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08-0974

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

I. PARTIES

A. Address

THIS AGREEMENT FOR COST ALLOCATION SERVICES ("Agreement") is made on the Countersignature Date between the **CITY OF HOUSTON, TEXAS** ("City"), a home rule city of the State of Texas, and **MAXIMUS FINANCIAL SERVICES, INC.** ("Contractor"), a Texas corporation.

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, Finance Department City of Houston P.O. Box 1562 Houston, Texas 77251	Maximus Financial Services, Inc. 1033 Skokie Boulevard, Suite 350 Northbrook, Illinois 60062
	Maximus Financial Services, Inc. Attention: Jim Brown 13601 Preston Road, Suite 201E Dallas, Texas 75240

The Parties agree as follows:

B. Table of Contents

This Agreement consists of the following sections:

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EXHIBITS

- A. Scope of Services
- A-1 Cost Allocation Plans Delivery Schedule
- A-2 Resume's of Contractor's Cost Allocation Professionals
- B. Hourly Rates and Cost Breakdown Schedule
- C. MWBE Subcontract Terms
- D. Equal Employment Opportunity
- E. Drug Policy Compliance Agreement
- F. Drug Policy Compliance Declaration
- G. Certification of No Safety Impact Positions

C. Parts Incorporated

The above described exhibits are incorporated into this Agreement.

D. Controlling Parts

If a conflict among the sections and exhibits arises, the sections control over the exhibits.

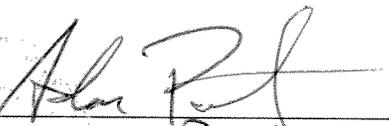
E. Signatures

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

MAXIMUS FINANCIAL SERVICES, INC.

CITY OF HOUSTON, TEXAS

Signed by:

By: 

Name: ADAM PAUTNICK

Title: VP, CONTRACTS

ATTEST/SEAL (if a corporation)

WITNESS (if not a corporation)

By: _____

Name:

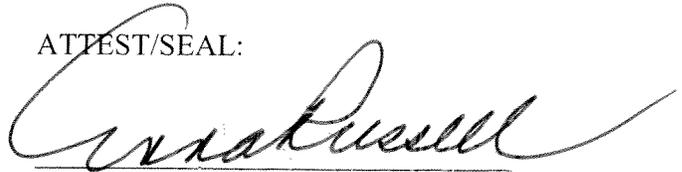
Title:

Tax Identification No.: _____

By: 

Mayor 

ATTEST/SEAL:



City Secretary

APPROVED:



Director, Finance Department

APPROVED AS TO FORM:



Assistant City Attorney

L.D. No. 0340800093001

COUNTERSIGNED BY:



City Controller 

DATE COUNTERSIGNED:

11-13-08

II. DEFINITIONS

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

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

"City" is defined in the preamble of this Agreement and includes its successors and assigns.

"Contractor" is defined in the preamble of this Agreement and includes its successors and assigns.

"Cost Allocation Plan" means a detailed plan analyzing federally funded City projects to identify indirect costs incurred by the City in implementing each federally funded project to enable the City to recover such indirect costs from the federal agency that funded the project and a full cost plan to fairly and equitably allocate costs among other City departments and funds that did not participate in those federally funded projects.

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

"Director" means the Director of the Finance Department, or the person he or she designates.

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

"Include" and "including", and words of similar import, shall be deemed to be followed by the words "without limitation".

"Installation Site(s)" means the City Departments where the Director requires Contractor to

go to gather information and perform services in order to develop Cost Allocation Plans for the City under this Agreement.

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

"OMB Circular A-87" means the Office of Management and Budget's guidelines detailing costs that a Federal Agency may reimburse to an entity as part of a federal grant awarded to implement a project. OMB Circular A-87, titled "Cost Principles for State, Local, and Indian Tribal Governments" has been relocated to Title 2 in the Code of Federal Regulations, Subtitle, A, Chapter II, part 225 (2 C.F.R. § 225.5 to § 225.55 (2008)).

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

"Reasonable Travel Expenses" mean the ordinary and reasonable cost of travel by Contractor's employees from out of town to Houston and back, up to a maximum of \$5,500.00 per year. Reasonable Travel Expenses are expenses that do not exceed the amount established under the City's then current travel reimbursement policy for its employees, including automobile mileage, reimbursement, common carrier coach or economy fares, ground transportation expenses, and, for overnight trips, the cost of lodging and meals if such travel is reasonably necessary to accomplish a task directly related to the cost allocation services project, and if reservations are made as far in advance as feasible.

"Tasks" mean the 13 tasks set out in Exhibit "A", "Scope of Services" that Contractor shall perform in order to produce detailed Cost Allocation Plans for the City under this Agreement.

III. DUTIES OF CONTRACTOR

A. Scope of Services

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

B. Coordinate Performance

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

C. Schedule of Performance

Time of Performance

Contractor shall begin and complete its obligations in accordance with either (1) the Project Schedule contained in Exhibit "A-1" or (2) the detailed Project Schedule developed after the City and Contractor begin performance, whichever the Director specifies. Contractor shall perform its obligation under this Agreement diligently.

D. Time Extensions

If Contractor makes a written requests for an extension of time to complete its performance, then the Director may, in his or her sole discretion, extend the time so long as the extension does not exceed 30 days. The extension must be in writing but does not require amendment of this Agreement. Contractor is not entitled to damages for delay(s) regardless of the cause of the delay(s).

E. Reports - Progress Updates

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

F. Payment of Subcontractors

Contractor shall make timely payments to all persons and entities supplying labor, materials, 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.

G. RELEASE

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

H. 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 \$500,000 PER OCCURRENCE. CONTRACTOR SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

I. INDEMNIFICATION - PATENT, COPYRIGHT, TRADEMARK, AND TRADE SECRET INFRINGEMENT

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

CONTRACTOR SHALL NOT SETTLE ANY CLAIM ON TERMS WHICH PREVENT THE CITY FROM USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS WITHOUT THE CITY'S PRIOR WRITTEN CONSENT.

WITHIN 60 DAYS AFTER BEING NOTIFIED OF THE CLAIM, CONTRACTOR SHALL, AT ITS OWN EXPENSE, EITHER (1) OBTAIN FOR THE CITY THE RIGHT TO CONTINUE USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS OR, (2) IF BOTH PARTIES AGREE, REPLACE OR MODIFY THEM WITH COMPATIBLE AND FUNCTIONALLY EQUIVALENT PRODUCTS. IF NONE OF THESE ALTERNATIVES IS REASONABLY AVAILABLE, THE CITY MAY RETURN THE EQUIPMENT, SOFTWARE, OR DOCUMENTS, OR DISCONTINUE THE PROCESS, AND

CONTRACTOR SHALL REFUND THE PURCHASE PRICE.

J. INDEMNIFICATION - SUBCONTRACTOR'S INDEMNITY

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.

K. 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.

L. Insurance

Contractor shall maintain in effect certain insurance coverage and shall furnish certificates of insurance, in duplicate form, before beginning its performance under this Agreement. All policies except Professional Liability and Workers' Compensation must name the City as an additional insured. 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. Contractor shall maintain the following insurance coverages in the following amounts:

(1) Commercial General Liability insurance including Contractual Liability insurance:

\$500,000 per occurrence; \$1,000,000 aggregate

- (2) Workers' Compensation including Broad Form All States endorsement:

Statutory amount

- (3) Professional Liability

\$1,000,000 per occurrence; \$1,000,000 aggregate

- (4) Automobile Liability insurance

\$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.

All insurance policies must require on their face, or by endorsement, that the insurance carrier waives any rights of subrogation against the City, and that it shall give 30 days written notice to the City before they may be canceled, materially changed, or nonrenewed. Within the 30 day period, Contractor shall provide other suitable policies in lieu of those about to be canceled, materially changed, or nonrenewed so as to maintain in effect the required coverage. 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.

M. Warranties

Contractor's performance shall conform to the professional standards prevailing in

Harris County, Texas with respect to the scope, quality, due diligence, and care of the services and products Contractor provides under this Agreement.

N. Confidentiality - Protection of City's Interest

Contractor, its agents, employees, contractors, and subcontractors shall hold all City information, data, and documents (collectively, "the Information") that they receive, 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 obtain written agreements from its agents, employees, contractors, and subcontractors which bind them to the terms in this Section.

O. Use of Work Products - City May Use All Documents

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

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

(3) Contractor shall deliver the original Documents to the Director on request.

Within five working days after this Agreement terminates, Contractor shall deliver to the Director the original Documents, and all other files and materials Contractor produces or gathers during its performance under this Agreement.

P. Licenses and Permits

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

against his or her license.

Q. Compliance with Laws

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

R. Compliance with Equal Opportunity Ordinance

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

S. Drug Abuse Detection and Deterrence

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

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

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

T. 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 13% 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 "C." 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.

U. Pay or Play Policy

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

V. Personnel of Contractor

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

IV. DUTIES OF THE CITY

A. Payment Terms

Upon completion by Contractor and acceptance by the Director of each Task listed in Exhibit "A," "Scope of Services," City shall pay Contractor and Contractor shall accept fees for cost allocation plan services actually performed under each Task detailed in Exhibit "A" at the hourly rates set out in Exhibit "B," "Hourly Rates & Cost Breakdown Schedule" for the person with the job classification that performed such services under each Task for a total amount not to exceed the total fees allocated for each Task in Exhibit "B."

City's payments to Contractor for cost allocation services in City fiscal years beginning July 1, 2009 and July 1, 2010 are subject to the allocation of funds as set out in Section IV (E). The maximum hourly rates for the various job classifications listed in Exhibit "B" remain in effect for three years following the effective date of this Agreement.

Upon the Director's approval of expenses submitted by Contractor, City shall reimburse Contractor's actual Reasonable Travel Expenses, up to an annual maximum limit of \$5,500.00 for each year of the term of 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

The City shall pay Contractor on the basis of invoices submitted by Contractor and

approved by the Director showing the hours worked in the preceding month and the corresponding hourly rates. The City shall make payments to Contractor at its address for notices within 30 days of receipt of an approved invoice.

D. 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.

E. Limit of Appropriation

(1) The City's duty to pay money to Contractor 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 \$56,537.00 to pay money due under this Agreement (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Agreement, but they are not obligated to do so. Therefore, the parties have agreed to the following procedures and remedies:

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

NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS

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

\$ _____

(4) City Council delegates to the Director the authority to approve up to \$241,924.00 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.

F. Access to Site

Contractor may enter and leave the premises at all reasonable times without charge. Contractor and its employees may use the common areas and roadways to the premises where it is to perform the services together with all facilities, equipment, improvements, and services provided in connection with the premises for common use. This excludes parking for Contractor's personnel. Contractor shall repair any damage caused by its employees as a result of its use of the common areas.

V. TERM AND TERMINATION

A. Contract Term

This Agreement is effective on the Countersignature Date and remains in effect for three years unless sooner terminated under this Agreement (the "Initial Term").

B. Renewals

Upon expiration of the Initial Term, and so long as the City makes sufficient supplemental allocations, this Agreement will be automatically renewed for two successive one-year terms on the same terms and conditions. If the Director or the City chooses not to renew this Agreement, the Director shall notify Contractor of non-renewal at least 30 days before the expiration of the then-current term.

At the end of the second successive one-year term, if the Director extends this Agreement to permit Contractor to complete its performance, then, the Director may in his or her sole discretion extend the time so long as such extension does not exceed 90 days. The 90-day extension of time does not require an amendment of the Agreement and Contractor is not entitled to damages for delay(s) regardless of the cause of such delay(s).

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 RECEIPT OF 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 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

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 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.

VI. MISCELLANEOUS PROVISIONS

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 Contractor's 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 workers' 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 10 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 as described in §9.406 of the Texas Business & Commerce Code. In the case of such an assignment, Contractor shall immediately furnish the City with proof of the assignment and the name, telephone number, and address of the Assignee and a clear identification of the fees to be paid to the Assignee.

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

R. 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.

S. 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 FROM ANY PAYMENTS OWED TO CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY RECOURSE THEREFOR.

EXHIBIT "A"

SCOPE OF SERVICES

- 1) 120 days from the Countersignature Date of this Agreement, Contractor shall develop and submit for City review a detailed cost allocation plan for the City in compliance with the provisions of OMB Circular A-87.
- 2) Contractor shall develop the cost allocation plan for the City in two phases:
 - (i) Phase I - Contractor shall research and gather materials necessary to develop the Plan;
 - (ii) Phase II - Contractor shall use the costs identified in Phase I to develop, submit and enhance the City's ability to recover costs under various Federal programs.
- 3) Contractor shall, in Phase I, perform the tasks detailed below:
 - Task 1 -** Identify the City's available financial information sources to be used, including annual reports for the relevant fiscal years, additional financial reports, if any, developed or issued by City Departments at various times of the year and Citywide organization charts for various City Departments.
 - Task 2 -** Review the City's organization charts and classify all City functions into one of three categories: (i) executive; (ii) legislative; or (iii) judicial; since legislative costs cannot be recovered under any Federal grant program.
 - Task 3 -** Inventory all Federal and Enterprise Funds to identify areas and projects with the most potential for recovery of administrative costs; which would involve the interviewing of all department personnel to determine what Federal funds are being received by the City, to identify the programs for which such Federal funds are being received and the Federal Agency

granting such funds and the extent to which recoverable administrative costs are involved in such programs.

Task 4 - Identify the City departments that provide services to other departments, such as data processing, accounting, auditing, personnel and purchasing.

Task 5 - Develop the bases for allocating administrative costs to City departments in compliance with OMB Circular A-87.

Task 6 - Develop measurable units of service for user City departments in order to determine allocation basis. For example, the City's Central Payroll Division provides payroll services to all City departments for their paid employees. Therefore, the number of employees in each City department that are on the payroll measures the units of payroll services used by that City department.

Task 7 - Prepare cost allocation work sheets for each City department for the prior fiscal year, calculating expenses recoverable under OMB Circular A-87.

Task 8 - Summarize costs by the City department benefitted by such recoverable costs and include such summary of costs in the cost allocation plan for each City department receiving services from other City departments, in measurable units of service.

In addition, Contractor shall provide the City with a variance analysis, explaining any changes in cost allocations made to City departments in current fiscal year plans that differ from such allocations in prior year plans.

4) Contractor shall, in Phase II, perform the tasks detailed below to ensure that the City's administrative costs are recovered and a procedure is established for the City to develop its own plans to recover such administrative expenses in the future:

Task 9 - Determine the cost of operating each program inventoried in Task 3.

Task 10 - Prepare departmental indirect cost rates and provide the City with a spreadsheet that identifies costs associated with the operation of each program. Contractor shall allocate the indirect costs identified to each program within that City department, such that the resulting percentage that each administrative dollar is to each program provides the basis for the recovery of indirect costs for that program.

Task 11 - Present a formal cost allocation plan to the City for review showing indirect costs recoverable from Federal agencies. In addition, submit for review the final City-approved cost allocation plan to the Federal agency from which such costs are recoverable.

Task 12 - Negotiate with Federal and State officials the financial costs recoverable by City pursuant to OMB Circular A-87 guidelines.

Task 13 - Train the City's Finance Department staff assigned to this project as Project Manager to develop similar cost allocation plans for the City in the future. The Director shall designate the Project Manager at the time the Director issues Contractor the Notice to Proceed. The Project Manager will procure access to financial information for Contractor by acting as a liaison with City Departments during the term of this Agreement.

- 5) 120 days from the date the Director issues Contractor the Notice to Proceed and in addition to the Cost Allocation Plan detailed in Section (1) above, Contractor shall deliver to the City a full cost allocation plan that takes into account all other nonrecoverable administrative and legislative costs under OMB Circular A-87.
- 6) 120 days from the date the Director issues Contractor the Notice to Proceed and in addition to the Cost Allocation Plans detailed in Sections (1) and (4) above, Contractor shall submit for the Director's review, two Cost Allocation Plans, one for the City's Fire Department and one for the City's Police Department, that each take into account all nonrecoverable administrative and legislative expenses under OMB Circular A-87. In addition, Contractor shall submit two full Cost Allocation Plans for the City's Police and Fire Departments.
- 7) 30 days from the date the City approves the six Cost Allocation Plans listed in Sections (1), (4) and (6) above, Contractor shall submit final plans to the City.
- 8) Contractor warrants that it can provide all cost allocation services set out in Exhibit "A" plus the cost of Reimbursable Travel Expenses (up to a maximum of \$5,500.00 per year) for an annual cost of \$56,537.00, \$58,068.00 and \$59,645.00 during the three year Initial Term of this Agreement; and for annual costs of \$61,269.00 and \$62,942.00 during the two one-year option terms, in the event the City exercises its option to extend this Agreement beyond the Initial Term. In no event shall the City pay Contractor for cost allocation services rendered under this Agreement in excess of the annual amounts set out in this section above.
- 9) During the term of this Agreement, Contractor warrants that it can provide the cost allocation professionals whose resume's were submitted by Contractor in response to City's RFQ #22983 and are attached to this Agreement as Exhibit "A-2" at the hourly rates set out in Exhibit "B" to perform the tasks set out in Exhibit "A" to meet the implementation schedule detailed in

Exhibit "A-1" or the schedule set by the Director. In the event the professionals listed in Exhibit "A-2" are no longer employed by Contractor during the term of this Agreement, then Contractor shall submit to the Director the resume's of replacement professionals with the same level of education, professional training and work experience as the professionals being replaced. Upon the Director's approvals of the resume's submitted, Contractor shall provide the services of the replacement professionals to perform the tasks set out in Exhibits "A" at the rates listed for such professionals in Exhibit "B."

EXHIBIT "A-1"
COST ALLOCATION PLANS
DELIVERY SCHEDULE

City of Houston, Texas
 Work Breakdown Schedule
 FY 2008

Consultant Hour Summary						
Project Director	Project Manager	Senior Consultant	Consultant	Mir, Fox, and Rodriguez	Total	
7.0	79.5	67.0	74.0	6.0	233.5	
2.0	41.0	-	4.0	62.0	109.0	
9.0	120.5	67.0	78.0	68.0	342.5	
Hours						
Project Director	Project Manager	Senior Consultant	Consultant	Mir, Fox, and Rodriguez	Total	
Phase I: Full Cost and OMB A-87 Cost Allocation Plan Preparation						
Task 1: Data Request of available financial information and departmental organization charts for review.						
	0.50					
Initiate kick-off meeting with City's liaisons, MWBE firm, and staff and present engagement letter.						
Task 2: Review organizational structure and changes for determination of cost pools and determine departmental interviews.						
3.00	2.00	2.00				
Task 3: Review of Federal and State grants, Enterprise Funds, and other reimbursable areas such as the Houston Emergency Center and Convention and Entertainment Department.						
2.00	1.00	1.00				
Task 4: Document administrative departments, activities and costs.						
	6.00	6.00				
b. Review departmental expenditures for determination of activity expense and allowability						
	12.00	12.00		6.00		
c. Determine appropriate and equitable allocation basis for each departmental activity.						
	12.00	12.00				
Task 5: Prepare cost allocation schedules.						
	10.00	30.00	50.00			
Task 6: Prepare draft reports and variance analysis.						
	12.00					
a. Prepare draft reports.						
	8.00		24.00			
b. Prepare variance analysis of allocated costs to benefiting departments.						
2.00	8.00					
c. Review 1st draft and variance analysis via WebEx with departments						
	4.00					
d. Edit 1st draft and variance analysis via WebEx with departments						
		4.00				
e. Prepare 2nd draft and adjust variance analysis						
	4.00					
f. Review 2nd draft via WebEx						
7.00	79.50	67.00	74.00	6.00		
Total Hours, Phase I						

City of Houston, Texas
 Work Breakdown Schedule
 FY 2008

Phase II: Preparation of Indirect Cost Rate Proposals and Final Reports	Hours			
	Director	Project Manager	Senior Consultant	Mir, Fox, and Rodriguez
Task 7: Prepare final plans				
a. Incorporate final audited financial data into expenditures into the central service departments' expenditure sections and into appropriate allocation basis.		1.00		
b. Prepare expenditure and fixed asset reconciliations displaying the indirect costs of the central service cost pools and all direct costs in the indirect cost allocation plans as compared to the Comprehensive Annual Financial Report.		2.00		60.00
c. Review all final plans via Webex.		2.00		
Prepare indirect cost rate proposal for submission to cognizant federal and/or state agency.		16.00		
a. Review indirect cost rate proposal via Webex.		2.00		
Exit interview and delivery of final reports	2.00	2.00		2.00
Negotiation with federal and/or state cognizant agency.		16.00		
Total Hours, Phase II	2.00	41.00	4.00	62.00



Project Director Susan Lake
 Project Manager Jim Brown
 Project Senior Consultant Sherra Montz
 Project Consultants Meredith Clonch
 Mir, Fox, & Rodriguez
 Senior Vice President Bruce Cowans

Consultant Hour Summary

		Week																											
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Phase I project hours																													
Phase II project hours																													
Total, all tasks																													
Phase I: Full Cost and OMB A-87 Cost Allocation Plan Preparation																													
Task 1: Data Request of available financial information and departmental organization charts for review.																													
Initiate kick-off meeting with City's liaisons, MWBE firm, and staff and present engagement letter.																													
Task 2: Review organizational structure and changes for determination of cost pools and determine departmental interviews.																													
Task 3: Review of Federal and State grants, Enterprise Funds, and other reimbursable areas such as the Houston Emergency Center and Convention and Entertainment Department.																													
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a. Determine departmental activities.																													
b. Review departmental expenditures for determination of activity expense and allowability.																													
c. Determine appropriate and equitable allocation basis for each departmental activity.																													
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Task 6: Prepare draft reports and variance analysis.																													
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b. Prepare variance analysis of allocated costs to benefiting departments.																													
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d. Edit 1st draft and variance analysis via WebEx with departments																													
e. Prepare 2nd draft and adjust variance analysis																													
f. Review 2nd draft via WebEx																													
Total Hours, Phase I																													

	Week																											
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	24	24	24	
Phase II: Preparation of Indirect Cost Rate Proposals and Final Reports																												
Task 7: Prepare final plans																												
a. Incorporate final audited financial data into expenditures into the central service departments' expenditure sections and into appropriate allocation basis.																												
b. Prepare expenditure and fixed asset reconciliations displaying the indirect costs of the central service cost pools and all direct costs in the indirect cost allocation plans as compared to the Comprehensive Annual Financial Report.																												
c. Review all final plans via Webex.																												
Prepare indirect cost rate proposal for submission to cognizant federal and/or state agency.																												
a. Review indirect cost rate proposal via Webex.																												
Exit interview and delivery of final reports																												
Negotiation with federal and/or state cognizant agency.																												
Total Hours, Phase II																												

Project Director
 Project Manager
 Project Senior Consultant
 Project Consultants
 Senior Vice President

EXHIBIT "A-2"
RESUME'S OF CONTRACTOR'S
COST ALLOCATION PROFESSIONALS



Bruce Cowans
Senior Vice President

Mr. Cowans has been with our firm since 1991, providing public agencies with advice on how to improve their operations and finances. Mr. Cowans directs a regional practice of two dozen consultants for MAXIMUS Financial Services, Inc. that serves clients in seven states in the Southeast and Midwest. He coordinates our work nationally on user fees, cost of service studies and information technology rates. Internally, he has developed a web-based project scheduling system and helped to develop monthly financial reports.

Relevant Experience

Financial consulting

- Help clients recover the cost of fee services and set performance targets by conducting activity-based cost studies. Have done this for hundreds of agencies coast to coast, covering virtually every type of service.
- Litigation support, including development of expert reports on cost allocation, forensic accounting, cost of service, and calculation of damages.
- Budget balancing analyses for fiscally-strapped government agencies, assessing if, where and how to trim spending and staffing, how to streamline service and when to increase charges.
- Assess client's ability to recruit foster parents by analyzing reimbursement rates and policies.
- Set rates for state laboratories to charge to third parties.
- Cost/benefit models of policy options such as jail expansion, janitorial services and landfill operations.
- Developed a new method for O'Hare and Dallas/Fort Worth airports to recover operating costs from bond funds.
- Tax equity studies comparing amounts levied to cost of service provided.
- Directed a practice that provided child welfare and Medicaid claiming services.

Performance measurement, management improvement, program evaluation and staffing studies

- Comprehensive evaluation of all departments for cities, and state agencies.
- Department-specific studies including:
 - Health department issues such as staffing and managing clinical services, mental health services, environmental regulation, food safety, and laboratory operations.
 - Police and sheriff issues, such as how to manage a patrol operation, staff a 911 center, and manage a jail.
 - Public Works and Highway issues, such as workload scheduling and staffing, equipment replacement and capital financing.
 - Building and Zoning, including how to staff for fluctuation in the business cycle and how to improve customer service.
 - Recreation and Parks, addressing staffing, budgeting and funding.
 - Other: (finance departments, human resources departments, information technology departments, county clerks, recorders of deeds, assessors, coroners, and special education in public schools).



Mr. Cowans is an elected municipal official, serving as Village Trustee and Chairman of the committees of Finance and Community Grants for Glencoe, Illinois. He has experience in setting tax rates, developing bond financing plans, regulating building, zoning and land use, developing strategies for labor contracts, setting policy on litigation and risk management, assessing information technology needs, developing human resource policy and evaluating the effectiveness of municipal operations.

Professional Degrees

MA, Public Policy, Duke University, Durham, North Carolina 1983
BA, Environmental Studies, Pitzer College, (The Claremont Colleges), Claremont, California 1979

Speeches and Articles

- National Association of State Comptrollers (fiscal issues affecting information technology consolidation)
- University of Wisconsin, College of Engineering (development impact fees)
- West Central Municipal Conference (Chicago) (activity-based costing)
- Illinois County Auditors Association (user fees)
- Illinois Assistant Municipal Managers (performance management)
- Illinois Government Finance Officers Association (user fees)
- Missouri Association of Counties (disaster grant management)
- Wisconsin Public Employers Labor Relations Association (outsourcing)
- www.bettermanagement.com (Internet class on performance measurement and benchmarking)
- Missouri Municipal League (compensation analysis)
- Illinois Tax Foundation (user fees)
- Illinois Association of County Clerks & Records (user fees)
- Iowa State Association of Counties (predicting the cost of jail expansion)
- Association of Minnesota Counties, (predicting jail operation costs)
- Wisconsin County Finance Officers Association (using cost data to improve fiscal condition and indirect cost rates)

Professional History

MAXIMUS, Inc., Senior Vice President 2004 – present, Vice President, 1997 – 2004, Senior Manager 1995-97, Manager 1991-95
JMB Institutional Realty Corporation, Portfolio Analyst, Chicago, IL 1989-91
U.S. Treasury Department, Office of the Secretary, Budget Analyst, Washington, DC 1986-89
Price Waterhouse, Office of Government Services, Senior Consultant (1985-86), Staff Consultant (1983-85), Washington, DC
Village Trustee (city councilman) and Chairman, Finance Committee and Chairman, Community Grants Committee, Glencoe, Illinois, 2005 to present



Susan Lake
Project Director

Qualifications

Ms. Lake has nearly 20 years of consulting experience in working with or for public agencies to identify and allocate costs and improve operations. Her range of project experience includes the following:

- Cost accounting
- Management studies
- Cost of services studies
- Cost benefit analyses
- Statistical analyses
- Financial modeling

Relevant Experience

Since joining MAXIMUS in 1989, Ms. Lake has worked on the following projects:

City of Chicago: Project manager for the preparation and negotiation of the City of Chicago's budget and actual Central Services Cost Allocation Plans for the years 1989 through the present. Preparation of departmental indirect cost rate proposals for 15 City departments for those years. Determination of the City's support of the O'Hare and Midway airports enterprise funds, as well as other enterprise funds, including Chicago Skyway, Water, and Sewer. Development of fringe benefit rates for municipal, laborer, police, and fire personnel. Review and analysis of the Department of Aviation's methods of identifying capital costs and charging them to appropriate capital projects for the years 1997 through the present. Determination of City's support for TIF projects, in conjunction with the City's Budget Office.

PACE – Suburban Bus Service: Project manager for the preparation of the Central Services Cost Allocation Plan and Indirect Cost Rates for fiscal years 1989 through the present for Pace - Suburban Bus Service. Preparation of garage overhead rates since 1998. Preparation of an Indirect Cost Rate for Pace Paratransit Services based on a full cost allocation plan for FY 2005 and FY2006. Preparation of an Operating Grant Manual to be used in Pace's internal operations and a Paratransit Operating Manual to be used by its Paratransit Division.

METRA – Metropolitan Rail: Project manager for the preparation of the Central Services Cost Allocation Plan, indirect cost rate proposal, and fringe benefits and labor additive rates for METRA - Metropolitan Rail for the years 1989 through the present. Review and preparation of equipment rental rates since year 2000.

Project manager for the preparation of Central Services Cost Allocation Plans for various Illinois counties and cities, including Cook, DuPage, McHenry, Winnebago, Kane and McLean counties; the Cities of St. Charles, Naperville, Lake Forest, and West Chicago; the Village of Fox Lake and the Village of Glenview. Prepared Central Service Cost Allocations Plans for counties and cities in Indiana and Iowa.



CTA - Chicago Transit Authority: Project manager for the preparation and review of a central service cost allocation plan and indirect cost rates for the years 1998 through the present.

Project analyst for management, cost, and/or operations reviews of the City of Chicago Buildings Department, Illinois Department of Human Rights, the Moline Department of Public Works, the Schaumburg Department of Public Works, the Lincolnwood Police Department, the DuPage County Health Department, a private firm providing contract services to not-for-profit firms, and various departments, bureaus and other units of the City of Chicago.

US Department of the Treasury: Project analyst on an engagement to recalculate annuity benefit payments to retirees, surviving spouses, and child beneficiaries of the Washington, DC Teachers Pension system, 2002 - 2003.

IL Department of Nuclear Safety: Project analyst for the development of a computer model for the IDNS that the Department uses for negotiations with a private firm. The model estimates the prices that would be required to support the development and operation of a low-level radioactive waste facility, under varying assumptions and scenarios.

Quality Assurance review of claims for Community Based Medicaid Administrative Claiming for the states of Florida, New Jersey, Connecticut, and Oklahoma from 2005 to the present.

IL Department of Children and Family Services: Project analyst for the review of the IDCFS salary reimbursement procedures for child care institutions. This has included a review of salary parity issues, and the development of alternative equalization procedures. Also conducted a study to survey and analyze questionnaires from over 2,400 foster parents for the IDCFS. The survey concentrated on issues related to foster parent reimbursement rates, as well as administrative procedures in working with the Department.

Professional History

MAXIMUS, Inc., Northbrook, IL, Director, September 2006 – Present
MAXIMUS, Inc., Northbrook, IL, Senior Manager, September 1989 - 2006
Self-employed Consultant, Glencoe, IL 1984 -1989
Arthur Young & Company, Chicago, IL and Washington, DC, Manager,
September 1977 – March 1982
US Bureau of Labor Statistics, Washington, DC, Statistician, June 1974 –
September 1977

Education

MBA, Finance and Accounting, University of Chicago, Chicago, IL, 1983
MS, Statistics, The George Washington University, Washington, DC, 1976
BS, Mathematics, Bucknell University, Lewisburg, PA, 1974 (cum laude)
Member – University of Chicago Women’s Business Group



Technical Skills

Software: Proficient in spreadsheet software (Lotus 123, Microsoft Excel),
Microsoft Word, MAXCARS Cost Allocation software.



**James T. Brown,
Project Manager**

Qualifications

Mr. Brown's experience has centered on the development, negotiation, and application of cost accounting and allocation principles during his tenure with MAXIMUS.

His responsibilities include the preparation and negotiation of activity based indirect cost allocation plans, indirect cost rate proposals, cost of service studies, management studies, fleet management studies, and the support and maintenance of the MAXIMUS activity based cost allocation software.

Relevant Experience

Since joining MAXIMUS, Mr. Brown has been involved in the preparation and negotiation of indirect cost allocation plans and indirect cost rate proposals utilizing activity based costing principles for various local and state governments and agencies. Mr. Brown has a varied background in the local government area. He has prepared and negotiated indirect cost allocation plans and proposals, fleet management studies, and management studies for various cities, counties, and parishes. He is presently serving as project director or manager for the City of Houston, City of San Antonio, City of Ft. Worth, City of Dallas, City of El Paso, City of Abilene, City of Midland, and City of Odessa, among others. Mr. Brown is also serving numerous counties in Texas as project director or manager.

His statewide cost allocation plan experience has included the preparation of plans for Louisiana, New Mexico, and Oklahoma. These plans have been successfully negotiated with the US Department of Health and Human Services.

He has also prepared numerous state agency indirect cost allocation plans utilizing an activity based costing approach and indirect cost rate proposals. These include the Veterans Administration, Department of Education, Department of Agriculture, and the Department of Water Resources for the State of Oklahoma; the Department of Commerce, General Land Office, and the Department of Mental Health and Mental Retardation of the State of Texas, Texas Commission for the Blind, Texas Natural Resource and Conservation Commission, and the Texas Commission of Alcohol and Drug Abuse. These proposals have been successfully negotiated with various federal cognizant agencies including the US Department of Health and Human Services, HCFA, the US Department of Education, Environmental Protection Agency, and the US Department of Labor.

Mr. Brown has prepared a variety of activity-based cost of services studies for several state agencies, which identify the actual costs of providing services by fully identifying direct and indirect program costs by activity. Cost of service studies on which he has participated includes the Alaska Division of Insurance, the Texas Department of Health and the Comptroller for the State of Texas.

Mr. Brown has prepared a variety of activity-based cost of services studies for cities and counties. These studies determined the full cost of providing services by determining and allocating direct and indirect costs by activity. These studies have included service such as planning, engineering, health, fire, police, jail housing, parks and recreation, building inspections, and tax collection.

His efforts were instrumental in assisting these jurisdictions in establishing a comprehensive user fee policy, and the detailed accounting necessary to identify the actual costs of providing a specific service by activity. Among others, studies



have been prepared for the City of San Marcos, Texas and the Texas counties of El Paso, Cameron, San Patricio and Tarrant.

Mr. Brown has participated in engagements that include the San Antonio, Texas Fleet Management Study, the Suffolk, Texas Management Study, the Houston Light and Power Indirect Cost Allocation Plan for the City Participants, and the Boston Edison Indirect Cost Allocation Plan for the power line relocation.

His responsibilities also include the maintenance and support of the MAXCars activity based cost allocation software. Mr. Brown was a member of the steering committee for our software development that was instrumental in the development of the existing software. He provides training to both internal and external software users.

Prior Experience

Mr. Brown has thirty years of accounting experience, of which more than nineteen years have been directly associated with federal, state, and local governmental entities. Upon graduation in 1977, Mr. Brown was employed by Cooper and Company (a regional CPA firm in Las Cruces, NM) as a junior accountant maintaining financial records, performing both private and public sector audits, and preparing personal and corporate tax returns for four years.

From 1979 until 1981, he then assumed the position of accounting manager for which he was responsible for all financial activities for Jerry's Perfect Pet Shops, Inc. (a multi-state pet store chain) with corporate headquarters in Las Cruces, NM.

In 1981, Mr. Brown returned to public accounting as a senior accountant for Ebbs & Company located in Las Cruces, NM. Ebbs & Company maintained financial records for the private sector, prepared federal and state income tax returns, and performed audits for the public and private sectors.

He left Ebbs & Company in 1983 to take a position as accountant and accounting software support for Holguin & Associates, Inc., a leading software firm in the development of CADD and accounting software providing a strong background in accounting system development and implementation located in El Paso, Texas.

Mr. Brown played an instrumental part in developing accounting systems and internal controls for the Air Defense Federal Credit Union, an El Paso, Texas financial institution that had been placed under federal conservatorship. That financial institution was the first one of its kind to successfully be removed from conservatorship. His tenure as an accountant for the Air Defense Federal Credit Union was from 1986 to 1987.

In 1987 he accepted an accounting position with Petro, Inc., an El Paso, Texas holding company. He was part of a team that instituted accounting and internal control procedures for Petro, Inc., a firm with \$200 million annual sales and converted the existing accounting system to a new system resulting in a centralized reporting system from satellite locations and efficient monitoring and utilization of cash flow. In 1988, he was promoted to the financial accounting manager position.

In 1989, Mr. Brown accepted a consulting position with DMG, Inc. in the Dallas, Texas office. DMG later merged with MAXIMUS.

Mr. Brown graduated from New Mexico State University in Las Cruces, New Mexico with a Bachelors of Accountancy. He completed his Masters of



Education	Computer Information Systems in March, 2004. He participates in numerous professional seminars and classes in government finance and budgeting.
Technical Experience	Mr. Brown has support experience of MAXIMUS proprietary costing software, Microsoft O/S, and the Microsoft Office Suites. Programming knowledge includes Visual Basic, C++, and COBOL. Hardware experience spans from laptops to PCs to mainframe/network server systems.
Certifications/ Professional Organizations	He is a Certified Government Finance Manager as recognized by the Association of Government Accountants.



**Sherra Montz
Manager**

Qualifications

Mrs. Montz brings more than fifteen years of governmental consulting experience and two years of non-profit administrative experience devoted to financial management issues. Her range of project experience includes the following:

Analysis, development and presentation of OMB A-87 Cost Allocation Plans and indirect cost rates

- Analysis, development and presentation of fee for service rates and policies

Relevant Experience

Since joining MAXIMUS, Mrs. Montz has worked on the following projects:

City of San Antonio, Texas Cost Allocation Project and Indirect Cost Rate Proposal: Mrs. Montz serves as Project Director on this engagement to provide indirect cost rates for various departments through preparation of a cost plan and indirect cost rate proposal.

City of Houston, Texas, Cost Allocation Project: Mrs. Montz is currently serving as a team member at the City of Houston to help identify the indirect costs associated with their various grant and non-general fund activities.

City of Ft. Worth, Texas, Cost Allocation Project: Mrs. Montz is currently serving as a Project Director and Manager at the City of Ft. Worth to identify the indirect costs associated with their various grant and non-general fund activities.

City of New Orleans, Louisiana, Cost Allocation Project: Mrs. Montz has been involved in our engagement to help the City of New Orleans identify the indirect costs associated with their various grant and non-general fund activities.

Parish/City of East Baton Rouge, Louisiana, Cost Allocation Project: Mrs. Montz has been involved in our engagement to help the City of Baton Rouge identify the indirect costs associated with their various grant and non-general fund activities.

City of Fayetteville, Arkansas Project: Mrs. Montz has assisted as a team member at the City of Fayetteville to develop fees for services that fully recover all costs

City of Odessa, Texas Project: Mrs. Montz has assisted as a team member at the City of Odessa to develop fees for services that fully recover all costs.

City of Reno and City of Sparks, Nevada Projects: Mrs. Montz has assisted as a team member at both cities to develop fees for services that fully recover all costs.

Travis County, Texas, Cost Allocation Project: Mrs. Montz is currently serving as Project Director for Travis County to provide indirect cost rates for various departments through the preparation of a cost allocation plan.

Bexar County, Texas, Cost Allocation Project: Mrs. Montz is currently serving as Project Director for Bexar County to provide indirect cost rates for various departments through the preparation of a cost allocation plan.

State of Mississippi, Department of Wildlife, Fisheries, and Parks Project: Mrs. Montz serves as Project Director on this engagement to develop indirect costs associated with their various grant and non-general fund activities.



State of Louisiana, Department of Public Safety Project: Mrs. Montz served as lead on the Public Safety cost allocation plan to develop indirect costs through a cost plan.

State of Louisiana, Department of Corrections Project: Mrs. Montz served as lead on the Corrections cost allocation plan to develop indirect costs through a cost plan.

Mrs. Montz has had numerous other engagements in which she has served as Project Director to identify indirect costs associated with various grant and non-general fund activities. The following have all been longstanding clients of Mrs. Montz for the past 10 years: Baton Rouge, Louisiana District Attorney's Office, the City of Shreveport, Louisiana; Caddo Parish, Louisiana; the City of Alexandria, Louisiana, Rapides Parish, Louisiana; the City of Lake Charles, Louisiana, and Lafayette Consolidated Government, Louisiana.

Professional History	MAXIMUS, Dallas, TX, Manager, 1991 – Present Association of Retarded Citizens/Ouachita Parish, Monroe, LA, Business Director, 1989 – 1991
Professional Degrees	B.S., Business Administration, University of Louisiana at Monroe, 1988



Robert Craig Ramin
Senior Consultant

Qualifications

Craig Ramin has over 17 years of governmental and non-profit finance and accounting experience. He is experienced in both project management and finance administration.

Relevant Experience

Since joining MAXIMUS, Craig Ramin participated in the following projects:

City of San Antonio, Texas – Senior Consultant

City of Dallas – Senior Consultant

City of Abilene, Texas – Senior Consultant

City of Midland, Texas – Senior Consultant

Travis County, Texas – Senior Consultant

Cameron County, Texas – Senior Consultant

City of Lake Charles, Louisiana – Senior Consultant

Rapides Parish – Consultant, Louisiana – Senior Consultant

Iberia Parish – Consultant, Louisiana – Senior Consultant

City of Baton Rouge, Louisiana – Senior Consultant

City of Shreveport, Louisiana – Senior Consultant

City of New Orleans, Louisiana – Senior Consultant

Jefferson Parish, Louisiana – Senior Consultant

Disaster Grants Management, i.e. Hurricane Andrew, including Village of Miami Shores, Florida, Florida City, Florida, City of Homestead, Florida and Iberia Parish, Louisiana

Prior Experience

Prior to joining MAXIMUS, Mr. Ramin gained the following experience. As Business Director for ARCO, A Community Resource, a non-profit organization providing services to persons with developmental disabilities, Mr. Ramin provided financial guidance to the agency's growth from less than a million dollar budget to over four million dollar budget. Mr. Ramin prepared financial statements and budgets utilizing cost allocation principles for allocation of indirect/central office overhead costs. Responsibilities include budget preparation, financial reporting, Medicaid billing procedures, Medicaid Cost Report preparation, cash management and cash flow predictions as well as overseeing all accounting functions. Mr. Ramin was involved on a state level as part of multiple task forces of various state agencies and represented both ARCO and CARSA, Community and Residential Services Association (state trade organization) CARSA in the development of state reimbursements rates/methodologies, regulations and fiscal impact studies. In addition, Mr. Ramin was critical in the development of electronic billing software which interfaces with state service tracking database and Medicaid billing process. This software program resulted in savings of excessive administrative costs for providers throughout the state of Louisiana.

Professional History

MAXIMUS, Senior Consultant, Financial Services Division, Dallas, Texas, April 2007 – Present



ARCO, A Community Resource, Business Director, Monroe, Louisiana, 1993 – 2007

David M. Griffith & Associates, Senior Consultant, Lake Charles Louisiana, 1992-1993

Education

Bachelor Business Administration, Business Management, Northeast Louisiana University, Monroe, Louisiana, 1983



Meredith Clonch
Associate Consultant

Qualifications	Ms. Clonch is a Consultant for MAXIMUS Financial Services, working out of the Dallas, Texas office. She is assigned to help government agencies with matters of cost accounting and process improvement.
Relevant Experience	Since joining MAXIMUS, Ms. Clonch has worked on the following projects. City of Dallas Cost Allocation Plan: Ms. Clonch is currently working on the Cost Allocation Plans for the City of Dallas, TX. City of Abilene Cost Allocation Plan: Ms. Clonch is currently working on the Cost Allocation Plan for the City of Abilene, TX.
Professional History	MAXIMUS Financial Services Inc., Associate Consultant, July 2008 – Present
Education	B.B.A., Finance, Marketing, University of Texas, Austin, Texas, 2008
Technical Skills	Ms. Clonch is proficient in many Windows-based applications, including the Microsoft Office package, Lotus Notes, and MAXCars.

EXHIBIT "B"

HOURLY RATES & COST BREAKDOWN SCHEDULE

<u>Fiscal Year</u>	<u>Labor Costs</u>	<u>Travel Expense</u>	<u>Total Costs</u>	<u>Annual % Increase</u>
FY 2009	\$ 51,037.00	\$ 5,500.00	\$ 56,537.00	1.70%
FY 2010	\$ 52,568.00	\$ 5,500.00	\$ 58,068.00	2.71%
FY 2011	\$ 54,145.00	\$ 5,500.00	\$ 59,645.00	2.72%
Option Year 1	\$ 55,769.00	\$ 5,500.00	\$ 61,269.00	2.72%
Option Year 2	\$ 57,442.00	\$ 5,500.00	\$ 62,942.00	2.73%

Consultant Hour Summary	Project Director	Project Manager	Senior Consultant	Consultant	Mir, Fox and Rodriquez	TOTAL
Phase I Project Hours	10.0	77.5	87.5	106.0	8.0	289.0
Phase II Project Hours	2.0	39.0	8.0	6.0	66.0	121.0
Total, all tasks	12.0	116.5	95.5	112.0	74.0	410.0
Rate	\$ 241	\$ 150	\$ 140	\$ 95	\$ 90	
Labor Total	\$2,892	\$17,475	\$13,370	\$10,640	\$6,660	\$51,037

EXHIBIT "C"
MWBE SUBCONTRACT TERMS

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

1. _____ (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 the books and records of the subcontractor, and (2) inspections of all places where work is to be undertaken in connection with this subcontract. Subcontractor shall keep such books and records available for 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 five business days of execution of this subcontract, Engineer (prime engineer) and Subcontractor shall designate in writing to the Director an agent for receiving any notice required or permitted to be given pursuant to Chapter 15 of the Houston City Code of Ordinances, along with the street and mailing address and phone number of such agent.
4. Any controversy between the parties involving the construction or application of any of the terms, covenants or conditions of this subcontract shall, on the written request of one party served upon the other or upon notice by Director served on both parties, be submitted to binding arbitration, under the Texas General Arbitration Act (Tex. Civ. Prac. & Rem. Code Ann., Ch. 171 -- "the Act"). Arbitration shall be conducted according to the following procedures:
 - a. Upon the decision of the Director or upon written notice to the Director from either party that a dispute has arisen, the Director shall notify all parties that they must resolve the dispute within thirty (30) days or the matter may be referred to arbitration.
 - b. If the dispute is not resolved within the time specified, any party or the Director may submit the matter to arbitration conducted by the American Arbitration Association under the rules of the American Arbitration Association, except as otherwise required by the City's contract with American Arbitration Association on file in the Office of the City's Affirmative Action Division.
 - 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 as necessary to provide arbitration by neutrals in accordance with the requirements of Chapter 15 of the Houston City Code of Ordinances.
 - e. All arbitrations shall be conducted in Houston, Texas unless the parties agree to another location in writing.

EXHIBIT "D"
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 "E"
DRUG POLICY COMPLIANCE AGREEMENT

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

(Contractor)
(Name of Company)

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

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

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

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

Date

Contractor Name

Signature

Title

EXHIBIT "F"
DRUG POLICY COMPLIANCE DECLARATION

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

_____ (Contractor)
(Name of Company)

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

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

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

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

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

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

_____ From _____ to _____ the following test has occurred
Initials (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
worksites 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)

