

THE STATE OF TEXAS §  
  §  
COUNTY OF HARRIS §

4600006066  
06-0967

**I. PARTIES**

A. Address

**THIS AGREEMENT FOR INTER-TERMINAL TRAIN (ITT) SYSTEM OPERATIONS AND MAINTENANCE SERVICES FOR THE HOUSTON AIRPORT SYSTEM** ("Agreement") at George Bush Intercontinental Airport/Houston ("IAH") is made on the date of countersignature by the City Controller ("Effective Date") between the **CITY OF HOUSTON, TEXAS** ("City"), a municipal corporation, and **JOHNSON CONTROLS, INC.** ("Contractor"), a Wisconsin corporation doing 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:

<u>City</u>	<u>Contractor</u>
Director, Houston Airport System or Designee City of Houston P.O. Box 60106 Houston, Texas 77205-01061	Johnson Controls, Inc. 11750 Clay Road Houston, Texas 77043 Attention: Carl Wooten

The Parties agree as follows:

B. Table of Contents

This Agreement consists of the following sections:

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**EXHIBITS**

- A. PERFORMANCE/WORK STATEMENT**
- B. FEE SCHEDULE**
- C. EQUAL EMPLOYMENT OPPORTUNITY**
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- F. DRUG POLICY COMPLIANCE AGREEMENT**
- G. CERTIFICATION OF NO SAFETY IMPACT POSITIONS**
- H. DRUG POLICY COMPLIANCE DECLARATION**

C. Parts Incorporated

The above-described sections and exhibits, the Bid for Inter-Terminal Train (ITT System) Operations and Maintenance Services for the City of Houston Airport System ("Bid"), all Addenda and Letters of Clarification to the Bid, and Contractor's written responses to the Bid, Addenda and Letters of Clarification are incorporated into this Agreement.

D. Controlling Parts

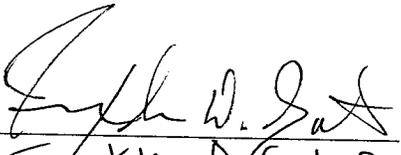
If a conflict among the sections or exhibits arises, the exhibits control over the sections, and the sections and exhibits control over the Bid, Addenda and Letters of Clarification. If a conflict between the Bid and the Addenda and Letters of Clarification arises, the Addenda and Letters of Clarification control over the Bid.

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):

JOHNSON CONTROLS, INC.

By:   
Name: Franklin D. Gates  
Title: Manager  
Tax Identification No: 39-0380010

By:   
Name: Carl T. Soster  
Title: Metro General Manager - Service

ATTEST/SEAL:

CITY OF HOUSTON, TEXAS

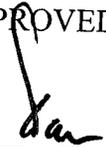
Signed by:

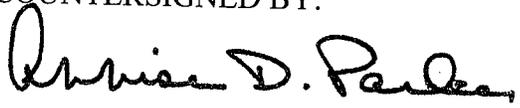
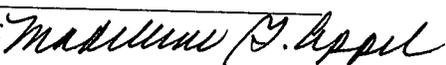
  
City Secretary

  
Mayor

APPROVED:

COUNTERSIGNED BY:

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

  
City Controller 

*cdh*

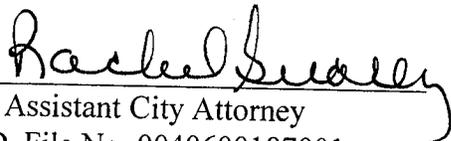
APPROVED:

DATE COUNTERSIGNED:

  
Purchasing Agent

9-25-06

APPROVED AS TO FORM:

  
Sr. Assistant City Attorney  
L.D. File No. 0040600187001

## II. DEFINITIONS

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

**"Acceptable"** means that services, equipment and performance meet or exceed the requirements of this Agreement.

**"Acceptance"** shall be determined by the Director and will be established when the Director determines that the unit of Work specified under the Agreement is complete and acceptable.

**"Acceptable Equivalent"** means any equipment, part or product that complies with existing industry standards governing its manufacture or use, and that is a functional equivalent of any equipment, part, product or specification described herein, or, which functionally satisfies an approved, negotiated or specified use made a part hereof.

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

**"Air Operations Area (AOA)"** means any area of the airport used or intended to be used for the landing, takeoff, or surface maneuvering of aircraft. An air operations area shall include such paved and unpaved areas that are used or intended to be used for unobstructed movement of aircraft in addition to its associated runway, taxi-way or apron.

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

**"Basic Services"** mean those services described in Exhibit "A" of the Agreement.

**"Business Days"** mean all days of a calendar year.

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

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

**"Contract or Agreement"** means the Agreement and all written amendments authorized by City Council and Contractor or change orders authorized by this Agreement between the City and Contractor whereby Contractor shall provide all specified Work in connection with the Agreement, in the manner and form as provided by the Agreement documents.

**"Director"** means the Director of the Houston Airport System or his designee in writing. The Agreement designates certain functions to be performed by the Director. For the purposes of the Agreement, those functions are assigned to the Assistant Director of HAS, Technical Services Division. The Assistant Director of HAS, Technical Service Division may delegate certain functions to other HAS employees, with the approval of the Director.

**"Equipment"** means all machinery, together with the necessary supplies for upkeep and maintenance, and also all tools and apparatus necessary for the proper and acceptable completion of the specified Work.

**"First Class Condition"** refers to the quality of systems, parts, equipment and related components and appurtenances. It also refers to the condition of the wear and operation of the elements. When referring to the quality of the elements, First Class Condition means of a quality equal to or better than the elements as originally installed. When referring to the wear and operation of the elements, First Class Condition means a standard that is within the manufacturer's published tolerances for safe, reliable operation, or if no published tolerances, within generally accepted tolerances.

**"Houston Airport System (HAS)"** means the property and facilities of the City of Houston, Houston Airport System 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.

**"IAH"** means George Bush Intercontinental Airport/Houston.

**"Maintenance Facilities"** mean the shop and office facilities the City provides to the Contractor.

**"Maintenance Service"** means both Preventive Maintenance and Remedial Maintenance.

**"Manufacturer"** means the original manufacturer or producer of a part or component.

**"Materials"** mean any substance specified for use in the accomplishment of the Work.

**"Notice to Proceed"** means a written communication from the Director to Contractor instructing Contractor to begin performance.

**"OEM"** means the Original Equipment Manufacturer.

**"Other Service Request (OSR)"** is the form used to request Other Work/Services within the scope of this Agreement.

**"Other Work/Services"** means those services described in Exhibit "A" – Performance/Work Statement as Other Work/Services and other services related to operations and maintenance services, other than Basic Services. Such services are only provided upon the Director's written request.

**"Preventive Maintenance (PM)"** means periodic or scheduled maintenance in accordance with the manufacturer's maintenance specifications, industry standards, professional association recommendations, and as set forth in this Agreement and in Exhibit "A".

**"Provide"** means furnish and install, complete, and ready for intended use, as applicable in each instance, except as otherwise defined in greater action.

**"Rebuilt Parts"** mean used parts that have been dismantled and reconstructed as necessary; all internal parts are cleaned and free from rust and corrosion; all impaired, defective, or substantially worn parts are restored to a sound condition or replaced with new, rebuilt, or unimpaired used parts; all missing components are replaced with new, rebuilt or unimpaired used parts; and such other operations are performed as necessary to put the product in sound working condition. Rebuilt Parts must meet or exceed original manufacturer's specifications.

**"Remedial Maintenance (RM)"** means repair of equipment and systems with parts, materials, and labor to restore performance to the designed function in the event of any breakdown or stoppage of equipment or system where the equipment or system is unable to perform its designed function. RM includes repairs and replacement of related components, parts, and appurtenances that have failed, no longer perform reliably, or have worn beyond safe tolerances.

**"Repair"** means to restore to good or sound working condition.

**"Response Time"** means the maximum elapsed time in which Contractor must respond to an Emergency Service Request. The maximum elapsed time is measured from Contractor's receipt of an Emergency Service Request until Contractor's arrival at the specified work site.

**"Routine"** means those services that do not require emergency work.

**"Service"** means to provide the labor, tools, equipment, and all items required to minimize maintenance requirements and ensure proper systems and equipment performance based on manufacturer's recommended procedures.

**"Work"** means all services to be provided by the Contractor as defined by the specifications herein.

### III. DUTIES OF CONTRACTOR

#### A. Scope of Services

In consideration of the payment specified in this Agreement, Contractor shall provide all labor, supervision, parts, equipment, materials, tools, instruments, expendable items, supplies, reports, transportation, insurance, subcontracts, bonds, and incidentals necessary to perform the Basic Services and, if requested, Other Work/Services described in the Performance/Work Statement set forth in Exhibit "A". Contractor shall not be paid for travel time to and from the job site.

#### 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.

F. RELEASE

**EXCEPT FOR THE CITY'S GROSS NEGLIGENCE OR WILFUL MISCONDUCT, 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. RELEASE AND INDEMNIFICATION - PATENT, COPYRIGHT, TRADEMARK, AND TRADE SECRET INFRINGEMENT)

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

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

I. 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.

J. Insurance

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

- (1) Minimum Insurance Requirements. Contractor shall maintain the following insurance coverage in the following amounts:

<u>(Coverage)</u>	<u>(Limit of Liability)</u>
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, except Professional Liability (if any), 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) Prior to execution 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. Warranties

Contractor warrants that it shall perform all work in a good and workmanlike manner meeting the standards of quality prevailing in Harris County, Texas, for work of this kind. Contractor shall perform all work using trained and skilled persons having substantial experience performing the work required under this Agreement.

With respect to any parts, instruments, equipment, and goods it furnishes, Contractor warrants:

- (1) that all items are free of defects in title, design, material, and workmanship,
- (2) that each item meets or exceeds the manufacturer's specifications and requirements for the equipment, structure, or other improvement in which the item is installed,
- (3) that each replacement item is new, in accordance with original equipment manufacturer's specifications, and of a quality at least as good as the quality of the item which it replaces (when the replaced item was new),
- (4) that no items or their use infringe any patent, copyright, or other proprietary rights. In the event Contractor becomes aware of such an infringement, Contractor will replace the items that are the subject of the infringement with non-infringing items in a timely manner; and

- (5) that for one year from the date of any installation ("Warranty Period"), Contractor shall provide all parts, instruments, equipment, and goods required to complete all Preventive and Remedial Maintenance required under this Agreement at no cost to the City. This warranty is in addition to Contractor's obligation to provide Basic Services under this Agreement. When the manufacturer's warranty period for any parts, instruments, equipment, and goods is greater than 1 year, the longer period prevails.

Contractor shall manage and enforce on the City's behalf all manufacturer warranties issued before the Effective Date of this Agreement, during the Term of this Agreement, and any extensions. Contractor shall not be entitled to any additional compensation for the management and enforcement of these manufacturer warranties. If Contractor does not exhaust all remedies, including litigation, against a manufacturer who fails to honor all or a part of a warranty, it shall not receive additional compensation from the City for the labor and material costs it incurs to repair or replace the item that otherwise would have been under warranty.

L. Maintenance Audit

- (1) At any time during the term of this Agreement or any extensions, the Director, without notice to the Contractor and at HAS' expense, may provide for a third party maintenance audit. Contractor shall rectify any deficiencies in performance discovered by such audit for which Contractor is responsible to the Director's satisfaction at no cost to the City within 10 days of receipt of a notice of any deficiency. Further, the Contractor shall provide the Director with a written explanation for such deficiency in performance and a plan to prevent future deficiencies within 15 days of receipt of such notice. Failure of the Contractor to timely rectify the deficiency or provide the written explanation and plan to the Director shall be grounds for termination for cause as provided in Section V.
- (2) At any time during the term of this Agreement or any extensions, the Director, without notice to the Contractor, may conduct his own inspections of Contractor's work performance, equipment, inventory, logs and work sites. Contractor shall rectify any deficiencies discovered by such inspection to the Director's satisfaction within 10 days of receipt of a notice of any such deficiency at no cost to the City if caused by the Contractor or its subcontractors.

M. Confidentiality

Contractor, 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.

N. 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.

O. 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. This requirement includes, without limitation, certification of the on-site technicians. Contractor shall immediately notify the Director of any suspension, revocation, or other detrimental action against required licenses or certifications.

P. 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.

Q. Compliance with Equal Opportunity Ordinance

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

R. 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 15% 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 in Houston, Texas, 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.

S. 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 period, Contractor shall maintain a Performance Bond in the amount of \$500,000 for the option period exercised. The bond must be in substantially the form attached as Exhibit "E" 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.

T. 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 "F," 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 "G."

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 "H". 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.

U. 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.

V. 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.

W. Conflicts of Interest

If a potential or actual conflict of interests arises between the City's interests and the interests of other clients Contractor represents, Contractor shall immediately notify the City Attorney and Mayor by fax transmission or telephone and request consent. The City shall be deemed to consent to the conflict unless the Mayor or City Attorney sends a written notice that the City declines to consent within 3 business days after the City receives the notice. If the City does not consent, Contractor shall immediately take steps to resolve the conflict.

## 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 Other Work/Services are not stated in Exhibit "B", the rates will be based on the Parties' written agreement, which must be established in accordance with the terms of this Agreement. All such rates and fees must be ordinary and reasonable for the type of work performed.
- (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

\$ 1,627,053.00 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 \$ 9,219,967.66 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. Changes

- (1) At any time during the Agreement Term, the Director may issue a Change Order to increase or decrease the scope of services or change plans and specifications, as he or she may find necessary to accomplish the general purposes of this Agreement. Contractor shall furnish the services or deliverables in the Change Order in accordance with the requirements of this Agreement plus any special provisions, specifications, or special instructions issued to execute the extra work.
- (2) The Director will issue the Change Order in substantially the following form:

**CHANGE ORDER**

TO: [Name of Contractor]

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

DATE: [Date of Notice]

SUBJECT: Change Order under the Agreement between the City and [Name of Contractor] countersigned by the City Controller on [Date of countersignature of the Agreement]

Subject to all terms and conditions of the Agreement, the City requests that Contractor provide the following:

**[Here describe the additions to or changes to the equipment or services and the Change Order Charges applicable to each.]**

Signed:

[Signature of Director]

- (3) The Director may issue more than one Change Order, subject to the following limitations:
  - (a) Council expressly authorizes the Director to approve a Change Order up to \$25,000. A Change Order in excess of \$25,000 must be approved by the City Council.
  - (b) If a Change Order describes items that Contractor is otherwise required to provide under this Agreement, the City is not obligated to pay any additional money to Contractor.
  - (c) The Total of all Change Orders issued under this section may not increase the Original Agreement amount by more than 25%.
- (4) Whenever Contractor receives a Change Order, Contractor shall furnish all material, equipment, and personnel necessary to perform the work described in the Change Order. Contractor shall complete the work within the time prescribed. If no time for completion is prescribed, Contractor shall complete the work within a reasonable time. If the work described in any Change Order causes an unavoidable delay in any other work Contractor is required to perform under this

Agreement, Contractor may request a time extension for the completion of the work. The Director's decision regarding a time extension is final.

- (5) A product or service provided under a Change Order is subject to inspection, acceptance, or rejection in the same manner as the work described in the Original Agreement, and is subject to the terms and conditions of the Original Agreement as if it had originally been a part of the Agreement.
- (6) Change Orders are subject to the Allocated Funds provisions of this Agreement.

F. Access to Site

Subject to FAA, TSA and 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 caused by it or its employees, suppliers or subcontractors as a result of their 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.

B. Renewals

If the Director, at his or her sole discretion, gives written notice of 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 2 successive one-year terms under the same terms and conditions.

C. 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.

D. 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.

If, after termination for failure to fulfill contract obligations, it is determined that Contractor had not so failed, the termination shall be deemed to have been effected for the convenience of the City. In such event, Contractor shall be paid in accordance with the provisions of Section V.C. of the Agreement.

E. 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, strikes, 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 14 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.**

C. Severability

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

D. Entire Agreement

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

E. Written Amendment

Unless otherwise specified elsewhere in this Agreement, this Agreement may be amended only by written instrument executed on behalf of the City (by authority of an ordinance adopted by the City Council) and 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 to either party to the Agreement must be in writing and must be delivered by hand, facsimile, United States registered or certified mail, return receipt requested, United States Express Mail, Federal Express, Airborne Express, UPS or any other national overnight express delivery service. The notice must be addressed to the party to whom the notice is given at its address set out in Section I of this Agreement or other address the receiving party has designated previously by proper notice to the sending party. Postage or delivery charges must be paid by the party giving the notice.

H. Captions

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

I. 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. The Director is not authorized to vary the terms of this Agreement.

J. Inspections and Audits

City representatives may perform, or have performed, (1) audits of Contractor's books and records, and (2) inspections of all places where work is undertaken in connection with this Agreement. Contractor shall keep its books and records available for this purpose for at least 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 under §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 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"**  
**PERFORMANCE/WORK STATEMENT**

Exhibit "A"  
Inter-terminal Train (ITT System)  
Operation and Maintenance Services  
For Houston Airport System  
Performance/Work Statement

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## Exhibit "A"

### Inter-terminal Train (ITT System) Operation and Maintenance Services For Houston Airport System Performance/Work Statement

#### 1.0 PERFORMANCE WORK STATEMENT

#### 1.1 GENERAL

For and in consideration of the payment specified in this Agreement, Contractor shall provide Inter-Terminal Train (ITT System) Services, i.e. "The Work" for the Houston Airport System (HAS) at George Bush Intercontinental Airport/Houston (IAH) as outlined herein. In order for Work to proceed a notice to proceed will be issued by the Director.

Contractor shall provide all services, management, supervision, labor, parts, equipment, materials, tools, instruments, supplies, expendable items, incidentals, transportation, and training required for responsive turnkey service.

All Work shall be in accordance with the highest standards prevailing in the industry, as well as applicable codes, rules, regulations, laws, and practices governing the Work. These standards will be achieved by continuous improvement through open communications with HAS, regular management reviews and industry guidelines.

Contractor shall respond immediately to a request from the Director for emergency service to perform all steps reasonably necessary to protect persons and property from risk of harm due to a problem with the system. Contractor shall give first priority to requests for emergency service.

#### 1.2 SCOPE OF BASIC SERVICES

##### A. INTER-TERMINAL TRAIN (ITT SYSTEM) SERVICES

Contractor shall operate and maintain the ITT System at IAH on a 24-hours-per-day, 7-days-per-week, 365-days-per-year basis, including holidays. Contractor shall provide on-site staffing necessary to provide specified ITT System operation and maintenance services.

The work provided by Contractor under the Agreement includes Basic Services and Other Work/Services.

Basic Services for which HAS will pay a monthly fixed-price payment will include:

1. Operation, Preventive Maintenance (PM), and Remedial Maintenance (RM) for the ITT System.
2. Manage and direct the ITT System to deliver specified performance standards.
3. Provide, operate, and maintain a maintenance data system.

4. Provide and maintain public address music service system.
5. Other Basic Services include, but are not limited to:
  - ITT System Safety
  - Staffing
  - Security & Badging
  - Administration Tasks
  - Phase-in / Phase-out Services
  - Quality Control

The monthly lump sum payments for Basic Services encompasses all overtime, after hours labor, additional manpower, and emergency labor required to meet the duties of Contractor and ITT System Performance Standards detailed in this Agreement.

Contractor shall be responsible for the total costs of repairs and/or replacement cost should failure occur to ITT System components, parts, appurtenances, etc, maintained by Contractor under Basic Services with the exception of damage and/or failure resulting from Force Majeure or vandalism.

Repairs and/or replacement of ITT system equipment, parts, etc., due to Contractor's failure to perform proper preventive maintenance will be the responsibility of the Contractor at no cost to HAS.

- B.** Other Work/Services provided by Contractor under this Agreement include other related required Work that is beyond the scope of Basic Services. Such Work will be performed on an "as requested" basis.

### **1.3 ITT SYSTEM**

The ITT System and related equipment covered under Basic Services include all ITT System-related mechanical, electrical and electronic control components and subsystems, as described herein and in related manuals, drawings, technical bulletins, and documents. An ITT System description is provided in Section 3.0. The ITT System includes, but is not limited to, guide way, track, vehicles, linear induction motors and propulsion system, braking, system, station equipment, wayside equipment, control consoles and monitoring equipment, door mechanisms, communication equipment, PA system, CCTV system, microprocessors, programmable logic controllers, computers, controls, tires, wheels, vehicle frames, chassis, internal structural members, and fasteners, seats, panels, doors, drive mechanisms, bearings, suspension, switching devices, accessory equipment, graphics/signage, fans, power equipment serving the system (including, but not limited to, distribution panels, distribution system, power circuit breakers, disconnect switches, power and instrument transformers, and surge protection equipment), alignment and adjustment of the power distribution rails in the guide way, and the maintenance of the switches and distribution system. The functional systems include, but are not limited to, the following:

- Guide way, Rails, and Guide way Switches
- Wayside Equipment
- Cars/Vehicles
- Power Distribution Systems
- Brake Systems
- Station Modules

- Train Control Systems
- Communication Systems
- Graphics/Signage
- Mechanical Systems
- Electrical Systems
- Office and Shop Equipment, including Electric Utility Carts

## 2.0 SERVICES

### 2.1 BASIC SERVICES

#### A. ITT SYSTEM OPERATIONS

As a part of Basic Services, Contractor shall operate the ITT System, on a 24 hour-per-day, 365-day-per-year basis, including holidays, using Contractor's personnel, subcontractor services, and any other vendors required for providing complete, safe and efficient train service. Contractor shall ensure that the ITT System and related equipment is operated at all times in accordance with best practices prevailing in the industry, observing OEM recommended procedures and complying with applicable Occupational Safety and Health Act (OSHA) and other applicable municipal, state, and federal safety standards.

##### 1. SERVICE REQUIREMENTS

Contractor shall be responsible for all aspects of service, which include, but are not limited to, the following:

- a. Operate the ITT System to meet optimum passenger volumes, travel and wait times and ride quality as specified herein.
- b. Monitor system performance including security and safety systems within the ITT System. Check door-interlock mechanisms on vehicles and stations on an ongoing basis daily for safety and rectify problems.
- c. Ensure the ITT System is maintained in a clean and safe condition. Visually check guide ways, stations, and vehicles on an ongoing basis daily, record the results, and rectify problems. Ensure vehicles, station areas, tracks and guide ways are clean and free of trash and debris. Perform immediate cleanup in cases of accidents, spills, or any other incidents that may create safety or health hazards.
- d. Ensure exterior and interior surfaces of all vehicles are consistently maintained to present a uniformly clean and attractive appearance:
  - Maintain the exterior of the vehicle to be free of smudges, dirt, grime, stains, or anything that detracts from cleanliness and appearance.
  - Clean all interior vehicle walls and ceilings, luggage racks, floors, and seating surfaces to be free of litter, smudges, dirt, grime, stains, or anything that detracts from cleanliness and appearance.
  - Remove marks and/or stains as required.
  - Clean all windows as required.

- Thoroughly vacuum interiors as required.
  - Do touch-up painting as required for first-class appearance.
- e. Ensure station areas and wayside equipment areas are consistently maintained to present a uniformly clean and attractive appearance:
    - Clean panels, doors and glass to be free of smudges, dirt, grime, stains, or anything that detracts from cleanliness and appearance.
    - Remove marks and/or stains as required.
    - Ensure area within the ITT System is free of litter.
  - f. Ensure public address system is properly modulated to ensure announcements are comfortably audible, clear, and intelligible.
  - g. Provide and maintain public address music service system.
  - h. Provide necessary services to remedy all failures affecting operations, regardless of the time of day.
  - i. Provide ongoing operation analysis to ensure continuity of efficient and economical operation, ensuring trains in service meet passenger demands while meeting the Performance Standards defined herein.
  - j. When requested by the Director, provide a person who will monitor the safety at platform station loading areas during peak travel periods to ensure ITT System cars are not overloaded.
  - k. Immediately inform HAS of emergency situations affecting passengers or any procedures or situations affecting either passengers or the performance of the ITT System. (*Peak Travel Periods: When passenger traffic is congested and exceeds the Inter-Terminal Train capacity*)
  - l. Initiate and monitor all computer-controlled operations and provide all required train movement that is not under computer control through manual controls. If the computer control system fails, perform manual operations after all reasonable efforts to repair and restart the computer control system have been exhausted.
  - m. Provide, operate, and maintain a maintenance data system capable of providing data specified in the Agreement.
  - n. Under no conditions shall Contractor operate the ITT System in a manner that is unsafe or not in accordance with safe operation procedures.

## 2. PERFORMANCE STANDARDS

Contractor shall operate and maintain the ITT System to deliver the following performance levels for passenger capacity, travel time, wait time, ride quality, and radio interference as defined by the OEM, in accordance with the latest technical/user manuals, service bulletins, service advisories, product/service information updates, and all other such OEM published information pertaining to

the maintenance and operation of the ITT System.

a. CAPACITY

The Contractor shall operate and maintain the ITT System to comfortably transport the maximum number of passengers between all station destinations in accordance with OEM standards consistent with historical passenger capacity data, given known contributors to and detractors from capacity and trip time performance defined by:

- Travel time
- Station dwell time including door time and signal time
- Station delays due to passenger obstruction
- Delays due to down-line block occupancy

Contractor shall ensure optimum system capacity/trip times by maintaining and verifying system adjustments/calibration/settings in accordance with OEM recommendations and monitoring trip time against prior logs of trip times. Historical data indicates that the maximum link passenger volume over an interval of one hour (three trips per hour, times six trains, times 36 passengers per train) is 648 passengers.

b. TRAVEL/TRIP TIME

The Contractor shall operate and maintain the ITT System to deliver a minimum 19 minutes round-trip time under full-load operating conditions for six trains. Extended delay caused by additional time used for passenger loading and unloading is the only acceptable exception to this standard. Travel time begins when the train leaves the departure station and includes wait time at intermediate stops. Dwell at stations may be adjustable, but should be considered fifteen seconds at the parking station and twenty-five seconds at all other stations for calculating travel time.

Station dwell time is the time from zero speed detection to the application of propulsion power which includes signal time, time to open and close the train and station doors, and time the doors are open. Signal time is the time to detect zero speed and apply power to both the train and station door operators, plus the time to detect that both train and station doors are closed and all interlocks are satisfied before the application of propulsion power, and the time to open and close the train or station doors. Station dwell time may be set according to projected activity for the respective station.

Contractor shall monitor and record trip time of each train using the central monitoring system. Any round trip time in excess of a given value must be logged as real time. The determination of ultimate trip time against which actual trip times will be monitored rests with HAS.

c. WAIT TIME

Contractor shall operate and maintain the ITT System to deliver no more than three minutes waiting time in departing from stations in the loop-operating mode. This performance standard must be met with six trains in operation. The only exception to this requirement is extended delay caused by additional time used for passenger loading and unloading at a station.

d. RIDE QUALITY

Contractor shall operate and maintain the ITT System to deliver a smooth ride anywhere along the guide way and anywhere within the vehicles, throughout the complete vehicle load range from empty to fully loaded, regardless of the number of vehicles in a train. Changes in existing settings or adjustments that affect ride quality must be approved by the Director.

e. RADIO INTERFERENCE

Contractor shall ensure radio frequency noises generated by the ITT System never result in improper functioning of any part of the system and that the ITT System does not become susceptible to normal electromagnetic emissions from other equipment. The ITT System normally does not interfere with other communications systems or other loads at 0.01 to 1000 MHz. via radiation or conduction of radio frequency noise. In the event that interference is caused by the ITT System, or any Contractor modifications to the ITT System, Contractor shall modify the ITT System to eliminate the interference at no cost to HAS, and Contractor shall be fully liable for any damages whatsoever which result from such interference.

**B. MAINTENANCE SERVICE**

1. PREVENTIVE MAINTENANCE

As a part of Basic Services, Contractor shall perform PM on the ITT System to prevent the occurrence of system failures and to keep the ITT System in first-class operating condition. Contractor shall perform PM in accordance with the latest OEM technical and user manuals, service bulletins, service advisories, product/service information updates, and all such other such OEM published information pertaining to the maintenance of the ITT System, as well as evidenced by Contractor's experience and knowledge of similar or like equipment and systems, and as specified herein. Contractor shall begin providing PM for the ITT System immediately after Contractor's receipt of Notice to Proceed.

- a. PM includes all inspections, diagnostics, and tests; scheduled service routines; calibrations and alignments; replacement of worn, damaged, or destroyed parts; parts cleaning and lubrication; and adjusting system

components as necessary to maintain safety and maximum operational efficiency. In addition to all OEM requirements and schedules:

- PM includes, but is not limited to, annual body-off-frame inspection of vehicles to check for and repair any defects in chassis members; replace wear items on the vehicle chassis including, but not limited to, Teflon bushings on kingpins and thrust bearings on load-bearing wheels; replace bogie pivot bearings as required; check kingpins for wear and repair or replace kingpins as required for original tolerances; adjust all shims; check guide wheels and load-bearing wheels for delamination and wear and replace as required; and inspect and adjust all other components on vehicles as required to ensure safety and reliability of operation.
  - PM includes, but is not limited to, an annual inspection of all wiring and wiring connections in power distribution equipment, guide way equipment, power wire ways, and linear induction motors to identify and repair problems as required to ensure safety and reliability of operation.
  - PM includes, but is not limited to, an annual service inspection of guide way operating mechanisms, guide way locking mechanisms, station doors, operator motor/gear boxes, and any other ITT System components to include adjusting and repairing as required to ensure safety and reliability of operation.
  - PM includes, but is not limited to, thorough cleaning and inspection of the track to include vacuuming, washing, mopping of the track bed and wiping down cable trays, induction motors, guide ways, and rails as required to ensure safe and efficient operation and attractive appearance.
  - PM includes, but is not limited to, refurbishing of all fiberglass seating units in the vehicles as required to maintain an original appearance. Seating units must be removed, cleaned, and repainted with Imron polyurethane paint, or equal, and reinstalled.
  - PM includes, but is not limited to, replacing plexiglass/lexan or glass windows that are scratched due to normal wear and tear or have become dull with age.
- b. All preventive maintenance that requires any part of the ITT System to be made unavailable for passenger service must be scheduled and performed by Contractor between 1:00 a.m. and 4:00 a.m. unless advance approval is obtained from the Director. Contractor shall post signage at all stations and play public address announcements during scheduled downtimes to inform passengers that the ITT System will be out of service.

- c. Contractor shall develop routine PM Schedules for the ITT System in accordance with this specification. Contractor's PM Schedules must include all regular or repetitive maintenance tasks and service intervals. Contractor shall develop routine PM Schedules for the Director's approval. Contractor shall submit its proposed PM Schedules to the Director for approval within 30 days after the Notice to Proceed. Contractor's PM Schedules and procedures must cover each functional area and overall operation, and must include tests, inspections, and preventive maintenance schedules.

## 2. REMEDIAL MAINTENANCE

As a part of Basic Services, Contractor shall provide remedial maintenance to keep the ITT System in first-class operating condition. Contractor shall make repairs and replace related components, parts, and appurtenances that have failed, no longer perform reliably, have worn beyond safe tolerances, or no longer present a first-class original appearance. Contractor shall respond immediately to any defect or malfunction that would reduce the ITT System's operating efficiency below OEM specifications and specified performance standards.

- a. Contractor shall notify HAS immediately of all equipment breakdowns effecting operations or passenger safety, the action to be taken, and an estimate of a time frame to accomplish the repair. Contractor shall notify HAS again when the equipment is repaired and placed back in service.
- b. Contractor shall respond to HAS' requests for emergency service with a technician on-site immediately after notification for any defect or malfunction which impacts the public, renders the system incapable of performing at its normal, acceptable operating level, or for circumstances which impact passenger safety. In such cases, Contractor shall work continuously without regard for usual business hours until the malfunctions are corrected. Contractor shall bring the ITT system back up for passenger use as soon as possible. If the ITT System cannot become fully functional within five minutes, Contractor shall keep as much of the train running as possible including, but not limited to: bypassing the station with a problem, or running the train manually when the computer logic is malfunctioning.
- c. Contractor shall respond to HAS' requests for non-emergency service with a verbal acknowledgement within 15 minutes of notification and with support personnel on-site within 1 hour.
- d. Contractor is responsible for the repair and replacement at Contractor's expense of worn, damaged, and failed ITT System components, parts, and appurtenances, with the exception of damage and/or failure resulting from Force Majeure or vandalism.

In the instance of Force Majeure (as defined in the Agreement) or vandalism, the replacement service will be provided at a cost not to exceed the rate proposed in the Other Work/Services category.

- e. Contractor shall maintain the first-class visual appearance of the ITT stations and vehicles.

3. CONTRACTOR-FURNISHED PARTS

As a part of Basic Services, Contractor shall provide all replacement parts required for preventive and remedial maintenance under the Agreement. Contractor shall develop and maintain a spare parts inventory sufficient to maintain the highest levels of performance and service. All parts, equipment, and/or components replaced or newly installed must be new, or rebuilt/reconditioned if no longer available as new. All parts, equipment and/or components must be free of defects in material and workmanship and must conform to OEM specification.

4. DISPOSAL OF USED PARTS

As a part of Basic Services, Contractor shall dispose of all worn/defective scrap parts and waste or hazardous materials resulting from the Work under the Agreement. Contractor shall act prudently in all aspects of handling, transport, and disposal of worn/defective scrap parts and waste or hazardous materials to ensure the highest level of safety to the environment and to public health. Contractor shall secure all licenses and permits and provide any required documentation associated with hazardous materials as required by law and must ensure that any disposal facilities to which any scrap, waste, or hazardous materials may be moved are in full compliance with federal, state, and local laws and regulations. Worn or defective parts must not be stored on Airport premises. Contractor shall notify the Director when these parts are to be removed from HAS property.

5. PARTS STORAGE

Existing space and fixtures for spare parts storage is available to Contractor. Any additional storage space required must be provided by Contractor off-site at its expense. HAS shall have access to all storage areas for the purpose of inspection.

6. OPERATION AND MAINTENANCE MANUALS

At the start date of the Agreement, the Director will provide Contractor with its inventory of equipment, systems, operation, and maintenance manuals etc., which may not be all inclusive. As a part of Basic Services, Contractor is responsible for obtaining the latest OEM technical and user manuals, service bulletins, service advisories, product/service information updates, and all such other OEM published information pertaining to the maintenance of the ITT System.

Upon termination or expiration of Agreement, Contractor shall return to the Director shop manuals provided by HAS.

- a. Contractor shall update O & M manuals, drawings, and wiring control diagrams throughout the Agreement term to reflect all updates and all changes or additions to the system. Contractor shall obtain any other information/data required to perform required maintenance, at Contractor's sole expense.

- b. Contractor may recommend changes to the O & M manuals from time to time in writing for the Director's consideration. When proposed changes are approved by the Director, Contractor shall revise the Manuals accordingly, including system documents, drawings, and manuals.
- c. All manuals, bulletins, advisories, updates, manufacturer's data, wiring control diagrams, manuals and manual information regardless of the condition or status, existing or in preparation, that is pertinent to the ITT System becomes property of the City.

## 2.2 OTHER WORK/SERVICES

### A. General

Within the general scope of the Agreement, Other Work/Services may be required to meet desired conditions and/or services not covered in the Basic Services of the Agreement. Contractor shall perform Other Work/Services in accordance with all provisions of the Agreement plus any special provisions issued with authorization for Work. With the exception of Emergency Service Requests or Urgent Service Requests, where a request may be verbal and followed immediately in writing, all requests for Other Work/Services will be in writing in the form of an Other Service Request (OSR) provided by the Director and signed by the Director or his/her designated representative. Contractor shall perform Other Work/Services to the same standards identified for Basic Services.

### B. Performing Other Work/Services

Other Work/Services shall be performed in accordance with all provisions of this Agreement and any special provisions issued with the Other Service/Request (OSR) that are not inconsistent with this Agreement.

1. Before issuing an OSR, the Director will first issue a written notice to Contractor detailing the specific Other Work/Services to be performed by Contractor.
2. In response to any such written notice, Contractor shall provide Director with a written proposal within 3 business days of receipt of OSR Request. The proposal must include a description of the services to be performed, applicable labor rates, estimated labor hours, performance schedule, total estimated cost, and other requirements set forth in the written notice to Contractor.
3. Contractor shall furnish all materials, labor, tools, equipment, transportation, and incidentals for accomplishing the described services or as otherwise specified by Director. Director will not approve an OSR without a specified completion date. Contractor shall complete all such Other Work/Services within the time specified in the OSR. Contractor can request in writing an extension to the completion date. However, Director may or may not allow the extension. Director's decision is final.
4. Upon receipt of Contractor's proposal, Director has the option to reject Contractor's proposal, require resubmission with revised or additional information, or issue an

OSR. Should Director reject Contractor's proposal and require resubmission, Contractor shall resubmit a modified proposal within 3 business days of the rejection.

5. Upon approval by Director of the modified proposal, an OSR will be issued. Contractor shall commence Work as stated in the OSR. Contractor shall diligently work to completion in accordance with the terms and conditions of the Agreement and the approved OSR.
6. Labor costs must not exceed the rates stated in Exhibit "B" Fee Schedule. Labor is inclusive of supervision, transportation, tools, and expendables.
7. Prices for equipment, parts, supplies, and sub-contracted requirements which may be required for authorized Other/Work Services shall be the Contractor's actual cost plus a 5% mark-up, excluding shipping and handling. Copies of invoices from Contractor's suppliers for these items must be submitted with Contractor's invoices at the time of submittal to HAS for payment. The mark-up percentages stated shall not increase during the term of this Agreement. The quantity of equipment, parts, and supplies will depend on the needs of HAS.

For Other Work Services related to those listed on page 41 that Contractor cannot perform with its on-site staff, Contractor may subcontract such Work. Contractor shall obtain (3) itemized bids/estimates within 3 business days from separate/different vendors/ suppliers, not affiliated with Contractor, for the required equipment, parts, supplies, and sub-contracted items. Contractor shall submit the bids/estimates to Director and obtain written approval from Director before proceeding with the Work.

8. When Other Work/Services have been completed, a copy of the approved OSR must accompany the monthly invoice.
9. While performing Work on any OSR, if hidden damage or additional cost is discovered, Contractor shall notify Director immediately. After determining the extent of hidden damage a supplemental OSR must be submitted.
10. Contractor shall submit to Director, copies of original purchase orders and invoices evidencing Contractor's acquisition costs.
11. In the case of emergency service, Contractor may perform Other Work/Services upon the verbal approval of Director. However, during the next business day, Director will submit a written Emergency Service Request to the Contractor.
12. If it is determined this scope of Work should be covered under Basic Services, any amount paid to the Contractor under Other/Services Request will be reimbursed to the City by the Contractor. The City does not waive any of its rights and remedies whether by statute, at law, in equity, or under this Contract.
13. If Other Work/Services are performed by the on-site crew in conjunction with their regular duties, Contractor shall not receive additional compensation for their labor.

- a. Examples of OSR items are:
  1. Window Repair/Replacement - Replacement of windows damaged by vandalism or Force Majeure will be accomplished on an as-requested basis.
  2. Fiberglass Repair – Repair of fiberglass panels and components damaged by vandalism or Force Majeure will be accomplished on an as-requested basis.
  3. Metal Fabrication - Repair of Aluminum panels and other metal panels damaged by vandalism or Force Majeure will be accomplished on an as-requested basis.
  4. Graphics/Signage – Replacement of graphics and signage will be accomplished on an as-requested basis.
  5. Audio Messages – Production and integration of new audio messages will be accomplished on an as-requested basis.

### 3.0 SYSTEM LAYOUT AND OPERATIONAL CONCEPT

The ITT is a WEDWAY PEOPLEMOVER originally developed by WED Transportation Systems, Inc. The ITT consists of approximately 10,615 feet of underground (tunnel) single-lane track arranged in a continuous closed-loop between the Airport terminals, hotel, and parking facilities. There are three track switches in the ITT system: one mainline and two spur switches. The mainline switch accesses between the mainline and the maintenance area. The spur switches access strictly in the maintenance area. The switches are manual operated.

There are six train stations in the ITT system: Terminal A, Parking Garage stop, Terminal B, Hotel, Terminal C, and Terminal D. Terminals A and Terminal D have one platform each. Each of the other station areas has two platforms each: north side and Southside. At the start date of the Agreement the Parking Garage stop Southside platform is being by-passed and is not operational. Each station platform has three automatic doors that correspond to three doors in a three-car train. The doors work in sync like elevator doors.

The ITT System has a central control and maintenance area facility. Both facilities are located directly behind the Terminal A station platform. The central control facility contains all of the main ITT System controls and an administration office. Other local command and control (wayside) equipment is located at each station and in cabinets built into the parapet walls along the tunnel.

The central control equipment provides overall train supervision and system monitoring, status reporting and logging. Major system and station controls are centrally located in the central control room for monitoring and possible intervention by an operator, in case of emergencies or unusual events. The major system controls include emergency stop, secure, and shutdown controls.

The maintenance area provides storage for trains when not in service on the mainline or for maintenance whenever trains are under repair. Contractor shall have use of the maintenance area to store parts and equipment needed to service, repair and clean the vehicles.

### 3.1. AUTOMATIC TRAIN CONTROL AND MONITORING SYSTEM

The ITT System train fleet consists of eight three-car vehicles (trains). The normal mode of operation consists of six trains traveling along the closed-loop and stopping at each platform destination, starting with Terminal A, running in a counter-clockwise direction, and ending back at the Terminal A platform. Present operations require only six three-car trains running on the mainline. The two other trains are not used in daily operation but are used as substitutes for trains that require maintenance. Visual (sign graphics) and audio (sound) communicated information is provided in each station and inside each train car.

The ITT System is a fully automated system. There are no drivers on board the trains. The trains are powered by the regulated electromagnetic thrust of fixed track-based Linear Induction Motors (LIM), controlled through wayside and central control computers.

A Programmable Logic Controller (PLC) regulates the amount of voltage for each LIM using microprocessor-based thyristor controls at wayside control locations. The master PLC, located at the central control room, electronically supervises and interfaces with each set of PLCs at the wayside locations.

The central control equipment includes the master PLC computer, the control console, central display board, and central monitoring computer with its peripherals. The master PLC computer monitors the wayside area PLC computers. The wayside PLC computers are hard-wired with the central computer to ensure safe operation of the trains and allow the central control room computer to provide instantaneous detection of a malfunction or anomalous condition. Wayside area PLC equipment controls the activities of the two types of LIMs used: station and cruise. The central control console monitors the activities of these motors. These activities, seen through the movement of each train, are displayed on computer monitors and on the central display board in the central control room. The central control room facilitates simultaneous monitoring of all CCTVs used in the ITT system. Closed circuit television (CCTV) monitors each train station area for increased security.

Another computer in the central control room provides real-time monitoring of all major subsystems and operational performance. This central computer system activates audio and visual alarms, in case of a malfunction.

The wayside PLCs supervise the station and cruise LIMs. These PLCs control the train start and stop, operate the doors, control the train wait time, operate station brakes, and other station control requirements. Manual override of station operation is possible in case of malfunctions.

Two independent fail-safe systems maintain train separation and stop safety. These include Safety Block and Trailing Dead Zone. Station logic prevents dispatch of a train until the next station and the en-route cruise zones are unoccupied. The Safety Block system maintains train separation by keeping two (2) safety brakes between trains at all times. This system is backed up by the Trailing Dead Zone function that inhibits application of power to a predetermined number of motors behind a train. This creates a traveling "dead zone" behind each train and insures that trains cannot be powered into one another.

The ITT System incorporates the following control equipment, computer equipment, and computer-based Automatic Train Monitoring System (ATMS) software:

- A. Central Control Monitoring System - The current system is a Gateway GP6-400 System with 12.5 gigabytes of fixed hard disk storage, a ZIP-disk system, a log printer, a report printer, and a video terminal for operator interaction. This system is connected to the Allen-Bradley central Programmable Logic Controller (PLC). The PLC/PC system is integrated and programmed to monitor.

The central monitoring system gathers system information by reading the input/output image table of the PLC at half-second intervals. With this information, the monitoring system can detect anomalous operation or failure of system equipment. These events are divided into categories and prioritized. The highest priority events are displayed on the video terminal and cause an alarm to sound until an operator acknowledges the event or the event clears. All events are printed on the log printer as they occur, with the date and time stored on the hard disk. Operators can request the generation of historical reports on any type or category of these stored events. The disk holds several months of event data, as well as system statistics; such as train-hours and train-miles. This information is archived to the ZIP-drive for permanent storage.

- B. Central Control System Controller - The system or master controller located in the Central Control office is an Allen Bradley PLC5-40 Programmable Logic Controller (PLC). This PLC monitors the system status, operates the system display board, and transmits supervisory/control commands to the station control logic and cruise motor control logic through remote PLC's 5-11.

Station reports from the station PLC's include normal sequence/events of operations; and abnormal, failure, and emergency conditions.

The manual system and station controls, located on the Central Operator's Console, interface with the system controller. System control functions, including "run," "shutdown," "secure," and "emergency stop" are transmitted to all station PLC's. Station controls affect the operation of only one station, and consist of: "hold doors open," "hold with doors closed," "run-through," and "normal."

- C. Station Logic Controls - Each station has a redundant pair of PLC 5-11 CPU's to execute the station logic controls. The program they execute is interrupt-driven and is written in RSLogix. This is a Windows based program written by Allen-Bradley.

Logical train operation is regulated and protected by the station logic that consists of train detection hardware distributed in the motor control centers and the PLC's. As a train approaches a station in the normal automatic operating mode, the station motor control center regulates its speed to follow a predefined decelerating velocity profile. Station logic monitors the position of the train and at the appropriate position, inhibits the motors, and closes the station brake.

The safety block functions are controlled by the station logic. The safety block system prevents a following train from encroaching on the preceding train's safe area. The "train ahead" logic located in the motor control center redundantly detects train position. The station logic closes the safety brakes located in front of the station.

The station logic supervises the station stopping control, operates the doors, selects the dwell time, operates the station and safety brakes, implements the safety block algorithm, dispatches trains, operates the local control panel, and provides station level supervision.

A local control panel located in each station provides diagnostics and maintenance controls. Indicators summarize information about the station and the safety block, including the status of the three brakes, train position, and door status. The station has several modes of operation, selected via a key switch on the station's local control panel. These modes are "automatic," "local," "local run-through," and "secured."

- D. Cruise Motor Logic Controls - Cruise motor control centers are contained in cabinets mounted in the parapet walls that separate the pedestrian way and guide way. These centers house the cruise motor control equipment that contains the individual control logic and power distribution for the cruise motors.

A cruise motor logic card independently controls two LIM'S. The principle input signals are proximity and hot motor signals from sensors mounted at each of the two motors and supervisory commands from the station logic. Train speed is computed from the time-sequenced signals provided by the proximity sensors. The logic card compares the computed speed to the hardwired programmed speed set for that particular motor and issues an appropriate sequence of silicone controlled rectifier (SCR) firing pulses which control motor power. The motor logic card has provisions at the outside card edge for the connection of a diagnostic readout of three hexadecimal displays.

The cruise motor logic card is based on the Intel 8035 microprocessor with 1K by 8-bit EPROM (Electrically Programmable Read Only Memory). The operation of the cruise motor logic card is controlled by a program written in assembly language and is resident in the EPROM.

### 3.2. Propulsion and Control

The ITT uses track-based, single-sided linear induction motors (LIM) to generate the propulsion forces required to move a passive vehicle. Motor thrust is controlled via solid-state power conditioning units with microprocessor-based control logic.

Each motor has its own control equipment. Train speed is regulated by the motor control logic, which measures actual train speed and issues the appropriate power commands to slow or speed the train toward a predetermined velocity. Motor placement was optimized through a computer model. Motor separation varies from 3 ft. to 12 ft. depending on the thrust required at a specific location.

The propulsion elements consist of two types of motors: station and cruise. The motors are in three types of areas: station, acceleration/deceleration, and cruise. In the station areas, trains are propelled by 65 lb/ft medium-duty-cycle LIMs. In the areas between the stations, 125 lb/ft shorter-duty-cycle LIMs are used. Motors are placed 3 feet apart at the stations, 6 feet apart at the acceleration/deceleration areas, and 12 feet apart for the cruise areas. Maximum train speed is 22 feet per second or 15 miles per hour. Motor height is adjustable, to maximize train reaction element efficiency.

The train reaction elements, called platens, are the vehicle-mounted version of the rotor of a squirrel-cage-induction-motor. They consist of an aluminum plate mounted on a steel plate.

Epoxy is sandwiched between the two plates to dampen vibrations. Each vehicle is outfitted with two platens that run under its entire length. Each platen is mounted on a steel frame adjustable in height through spring-loaded screws. Lateral guidance is transmitted through front and rear guide wheels that steer through kingpins and tie rods. At full voltage (240V) and at the nominal air gap, 3.81 Mm + /- 0.25 Mm, the maximum thrust developed by the 23 fps station LIM is equal to 65 lb/ft and that developed by the 29.5 fps cruise LIM is equal to 125 lb/ft.

The braking system utilizes electric regeneration braking, to adjust to civil speed limits and track-based friction braking, for stopping in stations or at block boundaries. This system is based on the standard track brake used in Disney amusement rides. Track brakes are mounted only at stations or at block boundary locations. At other locations, no friction braking capability exists and trains can be decelerated only by the motors located along the guide way.

A linear induction motor, with its active part mounted in the guide way, provides the following performance features:

- It eliminates the need for a considerable amount of moving parts (for example: required maintenance for motors, reduction gears, and power pick-up);
- The use of solid-state power conditioning units lowers maintenance requirements still further; and
- The distribution of propulsion elements allows for motor failures without loss of service.
- These features have contributed to lowering O & M costs as well as heightening system availability.

### **3.3. Cars/Vehicle**

Each vehicle is a totally enclosed passive car. Each vehicle is designed to carry 12 passengers (six seated and six standing) and their luggage. Three vehicles linked together make up one train.

The passenger module of the vehicle is fabricated with reinforced fiberglass plastic. It is clean looking and includes safety provisions such as rounded edges and smooth surfaces. It has large window areas which allow video cameras to monitor inside the car when it is stopped at a station. The floor is carpeted. A tubular stainless steel frame mounted on the wall, across from the door, serves as a stanchion luggage rack and coat rack.

The chassis is a fabricated structure of welded rectangular tubes. The structure is reinforced in the door area. A tow bar bolted to the chassis permanently links each vehicle of a train.

Each vehicle is equipped with a single door. The door rests on a set of ball bearings of an upper and lower linear track. Operation is automatic and mechanically coupled with that of the station doors. Both vehicle and station doors have sensitive edges that detects objects in its way when the door attempts to close. A locking mechanism prevents opening the door of the vehicle when it is moving. Information is provided through wayside speakers in the station area. All energy to operate the doors is received from the wayside. The passengers information

system in each vehicle consists of static information displays located above the luggage rack. Audio information is provided through wayside speakers in the station area. There is no direct communication between a passenger in a vehicle and the central control room.

As the vehicle runs in a lighted, air-conditioned tunnel, there are no auxiliary systems on board. Louvers located at the ends of the vehicle, and an open grid roof, allow for air circulation, audio, and light transmission from the tunnel.

The vehicle has only 13 major moving parts (12 wheels and the door). The absence of propulsion power on board simplifies the design of the vehicle with respect to the need for grounding.

### **3.4. Suspension and Guidance**

The suspension system of the ITT System vehicles is rudimentary but sufficient for its low speed application. The support wheels act as the primary suspension. The support wheels have aluminum rims with urethane tires. The high stiffness of the wheels is required to maintain the air gap between the LIM motor and the platens as close as possible to its nominal value, under all conditions of load.

The secondary suspension consists of four rubber blocks ("load mounts") mounted between the chassis and the body. The suspension is stiff and has a very limited travel. This stiffness eliminates the need for load leveling to maintain station platform/vehicle floor alignment under varying passenger loads. The limiting consideration in the suspension design is tunnel clearances that were already set when the system was installed.

Each vehicle is equipped with two independent Ackerman steering systems. Support wheels are attached to the chassis through a kingpin assembly. Steering and guidance is provided by entrapping the right-hand side running rail. The guide wheels are aluminum covered with urethane. These are not pre-loaded and the clearance is about 3 mm.

The guide way track switches are designed to eliminate gaps in the running and guiding surfaces, which would be difficult for the small diameter wheels to negotiate. Switching is performed manually and the sequence followed to bring a train online requires about 60 seconds. There are three switches, one on the main line to access the maintenance area; the other two are located in the maintenance area.

### **3.5. Guideways and Stations**

The ITT System makes extensive use of the right-of-way and station facilities of a previous system at the airport. However, a number of modifications were made to accommodate the current equipment and operations.

- A. Guide ways - The ITT System uses a simple track system. It consists of welded steel tubular rails bolted to the tunnel floor. One of these rails also serves for vehicle lateral guidance. A series of cross ties connects the rails and provides support for the track based linear induction motors. There are two wire ways. One is supported on the ties and carries control signal cables and the other wire way is on the floor next to the track and carries motor power cables. There is no exposed power as power collection is not necessary.

- B. Stations - There are ten platforms located in six station areas. Present station design uses a modular approach. Each station consists of three basic modules connected to a base on the platform. These include the doors, track, and door operator with associated equipment.

Station doors are standard elevator doors: three doors per station corresponding to the three doors in a three-car train. Coordinated vehicle and station door movement is accomplished by means of standard elevator door operators. In addition to the station doors, each station has various system-related equipment: station graphics, a public address system, and a Closed Circuit TV (CCTV) system.

### 3.6. ITT System Safety

The ITT System is designed to stringent safety requirements. Traditional concepts of redundancy and fail-safe hardware are used. The basic protection against collision is the safety block. Each block is controlled by a pair of microcomputers, via a full redundant set of safety brakes and motor inhibits. Also, each train is followed by a "trailing dead zone", in which all motors behind a train and within its safety block are inhibited from providing thrust.

The Agreement requires the ITT System be staffed 24-hours a day. Central control monitors critical input to detect anomalous conditions and alert the operators. The staff can reach any point on the guide way from their base (at Station A) in about five minutes, and has direct lines to contact Airport security and other emergency services.

Trains are made of nonflammable materials and are open to the overhead sprinkler system. Passengers can open the end windows of the train or the doors for emergency egress while the train is stopped.

Controlled in the central control room, video surveillance and public address system is provided in each station to monitor and communicate with passengers.

### 3.7. Additional Equipment

Other equipment that is indirectly associated with running the train and track system is the closed circuit television (CCTV), mobile carts, and two-way radio communications.

### 3.8. Closed Circuit Television (CCTV)

The CCTV System consists of the following equipment:

- A. 11 Vicon Model VC2820A-24 high resolution color CCD cameras. Two each are located at Terminal A, two each at Terminals B & C, two each at the parking garage area and at the Hotel, and one each at Terminal D.
- B. Six Vicon Model VM614 color monitors located in Central Control Room.
- C. One Vicon Model VM614 color monitor located in Terminal D equipment room.

### **3.9. Mobile Carts**

HAS will furnish mobile carts (Cushman) or equivalent for Contractor's use in the performance of the Work under the Agreement as detailed in Section 7.4. The electric powered carts are capable of transporting a driver and one passenger and/or tools and/or equipment to destinations inside the airport tunnel system.

### **3.10. Audio**

The ITT System PA system audio equipment incorporates remote amplifier components and speakers, on-site message recording, and synchronous message-to-event capability. The PA system consists of one each Gilderfluke FSK/Remote terminal unit (FSK), one each audio patch panel, one each Altec Lansing, Inc. intercom and power supply equipment, three each Sola 1.5 KVA uninterruptible power supplies (UPS), nine each Upsonic UPS, four each MA-100/MA-200 intelligent PA system units, one each 32-slot card cage (18 slots in use), and one each Dell Dimension P100T computer terminal.

The Gilderfluke FSK/Remote terminal unit includes:

- A. A low-level cross connect which is an audio patch panel used to monitor audio outputs from the line amplifiers and to patch input audio signals into the remote amplifiers;
- B. Thirty-two slot card cage containing one each EPROM for each station as well as EPROM's for emergency and special spiels (a total of 18);
- C. The Gilderfluke is monitored by a Dell Dimension P100T computer terminal;
- D. A 24-volt power supply provides 24V DC power for this equipment and for remote PA system preamplifiers; and
- E. Line amplifiers, which are buffer amplifiers, for audio outputs to the eight (8) Altec-Lansing remote audio amplifier cabinets.

### **3.11. Graphics**

The ITT System Graphics and Signage provides visual communication (by means of maps, words, and/or airport picture symbols) in each train, and/or at each station, to supplement ITT System audio announcements and provide additional airport information to ITT System users. The Graphics and Signage provide common international visual communication to airport users, that may not be included in audio communications as regards train schedules, upcoming events, and Airport activities that may affect ITT System users.

## **4.0 PERSONNEL REQUIREMENTS**

As a part of Basic Services, Contractor shall comply with the following Personnel Requirements:

### **4.1 General**

Contractor shall provide a list of all Contractor employees to HAS during Contractor's Phase-In. The list must state each employee's name, job title, and assigned responsibilities. Contractor is also required to provide a list of personnel within 10 days after Notice to Proceed that will be utilized to supplement the on-site staff for absences, such as vacations and sick leave.

## 4.2 STAFFING

Contractor shall furnish the necessary number of personnel, fully competent, qualified, and skilled in all trades and on-site supervisory Work force necessary to fulfill the requirements of the Agreement.

- A. Should the Director determine that Contractor is not meeting the requirements of the Agreement with Contractor's on-site crew, then the Director will request Contractor to increase its on-site crew in order to meet its obligations under the Agreement. When requested by the Director as a result of Contractor's failure to adequately provide services, Contractor shall provide additional personnel to resolve immediate problems related to understaffing in addition to increasing its on-site crew at no cost to HAS.
- B. Contractor shall provide a Project Manager. At any time the Project Manager is not on site, staffing must always include a working supervisor who also will serve as a point of contact for HAS.
- C. Contractor shall at all times enforce discipline and good order among its employees and shall employ only reliable persons who are skilled and experienced in their assigned task(s) under the Agreement.
- D. Contractor shall provide written notification to the Director prior to changing employees. Contractor may change personnel only with equally qualified and classified personnel and the Director's approval.
- E. All personnel assigned to this project must be exclusive to this Agreement and must not be utilized on any other projects.

## 4.3 PERSONNEL QUALIFICATIONS AND APPROVAL

Contractor's Project Manager and all supervisory personnel must have a minimum of 5 years experience in the operation and maintenance of the types of systems and equipment for which they are responsible. Technicians and support personnel must have a minimum of 3 years experience or be certified by an accredited institution in the skills necessary for operation and maintenance of the type of systems and equipment for which they are responsible.

- A. **USE OF ON-SITE STAFF- EXTRA WORK**  
When Contractor's on-site crew performs extra or changed Work covered by Change Orders, Contractor shall not be relieved of any responsibilities for performing Basic Services as defined in the Agreement unless otherwise authorized by the Director.
- B. **CONTRACTOR'S PROJECT MANAGER**  
Contractor shall provide a Project Manager skilled in the operation, maintenance and management of the type of system and equipment identified herein who shall be responsible for overall management and coordination of the Agreement to ensure Contractor's duties under this Agreement are carried out and who shall act as the central point of contact with HAS.

- The Project Manager shall manage day-to-day operations.
- The Project Manager shall respond on-site during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, within 10 minutes of notification of a problem by HAS or Contractor's on-site crew.
- The Project Manager must be able to be reached by HAS or Contractor's on-site crew immediately by cell phone or pager, 24 hours per day, 7 days per week.
- The Project Manager shall respond to after-hours emergencies and shall return to the Airport within one hour of notification.

Contractor's Project Manager shall not be reassigned from the Agreement without prior approval of the Director. Such approval will not be unreasonably withheld so long as the replacement Manager is equally experienced and skilled in the Operation, Maintenance and Management of systems of the type being provided under the Agreement.

Contractor shall provide the name of the individual designated as Project Manager and evidence of the individual's experience to the Director in writing during Contractor's Phase-In. Contractor shall provide written notice to the Director fourteen days prior to any subsequent change of Project Managers.

After execution of the Agreement, the Project Manager shall attend meetings as requested with representatives of HAS to report on the status of the ITT System operations and maintenance. Contractor shall prepare a typed agenda covering the topics to be discussed, keep minutes of the meetings in a form satisfactory to the Director, and issue copies of the minutes to all attendees within four business days of each meeting.

#### **4.4 PERSONNEL UNIFORMS**

Contractor personnel assigned to Work under the Agreement shall wear appropriate uniforms, safety shoes, and badges, provided by Contractor, which will reflect positively on the Houston Airport System. Uniforms must have Contractor's name clearly displayed on the front. HAS has the right to approve the uniforms.

Contractor's employees must be clean, courteous, efficient, and neat in appearance at all times to the satisfaction of the Director.

#### **4.5 SECURITY AND BADGING**

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

All on-site personnel of Contractor, including subcontractors are required to undergo a fingerprint-based criminal history records check.

The cost of badges, which is subject to change, is currently \$45.00 each at IAH. Costs for the fingerprint-based criminal history records check are reflected in the cost of the badges. Contractor is responsible for the cost of badges, including replacements thereof. Contractor personnel losing badges will be charged for replacement badges at the then current rate.

Contractor acknowledges that fines or penalties associated with non-compliance with security regulations must be reimbursed to HAS.

## **4.6 TRANSPORTATION AND PARKING**

Contractor shall park its vehicles in areas designated by the Director at Contractor's cost, if any. Contractor shall provide all transportation required by Contractor or its subcontractors to perform the Work under the Agreement. All Contractor and subcontractor vehicles must be clearly marked with identification indicating Contractor's/subcontractor's name. Such identification must be placed on both sides of each vehicle and may be removable (i.e. magnetic). All vehicles must be registered with HAS.

Parking in the terminal area will be provided to the contractor at the current rate.

## **5.0 ADMINISTRATIVE TASKS**

As a part of Basic Services, Contractor shall comply with the following Administrative Tasks:

### **5.1 RECORDS AND REPORTS**

Contractor shall develop and maintain records and reports on the operation and maintenance of the ITT System. Upon expiration or termination of the Agreement, all manual and automated records (including software data) produced and maintained on file become the property of HAS. Contractor shall submit all maintenance records to HAS on electronic media. Contractor may retain all original employee and accounting files, but shall furnish a copy of the accounting files to HAS.

#### **A. DAILY WORK LOGS**

Contractor shall develop and maintain an automated Daily Work Log to record ITT System daily operation and maintenance events and to produce a Daily Work Log Summary. The Daily Work Log must record all pertinent daily operating and maintenance data, including but not limited to, date, time service performed, status or results, and employee who performed service or inspection. Relevant events or conditions not readily discernible from the recorded data shall be described in a "Remarks" section. The Daily Work Log and Summary must be in a format acceptable to the Director.

#### **B. MONTHLY OPERATION & MAINTENANCE REPORTS**

Contractor shall provide a monthly Operation and Maintenance report. The report must provide essentially the following information in a format acceptable to the Director. The Monthly Operation & Maintenance Report must include, but is not limited to:

- A summary of daily log information
- Status of systems and equipment
- Parts utilization by unit
- An overall summary of maintenance Work performed
- The results of inspections and tests conducted
- Two (2) month schedule of upcoming inspections or tests
- List of equipment breakdowns and repair time
- Passenger service availability

- Statistical operating data

### C. INCIDENT REPORT

Contractor shall provide a monthly Incident Report to track and record incidents by priority (i.e. Priority 1 incidents involve system downtime; Priority 2 incidents do not involve system downtime).

### D. MAINTENANCE HISTORY REPORT

Contractor shall provide a monthly Operation and Maintenance History Report. The report must provide essentially the following information and must be submitted to the Director for approval within 30 days of the Agreement start date. Basic information required for each unit or piece of equipment identified in the ITT is as follows:

- Serial Number
- Type (ITT Equipment)
- Date Maintenance Performed on Unit
- Time Contractor is notified of a Maintenance Problem (Not required for scheduled preventive maintenance)
- Time Maintenance or Repairs are Started
- Time Maintenance or Repairs are Completed
- Man-hours Expended
- Parts Replaced (must be described, Micro-Switch, etc.);
- Cause of Failure (brief description)
- Year-to-Date Scheduled Preventive Maintenance Hours Expended
- Year-to-Date Unscheduled Maintenance Hours Expended
- Description of Service

## 5.2 TRAINING

Contractor shall provide an employee training program covering all phases of the service requirements and maintenance responsibilities detailed in the Agreement. Contractor's training program must include initial training and refresher training. Contractor shall update its training program to keep current with new service bulletins, technical bulletins, advisories, products, procedures, and equipment from time to time. Contractor shall keep accurate records of employee's initial and ongoing training. Contractor shall provide training at its expense and no additional compensation will be provided by HAS.

## 5.3 SAFETY GENERAL

### A. SAFETY PROGRAM

Contractor shall not require any person to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous to their health or safety. Contractor shall comply with all provisions of the Occupational Health and Safety Act (OSHA).

Contractor shall be completely familiar with, and shall enforce all City, State of Texas and Federal OSHA regulations and requirements as applicable, including but not limited to, the following:

- A. Contractor personnel must wear applicable personal protection equipment at all times.
- B. Contractor personnel operating equipment or handling materials must be fully trained in the safe operation of the equipment or materials.
- C. Contractor personnel must follow and apply safety practices prevailing in their applicable industry.
- D. Contractor shall mark Work areas in locations accessed by the public with appropriate safety signs to protect the public from injury.
- E. Contractor shall develop, implement and maintain an on-going safety program concerned with equipment, maintenance Work, and related procedures.
- F. Contractor shall post safety warnings on equipment as necessary to ensure safe operations.
- G. Contractor shall not operate, install, or test any equipment in an unsafe condition. Contractor shall properly operate and maintain all safety equipment associated with its services.

When Contractor becomes aware of a hazardous or potentially hazardous condition during the course of performing services, Contractor shall verbally notify Director. Contractor shall immediately make such notification upon detection of the condition. Contractor shall detail conditions along with non-hazardous conditions and recommendations in its quarterly report.

Janitorial storage space assigned to the Contractor must be strictly monitored for safe storage of products and compliance with all fire safety rules. An inspection of storage space will be included in the monthly meetings between Contractor and HAS.

- B. **Material Safety Data Sheets**  
MSDS sheets for all chemicals must be kept on site and employees must be advised of their location.

The Contractor shall furnish to each Facility Superintendent all MSDS, (OSHA Form 174), for each product used in each facility. A Material Safety Data Sheet must accompany each product shipment to the facilities.

C. **REGULATORY REQUIREMENTS**

To protect the life and health of employees and other persons; to prevent damage to property, materials, supplies, and equipment; and to avoid Work interruptions, Contractor shall comply with the latest 29 CFR 1910, Occupational Safety and Health Standards (General Industry Standards) as revised or amended from time to time. Compliance with OSHA and other applicable laws and regulations for the protection of employees is exclusively the obligation of Contractor, and the City assumes no liability or responsibility for Contractor's compliance or noncompliance with such responsibilities. **CONTRACTOR SHALL INDEMNIFY THE CITY FOR ANY CLAIMS, FINES, OR DEMANDS RESULTING FROM CONTRACTOR'S FAILURE TO COMPLY WITH OSHA REQUIREMENTS.**

**D. ACCIDENT REPORTS**

Contractor shall comply with all OSHA reporting requirements for record keeping and reporting of all accidents resulting in death, injury, occupational disease, or adverse environmental impact. The Contractor shall provide a verbal report to the Director within one normal working day of occurrence. Contractor shall cooperate with the Houston Airport System Safety Officer, providing written documentation and any information required for their records.

**E. FIRE REGULATIONS**

Contractor shall comply with City of Houston Fire Codes. Contractor shall instruct its personnel on the fire regulation. All personnel must be thoroughly familiar with the identification and operation of available fire fighting equipment.

**F. ENVIRONMENTAL REQUIREMENTS**

Contractor shall comply with all applicable federal, state, and local environmental protection laws, regulations, and standards. Contractor shall comply with any other statutory requirements for clean air, clean water, toxic substances control, pollution control, resource conservation and recovery. All environmental protection matters or questions must be coordinated with the Houston Airport System Safety Officer.

**G. PHYSICAL SECURITY OF WORK AREAS**

Contractor shall be responsible for security of all facilities, materials, and equipment utilized during the performance period. In case of forced entry or theft, Contractor shall notify the Director immediately and assist in the investigation.

**H. STOP-WORK**

Contractor shall be responsible for the enforcement of all safety requirements for any Work performed under the Agreement. If Contractor fails or refuses to promptly comply with safety requirements, the Director may issue an order stopping all or part of the Work until satisfactory corrective action has been taken. No part of the time lost due to any such order will be made the subject of a claim for extension of time or for excess costs or damages to Contractor.

**5.4 HOUSEKEEPING DUTIES**

Contractor shall provide housekeeping services for facilities furnished by HAS for Contractor's use under the Agreement, including office areas, maintenance shop areas, and storage areas. Contractor shall also provide housekeeping services for the functional areas comprising the ITT System, including without limitation vehicles, station platforms, wayside areas, guide ways, track, and spurs. Contractor shall perform all Work and provide all materials for housekeeping tasks.

A. Contractor shall keep the ITT System facilities clean at all times. Cleaning includes, but is not limited to, floor maintenance, dusting, and polishing. All trash receptacles must be properly maintained and all refuse removed from the facilities daily. Contractor shall provide all expendable items required for the proper maintenance of the facilities during the term of the Agreement. Expendable items include, but are not limited to, mops, floor cleaning agents, paper towels, soap, brooms, toilet tissue, and paper.

B. All equipment must be wiped down or vacuumed and kept dust free to eliminate potential problems with equipment that may be sensitive to such dust particles.

- C. Contractor shall also be responsible for the lighting, to include relamping in the ITT System shop, office, and control room. Lighting includes, but is not limited to, electrical fixtures and lamps.
- D. Contractor shall be responsible for all drains, grease traps, toilets, etc., in the ITT System Contractor facilities that become clogged.
- E. Contractor shall repair HAS-furnished facilities to a condition acceptable to HAS for any damage caused by Contractor, its employees or subcontractors as a result of Contractor's use of the common areas.

## 5.5 WARRANTY ADMINISTRATION

Contractor shall be responsible for administering warranties on ITT System equipment as may be applicable from time to time. Contractor shall maintain warranty records and submit documentation and follow-up procedures on all warranty Work. Contractor shall enforce all warranties on behalf of HAS.

- A. All warranty periods under this Agreement begin upon beneficial use of the equipment. Beneficial use begins upon installation and acceptance of any component, equipment or system by HAS.
- B. Contractor shall provide service regardless if equipment is wholly or partially under warranty.

## 6.0 CONTRACTOR-FURNISHED ITEMS

As a part of Basic Services, Contractor shall furnish everything needed to perform all requirements of the Agreement except that which is specified in Section 7 (HAS-Furnished Items).

### A. SHOP EQUIPMENT

Contractor shall provide, at its expense, all shop equipment, including but not limited to, the following:

- Tools
- Diagnostics
- Equipment
- Supplies
- Materials
- Parts
- Expendables

### B. OFFICE EQUIPMENT

Contractor shall provide, at its expense, all office equipment, including but not limited to, the following:

- IBM-compatible Personal Computers

- Telephone system with answering machine
- Copy machine
- Office furniture
- Fax machine
- Beepers
- Office supplies
- Miscellaneous office equipment

#### C. RADIO EQUIPMENT

HAS will provide Contractor two handheld radios with batteries and chargers for Contractor's use on this contract. The radios will be programmed to transmit and receive on Harris County trunked frequencies. Upon cancellation or termination of Agreement, Contractor shall return all radios provided to HAS.

- Contractor shall operate the radios within protocols established by HAS and the FAA.
- Contractor shall be assessed a one-time service credit in the amount of \$10.00 each, for initial programming of each radio. Contractor shall calculate such service credit and include an equivalent amount as a deduction of the amount due on its next invoice.
- Contractor will be assessed a monthly service credit in the amount of \$10.00 each, for maintenance of each radio. Contractor shall return radios requiring maintenance to HAS. Contractor shall calculate such service credit and include an equivalent amount as a deduction of the amount due on its next invoice.
- 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.

#### D. PROTECTIVE EQUIPMENT

- Safety equipment
- Temporary barricades, stanchions, signs
- Protective clothing and gear

All Contractor furnished property and material must meet applicable federal, state, and City laws, codes, and regulations. All Contractor equipment must be clean, properly maintained, and properly secured when not in use. Contractor shall remove all Contractor-owned items upon expiration or termination of the Agreement.

### 7.0 HAS-FURNISHED ITEMS

#### 7.1 HAS-FURNISHED FACILITIES

HAS will furnish a maintenance facility that includes a maintenance area, central control room, and administrative office for Contractor's use under the Agreement. This facility is located at the west end of the ITT System in Terminal "A." Any additional facilities or space required must be provided by Contractor.

- A. Maintenance Area - The maintenance area includes a shop with vehicle access incorporating a single manual switch and track that connects the maintenance spurs with the main guide way. The vehicle maintenance shop area includes two spurs and is fully carpeted.
- B. Central Control - The central control room houses the control console and other system monitoring devices. Some system control functions are distributed to the wayside and station control equipment cabinets.
- C. Administrative Office - A single office for the system superintendent and secretary.

**7.2 HAS-FURNISHED SERVICES**

- A. HAS will provide all required electric power and energy for the ITT System and for Contractor's shop and office facilities. HAS's responsibility for power distribution is limited to, service to the main 480-volt disconnect switches. There is currently a switch in each Terminal.
- B. HAS will provide janitorial services to the pedestrian walkway(s) in the tunnel. Contractor shall provide janitorial service to electrical cabinets, station equipment and other areas and equipment integral to the ITT System.
- C. HAS will pick-up solid waste from Airport trash dumpsters. The pick-up will be at one common point located in the Terminal A maintenance area accessible to vehicles.
- D. HAS will maintain existing fire extinguishers.
- E. HAS will provide Contractor with a telephone line. The cost for use thereof, including but not limited to, any and all charges for long distance service, will be at Contractor's expense.
- F. HAS will provide access to Work sites. Subject to all HAS rules and regulations, Contractor will be granted unlimited lawful right to ingress to and egress from Work sites, without charge. Contractor, its employees and subcontractors will have the right to use, in common with other duly authorized users, the common areas and guide ways at the Airport where the Work sites are located.

**7.3 HAS-FURNISHED EQUIPMENT**

HAS will provide the following HAS-owned equipment for Contractor's use under this Agreement: Existing HAS owned equipment made available for Contractor's use remains the property of HAS. Contractor shall maintain equipment provided by HAS in good working order.

Quantity	Item
1 each	Monitor, Gateway, VX1100
1 each	Desktop PC, Gateway, GP6-400
1 each	Line Printer, Panasonic, KXP3626
1 each	Laser Printer, HP 4000, black only
1 each	Maintenance Work Bench
1 each	5-drawer file cabinet, city #2443
1 each	Maintenance Tug, Marketeer Nordeco

3 each	Maintenance Carts, Cushman or equivalent
6 each	Color Monior, VICON, Model #VM619
1 each	Laptop, Gateway Solo 2500
1 each	Card Test Rack (Houston Wedway Card Tester) MAPO
1 each	Diagnostic Display SCR Checker MAPO
1 each	Electronic Repair Bench Wedway
1 each	SCR Monitor/Driver Board Tester (Tester, SCR Driver and Monitor Card) MAPO

#### 7.4 EQUIPMENT ACCOUNTABILITY

As a part of Basic Services, Contractor shall use and maintain HAS-provided facility and equipment during the term of the Agreement in accordance with the following provisions:

- A. INVENTORY - No later than five (5) working days after receipt of the Notice to Proceed, Contractor and HAS will conduct a joint inventory of all HAS-furnished equipment listed pursuant to Section 7.3 above and Contractor shall complete a receipt for all equipment provided by HAS.

Contractor and HAS shall jointly determine the working order and condition of all equipment. Items or equipment missing or not in working order will be recorded. HAS, at its sole option, will replace missing items and repair all items not in working order; or HAS may advise Contractor to replace the missing item(s) at Contractor's expense and delete the item from the HAS-equipment inventory; or HAS may advise Contractor to replace the item or accomplish repair(s) and Contractor will be reimbursed therefore. Contractor and HAS shall certify their agreement as to the working order of the equipment. If Contractor does not participate in the inventory, Contractor shall accept as accurate the listing and stated condition of the equipment provided by HAS.

- The Contractor is responsible for replacing missing items only after the initial inventory has been completed and for the duration of the Contract.
- HAS will not retain ownership of HAS-furnished equipment replaced at Contractor's expense at the time of the initial inventory. Unsuitable HAS-furnished equipment must be returned to the Director for salvage.

- B. EQUIPMENT ACCOUNTABILITY - Throughout the term of the Agreement Contractor shall keep current the equipment listing pursuant to Sections 7.3 and 7.4 above. By completion or extension of the Term of the Agreement, a joint inventory of equipment must be conducted by Contractor and HAS. Contractor shall be liable for loss or damage to HAS-furnished equipment beyond fair and reasonable wear and tear.

Compensation for loss or damage mentioned above will be effected either by reduced amounts owed to Contractor or by direct payment by Contractor, the method to be determined by the Director.

C. EQUIPMENT MAINTENANCE - Contractor shall maintain HAS-furnished equipment listed pursuant to Sections 7.3 and 7.4.

1. Minor Maintenance - Includes cleaning, adjusting, replacement of batteries, ordinary lubrications, and other maintenance actions recommended by the OEM.
2. Major Maintenance - Includes repair of inoperable equipment, replacement of components, parts, and normal wear items.
3. Replacement Parts - Must be equal or better in quality than the parts in the equipment when the equipment was turned over by HAS.
4. Repair Limits - Contractor shall bear the cost for repairs on any single piece of equipment up to 75% of the original acquisition cost. If repair costs are estimated by Contractor to exceed the above limits, a detailed cost breakdown must be submitted to the Director. If the Director desires Contractor to repair the equipment, Contractor shall be reimbursed for all costs over the repair limit.
5. Warranty - Contractor shall administer all warranties associated with HAS-furnished equipment and shall document and submit all warranty claims to equipment suppliers and manufacturers.

D. DISPOSITION OF EQUIPMENT - When equipment is determined to be in such condition that it cannot be repaired economically, such equipment will be returned to HAS. Upon completion of the term of the Agreement, all remaining HAS equipment must be returned to HAS.

HAS will observe the removal of Contractor's equipment from premises upon completion of the Agreement. All Contractor's equipment, supplies, and materials must be removed. All HAS-furnished equipment must remain in its designated area. A final inventory and evaluation of HAS-furnished equipment must be made prior to payment of final invoice, and after the facilities have been vacated by the outgoing Contractor.

E. HIGH VALUE ITEMS - In the case of loss, or damage beyond economical repair to certain high value items (value of \$1500 or more) listed pursuant to Sections 7.3 and 7.4, the amount of compensation which Contractor is liable to pay HAS will be calculated in accordance with the following formula:

$$C = (RV - AS) - \frac{LE(RV - ES)}{EL}$$

where:

- C = Compensation  
RV = Property Record Value (original cost)  
AS = Actual Salvage Value (determined at the time of damage or loss)  
ES = Estimated Salvage Value (The estimated salvage value is obtained by using the best estimates from local market conditions. Estimated salvage value is necessary because it is used in determining Total Accrued Depreciation [bracketed portion of the formula])  
EL = Estimated Life (Total estimated from new to planned salvage)  
LE = Life Elapsed (Estimated Life less remaining life)

## 8.0 QUALITY CONTROL (QC)

### A. QC PROGRAM

As a part of Basic Services, Contractor shall implement and maintain a Quality Control Program that will assure the Director that the maintenance of the ITT System is in accordance with the highest standards prevailing in the industry and that Contractor adheres to the provisions of the Agreement at all times. Contractor's QC plan, at a minimum, must include a description of how specified Performance Standards will be accomplished. Contractor shall provide the QC plan to the Director in writing during Contractor's Phase-In, and provide updates to the Quality Control Plan five normal working days prior to implementing any changes. Additionally, Contractor's Quality Control Program must include the following:

1. INSPECTION SYSTEM - Contractor shall establish an inspection system specifying areas to be inspected on a scheduled/unscheduled basis, frequency of inspection, and titles of Contractor's personnel who will be doing the inspections. The inspection system must specify the type and number of inspections to be conducted, and the types of deficiencies to be identified. Upon identification of discrepancies or required changes in the plan by either the Director or Contractor, Contractor shall have thirty (30) working days to submit an updated Inspection and Quality Control Plan to the Director for approval.
2. DEFICIENCY PREVENTION - Contractor's Quality Control Plan must include a method of identifying and correcting deficiencies (and their cause) in the quality of service performed before the level of performance is unacceptable.
3. INSPECTION FILES - Contractor's Quality Control Plan must include a file of all inspections conducted by Contractor and the corrective action taken. This documentation must be made available to the Director at any time it is requested during the term of the Agreement.

### B. PM AUDIT

1. At the request of the Director, a PM Audit may be performed on an unscheduled basis by an independent and qualified third party. The areas to be covered by the PM Audit may include, but are not limited to, the following:
  - a) General Maintained Condition of the ITT System Equipment
  - b) Proficiency of Contractor's Personnel
  - c) Accuracy of Contractor's Records
  - d) Quality and Thoroughness of Contractor's Work
  - e) Adequacy and Condition of Contractor's Shop Equipment
  - f) Adequacy of Contractor's Parts Inventory to Perform PM
  - g) Contractor's Housekeeping
2. Contractor must correct any deficiencies identified and covered under the provisions of the Agreement within ten (10) working days at Contractor's expense. Within the same ten-day period, Contractor shall provide the Director a written explanation of each deficiency and the corrective action taken. At the Director's

discretion, Contractor shall submit a revised Quality Control Program for review and approval by the Director within thirty (30) working days. The Quality Control Program must detail how future occurrences as identified in the above audit will be prevented.

3. The services required by the Agreement are in general of such nature that defective or incomplete performance may not be subject to correction by pre-performance or late performance; provided, however, that Contractor may be required to pre-perform or perform late or defective service after HAS verbally notifies Contractor of the act or omission in question, and has determined that the defective Work was not caused by an act or omission of HAS, and that the Work is necessitated by public health, safety, and welfare.

### C. PERFORMANCE AUDITS

As a part of Basic Services, Contractor shall provide a minimum of one performance audit per year, at Contractor's expense, using independent and qualified third party contractor approved by the Director to verify that the following OEM performances standards are maintained in accordance with the latest technical/user manuals, service bulletins, service advisories, product/service information updates.

The areas to be covered by the performance audit will include, but are not limited to:

#### a. ACCELERATION/DECELERATION

Contractor shall operate and maintain the ITT System to deliver longitudinal and lateral accelerations within the following range:

- Under normal operating conditions, longitudinal accelerations from stopping must not exceed plus or minus 2.0 mphps.
- The maximum lateral acceleration in a plane parallel to the car floor must not exceed 0.05g under normal operating conditions.
- When rounding curves, additional lateral acceleration is permitted, but must not exceed 0.05g. Therefore, total lateral acceleration under worst-case conditions is not to exceed 0.05g.
- The maximum acceleration vector in a plane parallel to the car floor must not exceed 0.10g under normal operating conditions. This acceleration represents the vector sum of both longitudinal and lateral acceleration resulting from starting, stopping, speed-changing, and riding surface. Therefore the maximum allowable longitudinal and lateral acceleration occur simultaneously.
- When rounding curves, the maximum acceleration vector is the vector sum of the acceleration due to centrifugal effects in the general direction of the center of guide way curvature, and not to exceed the 0.05g and 0.10g defined above, which may be an arbitrary direction.

- Under emergency braking conditions, deceleration must not exceed 3 mphps.

The acceleration limitations apply anywhere within the passenger compartment and are applicable over the vehicle load range from empty to maximum load. These performance standards apply regardless of the number of cars in a train. The limits detailed in this section include the combined effects of vehicle, guide way, and train control/operation.

b. JERK

- The Contractor shall operate and maintain the ITT System to deliver longitudinal jerk within an acceptable and safe range.
- Under normal operating conditions the longitudinal jerk must not exceed 2.0 mphps during starting, stopping, and speed changing and must be adjustable over a range of 1.5 to 3.0 mphps.
- Over the last .3 seconds of a stop, average jerk must not exceed 3.0 mphps.
- The jerk limitations described above include the combined effects of vehicle, guide way and train control/operation. The jerk limitations apply anywhere within the passenger compartment and are applicable over the vehicle load range from empty to maximum load. These performance standards apply regardless of the number of cars in a train and the location of a car in the train.

c. NOISE LEVEL

Contractor shall operate and maintain the ITT System to deliver sustained quiet operation. Contractor shall not allow the equipment to generate noise that is annoying or harmful to passengers or individuals in or about the train tunnel. An ambient noise level equal to or less than NCA 55 may be assumed to exist along the transportation system right-of-way.

- Under full operating conditions, the noise levels measured at 5 feet above the floor and at least 6 inches from the wall must not exceed 70 decibels. Passenger-generated noise will not be considered in meeting the above criteria.
- Loud impact noises must be avoided in the ITT System. Contractor shall exercise care to eliminate impact noises. Impact noises that are repetitive must not exceed the above criteria by 10 decibels in any octave band.
- Impact noises (peak) which are not repetitive must not exceed the above criteria by 15 decibels in any octave band.

- Sound levels resulting from operation measured on the platform 36 inches away from the closed doors and at a height of 5 feet above the floor have the same criteria as inside the car.

Contractor must correct any performance level deficiencies identified as a result of the performance audit within ten (10) working days at Contractor's expense. Within the same ten-day period, Contractor shall provide the Director a written explanation of each performance level deficiency and the corrective action taken.

#### D. HAS QUALITY ASSURANCE

1. HAS may use a variety of inspection methods to evaluate Contractor's performance including performance review meetings, PM Audit, Facility Administration records detailing any late or defective service, customer complaints, etc.
2. HAS maintains the right to conduct inspections of the equipment, records and logs without prior notice to Contractor and may use an outside Contractor for this service. A written report of the results of the inspection and recommendations will be forwarded to Contractor.
3. All deficiencies identified through an inspection or test require Contractor to take immediate action. Contractor shall correct the deficiency and respond in writing stipulating the corrective action(s) taken within ten days unless otherwise authorized by the Director.

#### E. QC INSPECTION SHEETS

Contractor shall develop a QC inspection sheet in a format acceptable to the Director. Contractor shall maintain a file of all inspections conducted by Contractor and the corrective actions taken. This file must be made available to the Director immediately upon request.

### 9.0 OUT-OF-SERVICE CREDITS

Whenever any part of the ITT System, including vehicles, guide way, and stations, are unavailable for passenger service; Contractor and the Director agree that Contractor shall pay service credits as follows:

If more than five (5) minutes pass before Contractor restores full passenger service, then out-of-service credits will be assessed in the amount of \$25.00 for each fifteen (15) minutes until the situation is rectified. The situation shall be considered rectified when acceptable service/operation is verified by the Director. At the Director's sole discretion, assessed credits may be waived.

The five (5) minute period referenced above shall begin if more than five minutes elapse before Contractor restores full passenger service after notification is provided by HAS Facilities Administration to the authorized Contractor personnel assigned the problem, or if more than five minutes unavailability of passenger service is documented in automated monitoring reports.

During lapses of service, HAS reserves the right to bring in other Contractors to restore service or rectify problems at Contractor's expense.

- A. Preventive maintenance Work that is not completed and results in an inoperable system will not be considered cause for waiver of credits.
- B. Service credits will not be assessed in those instances where inoperable systems are a result of an accident caused by others and not due to Contractor error or negligence; nor will service credits be assessed when Force Majeure conditions occur, or when the system is taken out of service to accomplish preplanned, HAS approved activity. When service credits have been assessed, Contractor shall calculate such service credits and include an equivalent deduction on the next invoice.
- C. The parties further agree that the assessment of service credits for the specific situations mentioned in this section will be the exclusive remedy of HAS in lieu of all other considerations that may be assessed. However, nothing in this section will be construed to prejudice, limit or otherwise impair HAS's termination rights enumerated in the Agreement. Additionally, assessment of service credits will never be construed as an exclusive remedy for any other damage incurred as the result of the breach of any other covenants, conditions or obligations contained in this Agreement and HAS shall always have the right to avail itself of other remedies available to it in law or equity.

#### **10.0 INCREASE OR DECREASE OF WORK - INCLUSION/EXCLUSION**

From time to time throughout the Term of the Agreement, the Director may, by written notice to Contractor, increase and/or decrease the Work. Contractor's sole compensation for such adjustment will be mutually agreed between the Director and Contractor.

#### **11.0 COORDINATE PERFORMANCE**

As a part of Basic Services, Contractor shall Coordinate Performance as follows:

##### **A. HAS CONTACT**

Contractor shall coordinate its performance with such persons as the Director designates in writing to Contractor. Contractor shall keep said persons currently advised of developments relating to the performance of the Agreement and Contractor shall at all appropriate times advise and consult with HAS.

##### **B. PRE-PERFORMANCE CONFERENCE**

Prior to commencing performance under the Agreement, Contractor shall attend a pre-performance conference with HAS. HAS will specify the time and place of such meeting in a written notice to Contractor. Representatives of Contractor attending the pre-performance conference shall include key personnel whom Contractor has assigned to the Agreement together with the Project Manager (as herein described) who shall be authorized to bind Contractor in matters relating to the following pre-performance conference items. In the above-mentioned notice, the Director will have the right to further designate other representatives of Contractor who must attend the pre-performance

conference and such designated representatives shall attend. Items to be addressed at the pre-performance conference include the following:

1. Phase-in and Start-up schedules
2. Contract administration
3. Facilities utilization
4. Channels of communication
5. Review of key personnel resumes and certifications
6. Organization and function charts reflecting the line of management authority
7. Procedures to be used to ensure Agreement requirements are met (Quality Control Program)

C. COORDINATION OF MEETINGS

Throughout the term of the Agreement and any extensions thereto, Contractor shall meet with HAS, on a frequency determined by the Director, to identify and resolve performance issues. Notice of any such performance meeting may be given by the Director to Contractor either orally or in writing and will designate the time, date, location, Contractors attendees, and general purpose. Contractor's designated attendees shall be present at any such performance meeting for its duration and shall prepare minutes. The meeting minutes must be transcribed by Contractor in typewritten form and must be submitted to the Director for approval within five (5) days of any such meeting. The Director will have the right to dispute the accuracy of the minutes and will note any discrepancies in the minutes prior to approval. Once approved, the original will be retained by HAS and a copy thereof submitted to Contractor.

D. SCHEDULE OF PERFORMANCE

Contractor shall commence performance under the Agreement on the date specified in a written Notice to Proceed signed by the Director, and shall diligently perform Work activities in strict compliance with the Agreement.

**12.0 PHASE-IN/PHASE-OUT SERVICES**

As a part of Basic Services, Contractor shall provide phase-In and phase-out services as follows:

- A. CONTRACTOR'S PHASE-IN - Contractor may have up to a 10-day phase-in period to accomplish a smooth and successful transition of operations and services. Contractor's Phase-in period begins upon receipt of a Start Phase-In Notice from the Director (such notice not to be construed as an official Notice to Proceed, but being anticipatory of phase-in only) and lasts approximately ten days preceding the receipt of the Notice to Proceed.

The incumbent Contractor will be responsible for performing the duties and services listed in its contract during Contractor's Phase-in period, and will be available for a maximum of

10 days to answer questions and resolve issues or any misunderstandings. During the Phase-in period, Contractor shall arrange to have necessary supervisory, technical, and other personnel on site to observe the operation and maintenance of the ITT System and the equipment. Contractor may use this Phase-in period to recruit and transfer personnel, train personnel, arrange for security badges, establish management procedures, set up records, ensure adequate parts, tools and equipment are in place for systems operation and maintenance, and otherwise prepare for the assumption of technical control without disruption of operations. During the Phase-in Period, Contractor shall develop and implement a full project schedule detailing the responsibilities of assigned personnel and submit it to the Director for approval. Contractor shall have no responsibilities for operating or maintaining the systems or equipment during the Phase-in period. The Phase-in period will end at issuance of the official Notice to Proceed, at which time Contractor shall assume full responsibility for the maintenance of the ITT System.

- B. CONTRACTOR'S PHASE-OUT - Contractor recognizes that the services provided under this Agreement are vital to HAS's overall efforts to provide safe and efficient ITT System operation and maintenance services; that continuity thereof must be maintained at a consistently high level without interruption; that upon expiration or termination of the Agreement a successor may continue these services; that its successor contractor will need Phase-in training; and that Contractor must cooperate in order to effect an orderly and efficient transition.

Accordingly, Contractor will be required to provide Phase-out services for up to 30 days prior to the expiration or termination of this Agreement to its successor contractor at no extra charge to HAS. Phase-out orientation comprises a maximum of 30 working days, 8 hours per day. Orientation may include system operations and maintenance procedures, record keeping, reports, and procurement procedures, and so forth. Contractor shall provide the services called for by this Agreement during its Phase-out period. Contractor shall cooperate with its successor contractor in allowing as many personnel as practical to remain on the job in order to enhance the continuity and consistency of the services under the Agreement. Contractor agrees to disclose necessary personnel records and allow its successor to conduct on-site interviews with its employees, provided Contractor obtains the consent of said employees to disclose their records and to conduct such interviews and provided such disclosure and interviews are conducted in accord with all applicable laws, statutes, rules, regulations, and ordinances which have been passed, enacted or promulgated by any governmental body having jurisdiction over such matters.

### 13.0 EQUIPMENT CONDITION AT EXPIRATION

Contractor shall turn over all equipment and systems in first-class operating and maintained condition. Any item not operating in accordance with its required function must be repaired or replaced. Preventive maintenance Work and inspections must have been performed as required per the OEM and this specification.

- A. Within six months of the expiration or termination date of the Agreement, Contractor shall inspect and test all equipment and repair or replace any equipment or components in accordance with the inspection and test findings.

- B. Within sixty days of the expiration or termination date of the Agreement, Contractor shall perform a complete inspection of all controls and instrumentation. Any item outside first-class operating condition must be corrected.
- C. Within thirty days of expiration or termination date of the Agreement, Contractor shall replace lubricating oils and lubricate and adjust all systems and equipment. Additionally Contractor shall complete a spare parts inventory of HAS owned parts and report on same. Contractor shall provide the Director a complete final report on the condition of all ITT Systems equipment, including inspection and test reports, and certified statements signed by an agent of Contractor attesting to the first-class operating condition of all equipment and systems.
- D. HAS maintains the right of inspection during or after any of the Work, and will notify Contractor, within seven calendar days of receipt of a certified statement of any noted discrepancies. Contractor shall correct any discrepancies in a timely manner within or after the end of the Term of the Agreement as required to complete the Work. Contractor shall complete all Work within thirty days and notify the Director in writing upon completion of all Work. Contractor shall assist HAS with any inspections required by HAS at no additional cost to HAS.
- E. Should Contractor fail to perform or complete any required Work prior to expiration or termination of the Agreement, the Director may have such Work performed at Contractor's expense.
- F. Contractor shall ensure that all equipment is in first-class operating condition at the expiration or termination of the Agreement.

## **14.0 MISCELLANEOUS PROVISIONS**

### **14.1 INVOICING**

Contractor shall submit its invoices for Work completed on a form(s) approved in advance by the Director; invoices must be accompanied by support documents requested by the Director. Each invoice submitted must be in duplicate and each copy must include required attachments. The invoice must be identified by the Agreement name and Agreement number. All invoices are to be delivered or mailed to the following location:

City of Houston  
Houston Airport System  
Finance Division/Accounts Payable  
P.O. Box 60106  
Houston, Texas 77205-0106

- A. Contractor shall provide separate monthly invoices for any completed Work at each Airport.
- B. Invoices submitted for services performed as the result of change orders require that copies of the applicable change order also be attached to the original and each of the two (2) invoice copies.

- D. Invoices submitted for services performed as the result of Other Work/Services require that a copy of the Director's written request be attached to the original and each of the two (2) invoice copies.

## 14.2 TESTING AND ACCEPTANCE

- A. ACCEPTANCE TESTS - If the Director requests any new equipment or modifications to the ITT System, the completed Work will be subject to a 30 day Acceptance Test(s), as a part of Basic Services, to verify successful startup and proper performance and functionality in an operational environment. The following items are necessary parts of an Acceptance Test:
1. After startup, Contractor will operate the new equipment for 30 days as the initial step in the Acceptance Test(s).
  2. Test procedures, performed by Contractor, will determine whether the equipment is fully operational and performing in accordance with product representations contained in the Proposal and those made by the manufacturers of the equipment. HAS, at its sole option and expense, may perform additional acceptance testing to verify that the equipment is installed correctly and functioning in accordance with the provisions of the Agreement. In the event that HAS conducts its own tests, Contractor will be given advance written notification and will be afforded the opportunity to witness and observe the HAS tests. Notwithstanding any HAS test(s), HAS is entitled to rely on results obtained and recommendations made by Contractor regarding the operation and performance of new equipment. Testing by HAS does not relieve Contractor of its obligations to test and determine that the equipment is properly installed, adjusted, and functioning. Neither observations by HAS nor inspections, tests, or approvals by others will relieve Contractor from its obligations to perform in accordance with the provisions of this Agreement.
  3. During the 30-day acceptance test period, Contractor shall notify the Director in writing within 24 hours of the occurrence of any downtime. Equipment downtime will be computed according to the following guidelines:
    - a. Downtime will accumulate during any period when the equipment is not able to perform its scheduled function, as specified, due to a failure of hardware or software.
    - b. Downtime will not accumulate if a failure occurs due to Force Majeure, or failure of other equipment associated with the ITT System that may prevent equipment or components from functioning.
  4. If no more than a cumulative total of five hours of system downtime occurs within the 30-day period, the new equipment will be deemed to have passed the Acceptance Test.
  5. If more than five hours of system downtime occurs at any point during the 30-day Acceptance Test, HAS may, at its sole option require Contractor to conduct a new 30-day Acceptance Test.

6. If more than a cumulative total of ten hours of system downtime occurs during the 30-day acceptance period, HAS may elect to either:
  - a. Request Contractor to begin a new 30-day acceptance test within seven days.
  - b. Notify Contractor that the specific modification or upgrade is not acceptable and seek remedy through the applicable Contractor's performance bond. Contractor shall remove the failed new component or equipment. Title to failed item(s) will then be transferred to Contractor, and HAS will not be responsible for the condition of, or any loss or damage to, the said item(s).
  - c. Waive defect(s) and accept the item, if the demonstrated operation of the equipment is such that reliable and efficient operation and performance of the ITT System and the Warranty are not compromised. Contractor shall bear all direct costs attributable to HAS' evaluation of and determination to waive any defect to accept equipment (such costs to be approved by HAS as to reasonableness and to include, but not be limited to, fees and charges of engineers, architects, attorneys, and other professionals). If any such acceptance occurs, HAS shall be entitled to an appropriate negotiated DECREASE in the Agreement Price. If the acceptance occurs after such recommendation, a written Change Order will be issued and an appropriate amount will be paid by Contractor to HAS.
- B. COSTS - Contractor shall bear all costs associated with Acceptance Test(s) including the costs for any required independent tests or certifications (unless otherwise noted).
- C. NOTICE OF ACCEPTANCE - If the new equipment passes the Acceptance Test, the Director will provide written notice of acceptance within five working days following the completed thirty consecutive day Acceptance Test period.
- D. TITLE: RISK OF LOSS - Contractor shall confirm that title to any new equipment or modifications of the ITT System will vest in HAS upon its installation and acceptance by the Director.

### 14.3 CONTINGENCIES

HAS must meet certain objectives of readiness for emergencies, natural disasters, and other contingencies and must react to such contingencies without delay. Such reaction may have an impact upon Contractor's operation. In order to plan for such events, Contractor shall prepare Contingency Plans as follows:

- A. Natural disasters such as a major storm, flood, high winds, etc.
- B. Labor disputes or strike by Contractor personnel.
- C. Terrorist acts.

- D. The Plan must be updated on an annual basis or as changes occur and submitted to the Director. Plans must take into account passenger safety, rowdiness, vandalism, intoxication, fire, smoke, power outages, etc. Emergency procedures must include communication with passengers regarding safety features and emergency exits, and must be coordinated with Airport emergency services.

**EXHIBIT "B"**  
**FEE SCHEDULE**

Exhibit "B"  
 ITT SYSTEM SERVICES  
 FOR HOUSTON AIRPORT SYSTEM  
 FEE SCHEDULE

Contractor shall furnish all necessary labor, equipment, material, supplies, personnel, services, and all activity necessary for, or incidental, to perform the Work as specified in the Agreement.

All quantities listed are estimated quantities for budgetary purposes only. The actual quantities may be higher or lower than any estimates, and Contractor shall be paid only for actual Work performed, subject to prior HAS direction and approval.

**YEARS (1- 5) BID TOTAL SUMMARY "B-1"**

**YEAR ONE RATES - TOTAL SUMMARY**

I	Total Basic Services	\$ 1,885,489.92
II	Total Other Work/Services	<u>\$ 80,790.00</u>
<b>Total Basic Services &amp; Other Work /Services Year One Rates</b>		<b>\$ <u>1,966,279.92</u></b>

**YEAR TWO RATES - TOTAL SUMMARY**

I	Total Basic Services	\$ 1,715,508.00
II	Total Other Work/Services	<u>\$ 82,620.00</u>
<b>Total Basic Services &amp; Other Work /Services Year Two Rates</b>		<b>\$ <u>1,798,128.00</u></b>

**YEAR THREE RATES - TOTAL SUMMARY**

I	Total Basic Services	\$ 1,759,068.00
II	Total Other Work/Services	<u>\$ 84,480.00</u>
<b>Total Basic Services &amp; Other Work /Services Year Three Rates</b>		<b>\$ <u>1,843,548.00</u></b>

**YEAR FOUR (OPTION YEAR 1) RATES - TOTAL SUMMARY**

I	Total Basic Services	\$ 1,802,631.96
II	Total Other Work/Services	<u>\$ 86,430.00</u>
<b>Total Basic Services &amp; Other Work /Services Option Year 1 Rates</b>		<b>\$ <u>1,889,061.96</u></b>

**YEAR FIVE (OPTION YEAR 2) RATES - TOTAL SUMMARY**

I	Total Basic Services	\$ 1,846,194.00
II	Total Other Work/Services	<u>\$ 88,980.00</u>
<b>Total Basic Services &amp; Other Work /Services Option Year 2 Rates</b>		<b>\$ <u>1,935,174.00</u></b>

<b>FIVE YEAR GRAND TOTAL</b>	<b>\$ <u>9,432,191.88</u></b>
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Exhibit "B"  
 ITT SYSTEM SERVICES  
 FOR HOUSTON AIRPORT SYSTEM  
 FEE SCHEDULE

**I. YEAR ONE - BASIC SERVICES**

Year	Service	Cost per Month X 12 = Total Annual Cost
One	A. ITT System Operation and Maintenance. (Includes all specified Basic Services)	\$ <u>157,124.16</u> X 12 = \$ <u>1,885,489.92</u>
	B. Upgrade ten (10) each platform stations front panel finish and signage	*****EXCLUDED FROM THE CONTRACT*****
	<b>Total Estimated Year One Basic Services Annual Cost</b>	<b>\$ <u>1,885,489.92</u></b>

**II. YEAR ONE - OTHER WORK / SERVICES**

Other Work/Services may be required for the ITT System to meet desired conditions and/or repairs not covered in the Basic Services of the Agreement. Any amounts listed below are estimated amounts for Other Work/Services for each year of the Agreement. The actual dollar amount for Other Work/Services may be higher or lower than the estimates, and the Contractor shall only be paid for actual work performed, subject to City direction and approval. **If Other Work/Services are performed by the on-site crew in conjunction with their regular duties, Contractor shall not receive additional compensation for their labor.**

A. **Estimated Other Work/ Services Labor** (Quantities are estimated for budget purposes only)

No.	Description	Est. Annual Labor Hours	X	Cost per Hour	=	Annual Cost
1.	<u>ELECTRONIC TECHNICIAN</u>					
	a. Normal Work Hours	300	X	\$ <u>70.00</u> /hr.	=	\$ <u>21,000.00</u>
	b. After Normal Work Hours	30	X	\$ <u>105.00</u> /hr.	=	\$ <u>3,150.00</u>
2.	<u>COMPUTER TECHNICIAN / PROGRAMER</u>					
	a. Normal Work Hours	200	X	\$ <u>90.00</u> /hr.	=	\$ <u>18,000.00</u>
	b. After Normal Work Hours	20	X	\$ <u>135.00</u> /hr.	=	\$ <u>2,700.00</u>
3.	<u>METAL FABRICATION / FIBERGLASS REPAIR</u>					
	a. Normal Work Hours	200	X	\$ <u>65.00</u> /hr.	=	\$ <u>13,000.00</u>
	b. After Normal Work Hours	20	X	\$ <u>97.00</u> /hr.	=	\$ <u>1,940.00</u>
	<b>Total Estimated Other Work / Services Labor Annual Costs</b> (add items 1 - 3)					<b>\$ <u>59,790.00</u></b>

Exhibit "B"  
 ITT SYSTEM SERVICES  
 FOR HOUSTON AIRPORT SYSTEM  
 FEE SCHEDULE

**B. Estimated Other Work/Services Materials/Supplies** (Quantities are estimated for budget purposes only)

Description	<u>Est. Annual Expenditure</u>	X <u>% Markup</u>	= <u>Total Annual Cost</u>
Est. Maintenance Materials / Supplies	\$ 20,000	X 5%	= <u>\$ 21,000.00</u>

**TOTAL ESTIMATED OTHER WORK/SERVICES LABOR & MATERIAL** **\$ 80,790.00**  
**ANNUAL COST (add A & B)**

Exhibit "B"  
 ITT SYSTEM SERVICES  
 FOR HOUSTON AIRPORT SYSTEM  
 FEE SCHEDULE

**I. YEAR TWO - BASIC SERVICES**

Year	Service	Cost per Month X 12 = Total Annual Cost
Two	ITT System Operation and Maintenance. (Includes all specified Basic Services)	\$ <u>142,959.00</u> X 12 = \$ <u>1,715,508.00</u>

**II. YEAR TWO - OTHER WORK / SERVICES**

Other Work/Services may be required for the ITT System to meet desired conditions and/or repairs not covered in the Basic Services of the Agreement. Any amounts listed below are estimated amounts for Other Work/Services for each year of the Agreement. The actual dollar amount for Other Work/Services may be higher or lower than the estimates, and the Contractor shall only be paid for actual work performed, subject to City direction and approval. **If Other Work/Services are performed by the on-site crew in conjunction with their regular duties, Contractor shall not receive additional compensation for their labor.**

**A. Estimated Other Work/ Services Labor** (Quantities are estimated for budget purposes only)

No.	Description	Est. Annual Labor Hours	X	Cost per Hour	=	Annual Cost
1.	<u>ELECTRONIC TECHNICIAN</u>					
	a. Normal Work Hours	300	X	\$ <u>72.00</u> /hr.	=	\$ <u>21,600.00</u>
	b. After Normal Work Hours	30	X	\$ <u>108.00</u> /hr.	=	\$ <u>3,240.00</u>
2.	<u>COMPUTER TECHNICIAN / PROGRAMER</u>					
	a. Normal Work Hours	200	X	\$ <u>93.00</u> /hr.	=	\$ <u>18,600.00</u>
	b. After Normal Work Hours	20	X	\$ <u>139.00</u> /hr.	=	\$ <u>2,780.00</u>
3.	<u>METAL FABRICATION / FIBERGLASS REPAIR</u>					
	a. Normal Work Hours	200	X	\$ <u>67.00</u> /hr.	=	\$ <u>13,400.00</u>
	b. After Normal Work Hours	20	X	\$ <u>100.00</u> /hr.	=	\$ <u>2,000.00</u>
<b>Total Estimated Other Work / Services Labor Annual Costs</b> (add items 1 - 3)						<b>\$ <u>61,620.00</u></b>

**B. Estimated Other Work/Services Materials/Supplies** (Quantities are estimated for budget purposes only)

Description	Est. Annual Expenditure	X	% Markup	=	Total Annual Cost
Est. Maintenance Materials / Supplies	\$ 20,000	X	5%	=	<u>\$ 21,000.00</u>

**TOTAL ESTIMATED OTHER WORK/SERVICES LABOR & MATERIAL ANNUAL COST** (add A & B) **\$ 82,620.00**

Exhibit "B"  
 ITT SYSTEM SERVICES  
 FOR HOUSTON AIRPORT SYSTEM  
 FEE SCHEDULE

**I. YEAR THREE - BASIC SERVICES**

Year	Service	Cost per Month X 12 = Total Annual Cost
Three	ITT System Operation and Maintenance. (Includes all specified Basic Services)	\$ <u>146,589.00</u> X 12 = \$ <u>1,759,068.00</u>

**II. YEAR THREE - OTHER WORK / SERVICES**

Other Work/Services may be required ITT System to meet desired conditions and/or repairs not covered in the Basic Services of the Agreement. Any amounts listed below are estimated amounts for Other Work/Services for each year of the Agreement. The actual dollar amount for Other Work/Services may be higher or lower than the estimates, and the Contractor shall only be paid for actual work performed, subject to City direction and approval. **If Other Work/Services are performed by the on-site crew in conjunction with their regular duties, Contractor shall not receive additional compensation for their labor.**

**A. Estimated Other Work/ Services Labor** (Quantities are estimated for budget purposes only)

No.	Description	Est. Annual Labor Hours	X	Cost per Hour	=	Annual Cost
1.	<u>ELECTRONIC TECHNICIAN</u>					
	a. Normal Work Hours	300	X	\$ <u>74.00</u> /hr.	=	\$ <u>22,200.00</u>
	b. After Normal Work Hours	30	X	\$ <u>112.00</u> /hr.	=	\$ <u>3,360.00</u>
2.	<u>COMPUTER TECHNICIAN / PROGRAMER</u>					
	a. Normal Work Hours	200	X	\$ <u>96.00</u> /hr.	=	\$ <u>19,200.00</u>
	b. After Normal Work Hours	20	X	\$ <u>143.00</u> /hr.	=	\$ <u>2,860.00</u>
3.	<u>METAL FABRICATION / FIBERGLASS REPAIR</u>					
	a. Normal Work Hours	200	X	\$ <u>69.00</u> /hr.	=	\$ <u>13,800.00</u>
	b. After Normal Work Hours	20	X	\$ <u>103.00</u> /hr.	=	\$ <u>2,060.00</u>
<b>Total Estimated Other Work / Services Labor Annual Costs</b> (add items 1 - 3)						<b>\$ <u>63,480.00</u></b>

**B. Estimated Other Work/Services Materials / Supplies** (Quantities are estimated for budget purposes only)

Description	Est. Annual Expenditure	X	% Markup	=	Total Annual Cost
Est. Maintenance Materials / Supplies	\$ 20,000	X	5%	=	<u>\$ 21,000.00</u>

**TOTAL ESTIMATED OTHER WORK/SERVICES LABOR & MATERIAL ANNUAL COST** (add A & B) **\$ 84,480.00**

Exhibit "B"  
**ITT SYSTEM SERVICES  
 FOR HOUSTON AIRPORT SYSTEM  
 FEE SCHEDULE**

**I. YEAR FOUR – OPTION YEAR 1 - BASIC SERVICES**

Year	Service	Cost per Month X 12 = Total Annual Cost
<b>Option- Year 1</b>	ITT System Operation and Maintenance. (Includes all specified Basic Services)	\$ <u>150,219.33</u> X 12 = \$ <u>1,802,631.96</u>

**II. YEAR FOUR (OPTION YEAR 1) – OTHER WORK / SERVICES**

Other Work/Services may be required for the ITT System to meet desired conditions and/or repairs not covered in the Basic Services of the Agreement. Any amounts listed below are estimated amounts for Other Work/Services for each year of the Agreement. The actual dollar amount for Other Work/Services may be higher or lower than the estimates, and the Contractor shall only be paid for actual work performed, subject to City direction and approval. **If Other Work/Services are performed by the on-site crew in conjunction with their regular duties, Contractor shall not receive additional compensation for their labor.**

**A. Estimated Other Work/ Services Labor** (Quantities are estimated for budget purposes only)

No.	Description	Est. Annual Labor Hours	X	Cost per Hour	=	Annual Cost
1.	<u>ELECTRONIC TECHNICIAN</u>					
	a. Normal Work Hours	300	X	\$ <u>76.00</u> /hr.	=	\$ <u>22,800.00</u>
	b. After Normal Work Hours	30	X	\$ <u>115.00</u> /hr.	=	\$ <u>3,450.00</u>
2.	<u>COMPUTER TECHNICIAN / PROGRAMER</u>					
	a. Normal Work Hours	200	X	\$ <u>99.00</u> /hr.	=	\$ <u>19,800.00</u>
	b. After Normal Work Hours	20	X	\$ <u>143.00</u> /hr.	=	\$ <u>2,860.00</u>
3.	<u>METAL FABRICATION / FIBERGLASS REPAIR</u>					
	a. Normal Work Hours	200	X	\$ <u>72.00</u> /hr.	=	\$ <u>14,400.00</u>
	b. After Normal Work Hours	20	X	\$ <u>106.00</u> /hr.	=	\$ <u>2,120.00</u>
<b>Total Estimated Other Work / Services Labor Annual Costs</b> (add items 1 - 3)						<b>\$ <u>65,430.00</u></b>

**B. Estimated Other Work/Services Materials / Supplies** (Quantities are estimated for budget purposes only)

Description	Est. Annual Expenditure	X	% Markup	=	Total Annual Cost
Est. Maintenance Materials / Supplies	\$ 20,000	X	5%	=	\$ <u>21,000.00</u>

**TOTAL ESTIMATED OTHER WORK/SERVICES LABOR & MATERIAL ANNUAL COST** (add A & B) **\$ 86,430.00**

Exhibit "B"  
**ITT SYSTEM SERVICES  
 FOR HOUSTON AIRPORT SYSTEM  
 FEE SCHEDULE**

**I. YEAR FIVE - OPTION YEAR 2 - BASIC SERVICES**

Year	Service	Cost per Month X 12 = Total Annual Cost
Option- Year 2	ITT System Operation and Maintenance. (Includes all specified Basic Services)	\$ <u>153,849.50</u> X 12 = \$ <u>1,846,194.00</u>

**II. YEAR FIVE (OPTION YEAR 2) - OTHER WORK / SERVICES**

Other Work/Services may be required for the ITT System to meet desired conditions and/or repairs not covered in the Basic Services of the Agreement. Any amounts listed below are estimated amounts for Other Work/Services for each year of the Agreement. The actual dollar amount for Other Work/Services may be higher or lower than the estimates, and the Contractor shall only be paid for actual work performed, subject to City direction and approval. **If Other Work/Services are performed by the on-site crew in conjunction with their regular duties, Contractor shall not receive additional compensation for their labor.**

**A. Estimated Other Work/ Services Labor** (Quantities are estimated for budget purposes only)

No.	Description	Est. Annual Labor Hours	X	Cost per Hour	=	Annual Cost
1.	<u>ELECTRONIC TECHNICIAN</u>					
	a. Normal Work Hours	300	X	\$ <u>79.00</u> /hr.	=	\$ <u>23,700.00</u>
	b. After Normal Work Hours	30	X	\$ <u>118.00</u> /hr.	=	\$ <u>3,540.00</u>
2.	<u>COMPUTER TECHNICIAN / PROGRAMER</u>					
	a. Normal Work Hours	200	X	\$ <u>103.00</u> /hr.	=	\$ <u>20,600.00</u>
	b. After Normal Work Hours	20	X	\$ <u>147.00</u> /hr.	=	\$ <u>2,940.00</u>
3.	<u>METAL FABRICATION / FIBERGLASS REPAIR</u>					
	a. Normal Work Hours	200	X	\$ <u>75.00</u> /hr.	=	\$ <u>15,000.00</u>
	b. After Normal Work Hours	20	X	\$ <u>110.00</u> /hr.	=	\$ <u>2,200.00</u>
<b>Total Estimated Other Work / Services Labor Annual Costs</b> (add items 1 - 3)						<b>\$ <u>67,980.00</u></b>

**B. Estimated Other Work/Services Materials / Supplies** (Quantities are estimated for budget purposes only)

Description	Est. Annual Expenditure	X	% Markup	=	Total Annual Cost
Est. Maintenance Materials / Supplies	\$ 20,000	X	5%	=	<u>\$ 21,000.00</u>
<b>Total Estimated Other Work/Services Equipment/Materials Annual Costs</b> (item B total)					<b>\$ <u>88,980.00</u></b>

**TOTAL ESTIMATED OTHER WORK/SERVICES LABOR & MATERIAL ANNUAL COST** (add A & B) **\$ 88,980.00**

## 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"

PERFORMANCE BOND

THE STATE OF TEXAS  
COUNTY OF HARRIS

§  
§  
§

THAT WE, \_\_\_\_\_, as Principal, (the "Contractor") and the other subscriber hereto, \_\_\_\_\_, as Surety, do hereby acknowledge ourselves to be held and firmly bound to the City of Houston (the "City"), a municipal corporation, in the penal sum of \$ \_\_\_\_\_ for the payment of which sum, well and truly to be made to the City, its successors and assigns, Contractor and Surety do bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH THAT:

WHEREAS, the Contractor has on or about this day executed an Agreement in writing with the City for Inter-Terminal Train System Operations maintenance services for the City of Houston Airport System all of such work to be done as set out in full in said Agreement therein referred to and adopted by the City Council, all of which are made a part of this instrument as fully and completely as if set out in full herein.

NOW THEREFORE, if the said Contractor shall faithfully and strictly perform the Agreement in all its terms, provisions, and stipulations in accordance with its true meaning and effect, and shall comply strictly with each and every provision of the Agreement and with this Bond, then this obligation shall become null and void and shall have no further force and effect; otherwise the same is to remain in full force and effect. Should the Contractor fail to faithfully and strictly perform the Agreement in all its terms, including but not limited to the indemnifications thereunder, the Surety shall be liable for all damages, losses, expenses and liabilities that the City may suffer in consequence thereof, as more fully set forth herein.

It is further understood and agreed that the Surety does hereby relieve the City and its representatives from the exercise of any diligence whatever in securing compliance on the part of the Contractor with the terms of the Agreement and the Surety agrees that it shall be bound to take notice of and shall be held to have knowledge of all acts or omissions of the Contractor in all matters pertaining to the Agreement.

It is further expressly agreed by Surety that the City and/or its representatives are at liberty at any time, without notice to the Surety, to make any change in the Agreement and in the Work to be done thereunder, as provided in the Agreement, and in the terms and conditions thereof, or to make any change in, addition to, or deduction from the Work to be done thereunder; and that such changes, if made, shall not in any way vitiate the obligation in this Bond and undertaking or release the Surety therefrom.

IT IS FURTHER EXPRESSLY AGREED AND UNDERSTOOD THAT THE CONTRACTOR AND SURETY WILL FULLY INDEMNIFY AND SAVE HARMLESS THE CITY FROM ANY LIABILITY, LOSS, COST, EXPENSE, OR DAMAGE ARISING OUT OF CONTRACTOR'S PERFORMANCE OF THE AGREEMENT.

If the City gives Surety notice of Contractor's default, Surety shall, within 30 days, take one of the following actions:

1. Arrange for Contractor, with consent of the City, to perform and complete the Agreement; or
2. Take over and assume completion of the Agreement itself, through its agents or through independent contractors, and become entitled to the payment of the balance of the Agreement pricing and payments for work performed.

If the Surety fails to take either of the actions set out above, it shall be deemed to have waived its right to perform and complete the Agreement and receive payment of the balance of the Agreement payment and the City shall be entitled to enforce any remedies available at law, including but not limited to completing the Agreement itself and recovering any cost in excess of the Original Contract Price from the Surety.

This Bond and all obligations created hereunder shall be performable in Harris County, Texas. This Bond is given in compliance with the provisions of Chapter 2253, Texas Government Code, as amended, (even though the statute may not apply), which is incorporated herein by this reference.

Notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third day following deposit in a United States Postal Service post office or receptacle, with proper postage affixed (certified mail, return receipt requested), addressed to the respective other Party at the address prescribed in the Agreement, or at such other address as the receiving party may hereafter prescribe by written notice to the sending party.

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.

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.

**IN WITNESS THEREOF**, the said Contractor and Surety have signed and sealed this instrument on the respective dates written below their signatures and have attached current Power of Attorney.

ATTEST/SEAL: (if a corporation)

WITNESS: (if not corporation)

\_\_\_\_\_  
(Name of Contractor)

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

Date:

ATTEST/SURETY WITNESS (SEAL)

\_\_\_\_\_  
(Full Name of Surety)

\_\_\_\_\_  
(Address of Surety for Notice)

\_\_\_\_\_  
(Telephone Number of Surety)

By: \_\_\_\_\_

Name:

Title:

Date:

By: \_\_\_\_\_

Name:

Title: Attorney-in-Fact

Date:

REVIEWED:

\_\_\_\_\_  
Sr. Assistant City Attorney  
P. O. Box 368  
Houston, TX 77001-0368

EXHIBIT "F"

DRUG POLICY COMPLIANCE AGREEMENT

I, \_\_\_\_\_ as an owner or officer of \_\_\_\_\_ (Contractor)  
(Name) (Print/Type) (Title)  
\_\_\_\_\_  
(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 "G"**

**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 "H"

DRUG POLICY COMPLIANCE DECLARATION

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

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

This reporting period covers the preceding 6 months from \_\_\_\_\_ to \_\_\_\_\_, 20\_\_\_\_.

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

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

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

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

Initials \_\_\_\_\_ From \_\_\_\_\_ to \_\_\_\_\_ the following testing has occurred:
(Start date) (End date)

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)