, administrators, successors and assigns, jointly and severally.

EXECUTED in multiple originals this_____day of_____, 20_____.

ATTEST/SEAL: (if a corporation)
WITNESS: (if not corporation)

_____
(Name of Principal)

_____
(Address of Principal)

By:_____
Name:
Title:
Date:

By:_____
Name:
Title:
Date:

ATTEST/SEAL
SURETY WITNESS:

_____
(Name of Surety)

_____
(Address of Surety)

By:_____
Name:
Title:
Date:

By:_____
Name:
Title:
Date:

REVIEWED:

_____
Sr. Assistant City Attorney
P. O. Box 1562
Houston, TX 77251