



Department of Information Resources

Information Technology Staff Augmentation Contracts (ITSAC) Services

Appendix A

Standard Contract Terms and Conditions

Awarded as a result of: Request for Offer DIR-CPO-TMP-445

Version 1.1

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The following terms and conditions shall govern the conduct of DIR and Successful Respondent during the term of the Contract.

1. CONTRACT SCOPE

The Successful Respondent shall provide the services specified in Section 3 of the Contract for purchase by Customers. Terms used in this document shall have the meanings set forth below in Section 3 Definitions.

2. NO QUANTITY GUARANTEES

The Contract is not exclusive to the Successful Respondent. Customers may obtain services from other sources during the term of the Contract. The Texas Department of Information Resources (DIR) makes no express or implied warranties whatsoever that any particular quantity or dollar amount of services will be procured through the Contract.

3. DEFINITIONS

A. Acceptable Candidate

Refers to a Candidate that meets the stated requirements pursuant to a [Work Order Solicitation](#) and is correctly identified and priced using the ITSAC Category Pricing as defined in **Exhibit B**.

B. Active Contract Holder

Refers to Contract Holders that are given access to opportunities presented through Work Order Solicitations.

C. Compliance Check

An audit of Successful Respondent's compliance with the Contract may be performed by, but not limited to, a third party auditor, DIR Internal Audit department, or DIR contract management staff or their designees.

D. Contract

The document executed between DIR and Successful Respondent into which this Appendix A is incorporated.

E. CPA

Refers to the Texas Comptroller of Public Accounts

F. Customer

Any Texas state agency, unit of local government, institution of higher education as defined in Section 2054.003, Texas Government Code, the Electric Reliability Council of Texas, the Lower Colorado River Authority, a private school, as defined by Section 5.001, Education Code, a private or independent institution of higher education, as defined by Section 61.003, Education

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Code, a volunteer fire department, as defined by Section 152.001, Tax Code, and those state agencies purchasing from a DIR contract through an Interagency Agreement, as authorized by Chapter 771, Texas Government Code, any local government as authorized through the Interlocal Cooperation Act, Chapter 791, Texas Government Code, the state agencies and political subdivisions of other states as authorized by Section 2054.0565, Texas Government Code, and, except for telecommunications services under Chapter 2170, Texas Government Code, assistance organizations as defined in Section 2175.001.

G. Day

Shall mean business days, Monday through Friday, except for State and Federal holidays. If the Contract calls for performance on a day that is not a business day, then performance is intended to occur on the next business day.

H. DIR

Refers to the Texas Department of Information Resources.

I. Contract Holder

An entity awarded a Contract for ITSAC Services.

J. Hourly Rate

Refers to the rate that is charged by the Successful Respondent and paid by the Customer for services rendered by Worker(s) under this Contract. It is calculated and communicated in terms of dollars per hour and may not exceed the NTE rate set in this Contract.

K. Interviewed Candidate

Refers to an Acceptable Candidate that was interviewed by the Customer pursuant to a Work Order Solicitation.

L. Invoice

Refers to a Customer approved instrument submitted by Successful Respondent for payment of services.

M. ITSAC

Refers to the IT Staff Augmentation Contract document executed between DIR and Successful Respondent.

N. Not to Exceed (NTE)

Refers to the maximum hourly rate for which a Successful Respondent has agreed to provide Worker(s) set by the [Rate Schedule](#). Under this Contract, Successful Respondent can provide Worker(s) at a lower hourly rate, but not a higher hourly rate.

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O. Opportunity Response Time

Refers to the time within which a Vendor is expected to respond to a Work Order Solicitation with the appropriate resume(s). The metric used for expected opportunity response time is as established by the Customer.

P. Placed Candidate (also Worker)

Refers to an interviewed Candidate that was selected by the Customer pursuant to a Work Order Solicitation.

Q. Purchase Order (also PO)

Refers to the Customer's fiscal form or format, which is used when making a purchase (e.g., formal written Purchase Order (PO), Procurement Card, Electronic Purchase Order, or other authorized instrument).

R. Rate Schedule

Refers to the set of competitive, market driven, standardized rates that will document the NTE hourly rates for ITSAC Workers.

S. State

Refers to the State of Texas.

T. Successful Respondent

Refers to the entity awarded this Contract for ITSAC Services.

U. Worker(s)

Refers to identified individual(s) who perform authorized services under the supervision of Successful Respondent for DIR Customers and who are employees and/or subcontractors of the Successful Respondent.

V. Work Order Solicitation

Refers to a document submitted to Contract Holders by DIR outlining the description of services to be performed for a specified DIR Customer. The Work Order Solicitation Should include: Number of Workers, required Worker skills and qualifications, the number of hours to be worked, duration of engagement, authorized travel, and other relevant information.

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4. GENERAL PROVISIONS

A. Entire Agreement

The Contract, Appendices, and Exhibits constitute the entire agreement between DIR and the Vendor. No statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained in the Contract, Appendices, or its Exhibits shall be binding or valid.

B. Modification of Contract Terms and/or Amendments

- 1) The terms and conditions of the Contract shall govern all transactions by Customers under the Contract. The Contract may only be modified or amended upon mutual written agreement of DIR and Successful Respondent.
- 2) DIR may amend the contract upon thirty (30) calendar days written notice to Successful Respondent without the need for a formal contract amendment: i) as necessary to satisfy a regulatory requirement imposed upon DIR by a governing body with the appropriate authority, or ii) as necessary to satisfy a procedural change due to DIR system upgrades or additions.
- 3) Customers shall not have the authority to modify the terms of the Contract; however, additional Customer terms and conditions that do not conflict with the Contract and are acceptable to Successful Respondent may be added in a Purchase Order and given effect. No additional term or condition added in a Purchase Order issued by a Customer can conflict with or diminish a term or condition of the Contract. Pre-printed terms and conditions on any Purchase Order issued by Customer hereunder will have no force and effect. In the event of a conflict between a Customer's Purchase Order and the Contract, the Contract term shall control.
- 4) Customer(s) and Successful Respondent will negotiate and enter into written agreements regarding statements of work, service level agreements, remedies, acceptance criteria, information confidentiality and security requirements, and other terms specific to their Purchase Orders under the Contract.

C. Invalid Term or Condition

- 1) To the extent any term or condition in the Contract conflicts with the applicable Texas and/or United States law or regulation, such Contract term or condition is void and unenforceable. By executing a Contract which contains the conflicting term or condition, DIR makes no representations or warranties regarding the enforceability of such term or condition and DIR do not waive the applicable Texas and/or United States law or regulation which conflicts with the Contract term or condition.
- 2) If one (1) or more term or condition in the Contract, or the application of any term or condition to any party or circumstance, is held invalid, unenforceable, or illegal in any respect by a final judgment or order of the State Office of Administrative

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Hearings or a court of competent jurisdiction, the remainder of the Contract and the application of the term or condition to other parties or circumstances shall remain valid and in full force and effect.

D. Assignment

- 1) DIR may assign the Contract without prior written approval to: i) a successor in interest (for DIR, another state agency as designated by the Texas Legislature), or ii) as necessary to satisfy a regulatory requirement imposed upon a party by a governing body with the appropriate authority.
- 2) Successful Respondent may assign the Contract with prior written approval to a subsidiary, parent company, affiliate, or successor. Assignment of the Contract by Successful Respondent under the above terms shall require written notification by Successful Respondent and a mutually agreed written Contract amendment.

E. Survival

All applicable software license agreements, warranties, or service agreements that were entered into between Successful Respondent and a Customer under the terms and conditions of the Contract shall survive the expiration or termination of the Contract. All Purchase Orders issued and accepted by Successful Respondent shall survive expiration or termination of the Contract for the term of the Purchase Order, unless the Customer terminates the Purchase Order sooner. However, regardless of the term of the Purchase Order, no Purchase Order shall survive the expiration or termination of the Contract for more than two (2) years, unless Customer makes an express finding and justification for the longer term. The finding and justification must either be included in the Purchase Order, or referenced in it and maintained in Customer's procurement record. Rights and obligations under this Contract which by their nature should survive, including, but not limited to the DIR Administrative Fee and any and all payment obligations invoiced prior to the termination or expiration hereof.

F. Choice of Law

The laws of the State shall govern the construction and interpretation of the Contract. Exclusive venue for all actions will be in state court, Travis County, Texas. Nothing in the Contract or its Appendices shall be construed to waive the State's sovereign immunity.

G. Limitation of Authority

Successful Respondent shall have no authority to act for or on behalf of the Texas Department of Information Resources or the State except as expressly provided for in this Contract; no other authority, power or use is granted or implied. Successful Respondent may not incur any debts, obligations, expenses, or liabilities of any kind on behalf of the State or DIR.

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H. Proof of Financial Stability

Either DIR or Customer may require Successful Respondent to provide proof of financial stability prior to or at any time during the Contract term.

I. Data Location

Regardless of any other provision of this Contract or its incorporated or referenced documents, all of the data for State of Texas Customers identified by the State as requiring their data to remain in the continental United States shall remain, and be stored, processed, accessed, viewed, transmitted, and received, always and exclusively within the contiguous United States. A State of Texas Customer can specifically request otherwise. For all local governments and education Customers within the State of Texas, as well as Customers outside the State of Texas' jurisdiction, the question of data location shall be at the discretion of such Customers. **NOTE: CUSTOMERS SHOULD CONSIDER WHETHER THEY REQUIRE CONTINENTAL US-ONLY DATA LOCATION AND HANDLING AND MAKE SUCCESSFUL RESPONDENT AWARE OF THEIR REQUIREMENTS.**

5. INTELLECTUAL PROPERTY MATTERS

A. Definitions

1) "Work Product"

Means any and all deliverables produced by Successful Respondent for Customer under a Statement of Work issued pursuant to this Contract, including any and all tangible or intangible items or things that have been or will be prepared, created, developed, invented or conceived at any time following the effective date of the Contract, including but not limited to any (i) works of authorship (such as manuals, instructions, printed material, graphics, artwork, images, illustrations, photographs, computer programs, computer software, scripts, object code, source code or other programming code, HTML code, flow charts, notes, outlines, lists, compilations, manuscripts, writings, pictorial materials, schematics, formulae, processes, algorithms, data, information, multimedia files, text web pages or web sites, other written or machine readable expression of such works fixed in any tangible media, and all other copyrightable works), (ii) trademarks, service marks, trade dress, trade names, logos, or other indicia of source or origin, (iii) ideas, designs, concepts, personality rights, methods, processes, techniques, apparatuses, inventions, formulas, discoveries, or improvements, including any patents, trade secrets and know-how, (iv) domain names, (v) any copies, and similar or derivative works to any of the foregoing, (vi) all documentation and materials related to any of the foregoing, (vii) all other goods, services or deliverables to be provided to Customer under the Contract or a Statement of Work, and (viii) all Intellectual Property Rights in any of the foregoing, and which are or were created, prepared, developed, invented or conceived for the use or benefit of Customer in connection with this Contract or a Statement of Work, or with

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funds appropriated by or for Customer or Customer's benefit: (a) by any Successful Respondent personnel or Customer personnel, or (b) any Customer personnel who then became personnel to Successful Respondent or any of its affiliates or subcontractors, where, although creation or reduction-to-practice is completed while the person is affiliated with Successful Respondent or its personnel, any portion of same was created, invented or conceived by such person while affiliated with Customer.

2) **“Intellectual Property Rights”**

Means the worldwide legal rights or interests evidenced by or embodied in: (i) any idea, design, concept, personality right, method, process, technique, apparatus, invention, discovery, or improvement, including any patents, trade secrets, and know-how; (ii) any work of authorship, including any copyrights, moral rights or neighboring rights; (iii) any trademark, service mark, trade dress, trade name, or other indicia of source or origin; (iv) domain name registrations; and (v) any other proprietary or similar rights. The Intellectual Property Rights of a party include all worldwide legal rights or interests that the party may have acquired by assignment or license with the right to grant sublicenses.

3) **“Statement of Work”**

Means a document signed by Customer and Successful Respondent describing a specific set of activities and/or deliverables, which may include Work Product and Intellectual Property Rights, that Successful Respondent is to provide Customer, issued pursuant to the Contract.

4) **“Third Party IP”**

Means the Intellectual Property Rights of any third party that is not a party to this Contract, and that is not directly or indirectly providing any goods or services to Customer under this Contract.

5) **“Vendor IP”**

Shall mean all tangible or intangible items or things, including the Intellectual Property Rights therein, created or developed by Successful Respondent (a) prior to providing any Services or Work Product to Customer and prior to receiving any documents, materials, information or funding from or on behalf of Customer relating to the Services or Work Product, or (b) after the Effective Date of the Contract if such tangible or intangible items or things were independently developed by Successful Respondent outside Successful Respondent's provision of Services or Work Product for Customer hereunder and were not created, prepared, developed, invented or conceived by any Customer personnel who then became personnel to Successful Respondent or any of its affiliates or subcontractors, where, although creation or reduction-to-practice is completed while the person is affiliated with Successful Respondent or its personnel, any portion of same was created, invented or conceived by such person while affiliated with Customer.

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B. Ownership

As between Successful Respondent and Customer, the Work Product and Intellectual Property Rights therein are and shall be owned exclusively by Customer, and not Successful Respondent. Successful Respondent specifically agrees that the Work Product shall be considered “works made for hire” and that the Work Product shall, upon creation, be owned exclusively by Customer. To the extent that the Work Product, under applicable law, may not be considered works made for hire, Successful Respondent hereby agrees that the Contract effectively transfers, grants, conveys, assigns, and relinquishes exclusively to Customer all right, title and interest in and to all ownership rights in the Work Product, and all Intellectual Property Rights in the Work Product, without the necessity of any further consideration, and Customer shall be entitled to obtain and hold in its own name all Intellectual Property Rights in and to the Work Product. Successful Respondent acknowledges that Successful Respondent and Customer do not intend Successful Respondent to be a joint author of the Work Product within the meaning of the Copyright Act of 1976. Customer shall have access, during normal business hours (Monday through Friday, 8AM to 5PM) and upon reasonable prior notice to Successful Respondent, to all Successful Respondent materials, premises, and computer files containing the Work Product. Successful Respondent and Customer, as appropriate, will cooperate with one another and execute such other documents as may be reasonably appropriate to achieve the objectives herein. No license or other right is granted hereunder to any Third Party IP, except as may be incorporated in the Work Product by Successful Respondent.

C. Further Actions

Successful Respondent, upon request and without further consideration, shall perform any acts that may be deemed reasonably necessary or desirable by Customer to evidence more fully the transfer of ownership and/or registration of all Intellectual Property Rights in all Work Product to Customer to the fullest extent possible, including but not limited to the execution, acknowledgement and delivery of such further documents in a form determined by Customer. In the event Customer shall be unable to obtain Successful Respondent’s signature due to the dissolution of Successful Respondent or Successful Respondent’s unreasonable failure to respond to Customer’s repeated requests for such signature on any document reasonably necessary for any purpose set forth in the foregoing sentence, Successful Respondent hereby irrevocably designates and appoints Customer and its duly authorized officers and agents as Successful Respondent’s agent and Successful Respondent’s attorney-in-fact to act for and in Successful Respondent’s behalf and stead to execute and file any such document and to do all other lawfully permitted acts to further any such purpose with the same force and effect as if executed and delivered by Successful Respondent, provided however that no such grant of right to Customer is applicable if Successful Respondent fails to execute any document due to a good faith dispute by Successful Respondent with respect to such document. It is understood that such power is coupled with an interest and is therefore irrevocable. Customer shall have the full and sole power to prosecute such applications and to take all other action concerning the Work

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Product, and Successful Respondent shall cooperate, at Customer's sole expense, in the preparation and prosecution of all such applications and in any legal actions and proceedings concerning the Work Product.

D. Waiver of Moral Rights

Successful Respondent hereby irrevocably and forever waives, and agrees never to assert, any Moral Rights in or to the Work Product which Successful Respondent may now have or which may accrue to Successful Respondent's benefit under U.S. or foreign copyright or other laws and any and all other residual rights and benefits which arise under any other applicable law now in force or hereafter enacted. Successful Respondent acknowledges the receipt of equitable compensation for its assignment and waiver of such Moral Rights. The term "Moral Rights" shall mean any and all rights of paternity or integrity of the Work Product and the right to object to any modification, translation or use of the Work Product, and any similar rights existing under the judicial or statutory law of any country in the world or under any treaty, regardless of whether or not such right is denominated or referred to as a moral right.

E. Confidentiality

All documents, information and materials forwarded to Successful Respondent by Customer for use in and preparation of the Work Product shall be deemed the confidential information of Customer, and subject to the license granted by Customer to Successful Respondent under subparagraph [H Successful Respondent License to Use](#). Hereunder, Successful Respondent shall not use, disclose, or permit any person to use or obtain the Work Product, or any portion thereof, in any manner without the prior written approval of Customer.

F. Injunctive Relief

The Contract is intended to protect Customer's proprietary rights pertaining to the Work Product, and the Intellectual Property Rights therein, and any misuse of such rights would cause substantial and irreparable harm to Customer's business. Therefore, Successful Respondent acknowledges and stipulates that a court of competent jurisdiction may immediately enjoin any material breach of the intellectual property, use, and confidentiality provisions of this Contract, upon a request by Customer, without requiring proof of irreparable injury as same should be presumed.

G. Return of Materials Pertaining to Work Product

Upon the request of Customer, but in any event upon termination or expiration of this Contract or a Statement of Work, Successful Respondent shall surrender to Customer all documents and things pertaining to the Work Product, including but not limited to drafts, memoranda, notes, records, drawings, manuals, computer software, reports, data, and all other documents or materials (and copies of same) generated or developed by Successful Respondent or furnished by Customer to Successful Respondent, including all materials embodying the Work Product, any Customer confidential information, or Intellectual Property Rights in such Work Product,

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regardless of whether complete or incomplete. This section is intended to apply to all Work Product as well as to all documents and things furnished to Successful Respondent by Customer or by anyone else that pertain to the Work Product.

H. Successful Respondent License to Use

Customer hereby grants to Successful Respondent a non-transferable, non-exclusive, royalty-free, fully paid-up license to use any Work Product solely as necessary to provide the Services to Customer. Except as provided in this Section, neither Successful Respondent nor any Subcontractor shall have the right to use the Work Product in connection with the provision of services to its other customers without the prior written consent of Customer, which consent may be withheld in Customer's sole discretion.

I. Third-Party Underlying and Derivative Works

To the extent that any Successful Respondent IP or Third Party IP are embodied or reflected in the Work Product, or are necessary to provide the Services, Successful Respondent hereby grants to the Customer, or shall obtain from the applicable third party for Customer's benefit, the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license, for Customer's internal business purposes only, to (i) use, execute, reproduce, display, perform, distribute copies of, and prepare derivative works based upon such Successful Respondent IP or Third Party IP and any derivative works thereof embodied in or delivered to Customer in conjunction with the Work Product, and (ii) authorize others to do any or all of the foregoing. Successful Respondent agrees to notify Customer on delivery of the Work Product or Services if such materials include any Third Party IP. On request, Successful Respondent shall provide Customer with documentation indicating a third party's written approval for Successful Respondent to use any Third Party IP that may be embodied or reflected in the Work Product.

J. Agreement with Subcontracts

Successful Respondent agrees that it shall have written agreement(s) that are consistent with the provisions hereof related to Work Product and Intellectual Property Rights with any employees, agents, consultants, contractors or subcontractors providing Services or Work Product pursuant to the Contract, prior to their providing such Services or Work Product, and that it shall maintain such written agreements at all times during performance of this Contract, which are sufficient to support all performance and grants of rights by Successful Respondent. Copies of such agreements shall be provided to the Customer promptly upon request.

K. License to Customer.

Successful Respondent grants to Customer, a perpetual, irrevocable, royalty free license, solely for the Customer's internal business purposes, to use, copy, modify, display, perform (by any means), transmit and prepare derivative works of any Successful Respondent IP embodied in or delivered to Customer in conjunction with the Work Product. The foregoing license includes the right to sublicense third parties, solely for the purpose of engaging such third parties to assist or

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carryout Customer's internal business use of the Work Product. Except for the preceding license, all rights in Successful Respondent IP remain in Successful Respondent.

L. Vendor Development Rights

To the extent not inconsistent with Customer's rights in the Work Product or as set forth herein, nothing in this Contract shall preclude Successful Respondent from developing for itself, or for others, materials which are competitive with those produced as a result of the Services provided hereunder, provided that no Work Product is utilized, and no Intellectual Property Rights of Customer therein are infringed by such competitive materials. To the extent that Successful Respondent wishes to use the Work Product, or acquire licensed rights in certain Intellectual Property Rights of Customer therein in order to offer competitive goods or services to third parties, Successful Respondent and Customer agree to negotiate in good faith regarding an appropriate license and royalty agreement to allow for such.

6. TERMS AND CONDITIONS APPLICABLE TO STATE AGENCY PURCHASES ONLY

A. Under Texas Government Code, Chapter 2054, Subchapter M, and DIR implementing rules, DIR state agency and Institution of Higher Education Customers must procure EIR that complies with the Accessibility Standards defined in the Texas Administrative Codes 1 TAC 206, 1 TAC 213, and in the Worldwide Web Consortium WCAG 2.0 AA technical standard as applicable, and when such products or services are available in the commercial marketplace or when such products are developed in response to procurement solicitations.

- 1) Upon request, and prior to a DIR Customer purchase, Contract Holders must provide accurate Accessibility Conformance Reports (ACRs) created using the applicable sections of the Voluntary Product Accessibility Template® (VPAT®) Revised Section 508 Edition (Version 2.3 or higher) or links to ACRs located on manufacturer websites for Commercial Off the Shelf (COTS) products, including Software as a Service (SaaS), for each product or product family (as applicable) included in the submitted pricelist. Instructions on how to complete this document are included in the template itself. ACRs based on earlier versions of the VPAT® template will be accepted if such competed ACRs already exist, and there have been no changes to the product/service since the time of the original document completion.

Successful Respondent claiming that a proposed product or family of products is exempt from accessibility requirements must specify the product(s) as such in "Notes" located in the product information section of the VPAT v.2.3 or higher, or as an additional note in the product information section of older VPAT versions of

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the form, specifying each exempt product or product family with a supporting statement(s) for this position.

- 2) Upon request, and prior to a DIR customer purchase for IT development services, Contract Holders must provide a completed, current, accurate, Vendor Accessibility Development Services Information Request(VADSIR) form for non-COTS offerings (such as IT related development services, services that include user accessed, online components, etc.) which documents Contract Holder's capability or ability to produce accessible electronic and information resources.

Additionally, Contract Holders must ensure that EIR Accessibility criteria are integrated into key phases of the project development lifecycle including but not limited to planning, design, development, functional testing, user acceptance testing, maintenance; and report accessibility status at key project checkpoints as defined by DIR customers.

- 3) Upon request, and prior to a Customer purchase for COTS products, or IT development services, Contract Holders must provide a completed, current, accurate, Policy Driven Adoption for Accessibility (PDAA) for Vendor Self-Assessment.
- 4) Also upon request, Contract Holders must provide additional documentation that supports the information contained in the aforementioned completed forms in subsection 1, 2, and 3 above. Examples may include but are not limited to: executed accessibility test plans and results, corrective actions plans, description of accessibility test tools, platforms, and methods, and prior work.

B. Purchase of Commodity Items (Applicable to State Agency Purchases Only)

- 1) Texas Government Code, §2157.068 requires State agencies to buy commodity items, as defined in 5.B.2, below, in accordance with contracts developed by DIR, unless the agency obtains an exemption from DIR or a written certification that a commodity is not on DIR contract (for the limited purpose of purchasing from a local government purchasing cooperative).
- 2) Commodity items are commercially available software, hardware and technology services that are generally available to businesses or the public and for which DIR determines that a reasonable demand exists in two or more state agencies. Hardware is the physical technology used to process, manage, store, transmit, receive or deliver information. Software is the commercially available programs that operate hardware and includes all supporting documentation, media on which the software may be contained or stored, related materials, modifications, versions, upgrades, enhancements, updates or replacements. Technology services are the services, functions and activities that facilitate the design, implementation, creation, or use of software or hardware. Technology services include seat management, staffing

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augmentation, training, maintenance and subscription services. Technology services do not include telecommunications services. Seat management is services through which a state agency transfers its responsibilities to a vendor to manage its personal computing needs, including all necessary hardware, software and technology services.

- 3) Successful Respondent agrees to coordinate all State agency commodity item sales through existing DIR contracts. Institutions of higher education are exempt from this Subsection 5.B.

7. CONTRACT FULFILLMENT AND PROMOTION

A. Service, Sales and Support of the Contract

Successful Respondent shall provide service, sales and support resources to serve all Customers throughout the State. It is the responsibility of the Successful Respondent to sell, market, and promote services available under the Contract. Successful Respondent shall use its best efforts to ensure that potential Customers are made aware of the existence of the Contract. All sales to Customers for services available under the Contract shall be processed through the Contract.

B. Internet Access to Contract and Pricing Information

- 1) Successful Respondent Webpage

Within thirty (30) calendar days from the effective date of the Contract, Successful Respondent will establish and maintain a webpage specific to the services awarded under the Contract that is clearly distinguishable from other, non-DIR Contract offerings on the Successful Respondent's website. Successful Respondent must use a web hosting service that provides a dedicated internet protocol (IP) address. Successful Respondent's website must have a Secure Sockets Layer (SSL) certificate and Customers must access Successful Respondent's website using Hyper Text Transfer Protocol Secure (HTTPS) and it will encrypt all communication between Customer browser and website. The webpage must include:

- a) the services awarded and services description;
 - b) Successful Respondent contact information (name, telephone number and email address);
 - c) instructions for obtaining quotes and placing Purchase Orders;
 - d) the DIR Contract number with a hyperlink to the Contract's DIR webpage;
 - e) a link to the DIR "Cooperative Contracts" webpage for ITSAC Contracts; and
 - f) the DIR logo in accordance with the requirements of this Section.
- 2) If Successful Respondent does not meet the webpage requirements listed above, DIR may cancel the contract without penalty.

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C. Accurate and Timely Contract Information

Successful Respondent warrants and represents that the website information specified in the above paragraph will be accurately and completely posted, maintained and displayed in an objective and timely manner. Successful Respondent, at its own expense, shall correct any non-conforming or inaccurate information posted at Successful Respondent's website within ten (10) business days after written notification by DIR.

D. Webpage Compliance Checks

Periodic compliance checks of the information posted for the Contract on Successful Respondent's website will be conducted by DIR. Upon request by DIR, Successful Respondent shall provide verifiable documentation that pricing listed upon this website is compliant with the pricing as stated in the Contract.

E. Webpage Changes

Successful Respondent hereby consents to a link from the DIR website to Successful Respondent's website in order to facilitate access to Contract information. The establishment of the link is provided solely for convenience in carrying out the business operations of the State. DIR reserves the right to terminate or remove a link at any time, in its sole discretion, without advance notice, or to deny a future request for a link. DIR will provide Successful Respondent with subsequent notice of link termination or removal. Successful Respondent shall provide DIR with timely written notice of any change in URL or other information needed to access the site and/or maintain the link.

F. Use of Access Data Prohibited

If Successful Respondent stores, collects or maintains data electronically as a condition of accessing Contract information, such data shall only be used internally by Successful Respondent for the purpose of implementing or marketing the Contract, and shall not be disseminated to third parties or used for other marketing purposes. The Contract constitutes a public document under the laws of the State and Successful Respondent shall not restrict access to Contract terms and conditions including pricing, i.e., through use of restrictive technology or passwords.

G. Responsibility for Content

Successful Respondent is solely responsible for administration, content, intellectual property rights, and all materials at Successful Respondent's website. DIR reserves the right to require a change of listed content if, in the opinion of DIR, it does not adequately represent the Contract.

H. Services Warranty and Return Policies

Successful Respondent will adhere to the Successful Respondent's then-currently published policies concerning services warranties and returns. Such policies for Customers will not be

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more restrictive or more costly than warranty and return policies for other similarly situated Customers for like services.

I. DIR Logo

Successful Respondent may use the DIR logo in the promotion of the Contract to Customers with the following stipulations: (i) the logo may not be modified in any way, (ii) when displayed, the size of the DIR logo must be equal to or smaller than the Successful Respondent's logo, (iii) the DIR logo is only used to communicate the availability of services under the Contract to Customers, and (iv) any other use of the DIR logo requires prior written permission from DIR.

J. Successful Respondent Logo

If DIR receives the Successful Respondent's prior written approval, DIR may use the Successful Respondent's name and logo in the promotion of the Contract to communicate the availability of services under the Contract to Customers. Use of the logo may be on the DIR website or on printed materials. Any use of Successful Respondent's logo by DIR must comply with and be solely related to the purposes of the Contract and any usage guidelines communicated to DIR from time to time. Nothing contained in the Contract will give DIR any right, title, or interest in or to Successful Respondent's trademarks or the goodwill associated therewith, except for the limited usage rights expressly provided by Successful Respondent.

K. Trade Show Participation

At DIR's discretion, Successful Respondent may be required to participate in no more than two (2) DIR sponsored trade shows each calendar year. Successful Respondent understands and agrees that participation, at the Successful Respondent's expense, includes providing a manned booth display or similar presence. DIR will provide four (4) months advance notice of any required participation. Successful Respondent must display the DIR logo at all trade shows that potential Customers will attend. DIR reserves the right to approve or disapprove of the location or the use of the DIR logo in or on the Successful Respondent's booth.

L. Orientation Meeting

Within thirty (30) calendar days from execution of the Contract, Successful Respondent will be required to attend an orientation meeting to discuss the content and procedures of the Contract to included reporting requirements. DIR, at its discretion, may waive the orientation requirement for Contract Holders who have previously held DIR contracts. The meeting will be held in the Austin, Texas area at a date and time mutually acceptable to DIR and the Successful Respondent or by teleconference, at DIR's discretion. DIR shall bear no cost for the time and travel of the Successful Respondent for attendance at the meeting.

M. Performance Review Meetings

The Successful Respondent shall attend periodic meetings to review the Successful Respondent's performance under the Contract at DIR's request. The meetings will be held in the Austin, Texas

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area at a date and time mutually acceptable to DIR and the Successful Respondent or by teleconference, at DIR's discretion. DIR shall bear no cost for the time and travel of the Successful Respondent for attendance at the meeting.

N. DIR Cost Avoidance

As part of the performance measures reported to state leadership, DIR must provide the cost avoidance the State has achieved through the Contract. Upon request by DIR, Successful Respondent shall provide DIR with a detailed report of a representative sample of service sold under the Contract. The report shall contain: service description, list price, price to Customer under the Contract, and pricing from three (3) alternative sources under which DIR Customers can procure the services.

8. PURCHASE ORDERS, INVOICES, AND PAYMENTS

A. Purchase Orders

All Customer Purchase Orders will be placed directly with the Successful Respondent. Accurate Purchase Orders shall be effective and binding upon Successful Respondent when accepted by Successful Respondent.

B. Invoices

- 1) Invoices shall be submitted by the Successful Respondent directly to the Customer and shall be issued in compliance with Chapter 2251, Texas Government Code. All payments for services purchased under the Contract and any provision of acceptance of such services shall be made by the Customer to the Successful Respondent.
- 2) Invoices must be timely and accurate. Each invoice must match Customer's Purchase Order and include any written changes that may apply, as it relates to services, prices and quantities. Invoices must include the Customer's Purchase Order number or other pertinent information for verification of receipt of the services by the Customer.
- 3) The administrative fee specified in Section 8.B.4 [DIR Administrative Fee](#), of the Contract shall not be broken out as a separate line item when pricing or invoice is provided to Customer.

C. Payments

Customers shall comply with Chapter 2251, Texas Government Code, in making payments to Vendor. The statute states that payments for goods and services are due thirty (30) days after the goods are provided, the services completed, or a correct invoice is received, whichever is later. Payment under the Contract shall not foreclose the right to recover wrongful payments. For Customers that are not subject to Chapter 2251, Texas Government Code, Customer and Successful Respondent will agree to acceptable terms.

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D. Tax-Exempt

As per Section 151.309, Texas Tax Code, Customers under this Contract are exempt from the assessment of State sales, use and excise taxes. Further, Customers under this Contract are exempt from Federal Excise Taxes, 26 United States Code Sections 4253(i) and (j). Customers shall provide evidence of tax-exempt status to Successful Respondent upon request.

E. Travel Expense Reimbursement

Pricing for services provided under this Contract are exclusive of any travel expenses that may be incurred in the performance of those services. Travel expense reimbursement may include personal vehicle mileage or commercial coach transportation, hotel accommodations, parking and meals; provided, however, the amount of reimbursement by Customers shall not exceed the amounts authorized for state employees as adopted by each Customer; and provided, further, that all reimbursement rates shall not exceed the maximum rates established for state employees under the current State Travel Management Program (<https://comptroller.texas.gov/purchasing/programs/travel-management/>). Travel time may not be included as part of the amounts payable by Customer for any services rendered under this Contract. The DIR administrative fee specified in the Contract is not applicable to travel expense reimbursement. Anticipated travel expenses must be pre-approved in writing by Customer. “Customer reserves the right not to pay travel expenses which are not pre-approved in writing by the Customer.”

9. CONTRACT ADMINISTRATION

A. Contract Administrators

DIR and the Successful Respondent will each provide a Contract Administrator to support the Contract. Information regarding the Contract Administrators will be posted on the Internet website designated for the Contract.

1) State Contract Manager

DIR shall provide a Contract Manager whose duties shall include but not be limited to: i) supporting the marketing and management of the Contract, ii) advising DIR of Successful Respondent’s performance under the terms and conditions of the Contract, and iii) periodic verification of pricing and monthly reports submitted by Successful Respondent.

2) Successful Respondent Contract Manager

Successful Respondent shall identify a specific Contract Manager whose duties shall include but not be limited to: i) supporting the marketing and management of the Contract, ii) facilitating dispute resolution between Successful Respondent and a Customer, and iii) advising DIR of Successful Respondent’s performance under the terms and conditions of the Contract. DIR reserves the right to require a change in Successful

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Respondent's then-current Contract Manager the assigned Contract Manager is not, in the opinion of DIR, adequately serving the needs of the State.

B. Reporting and Administrative Fees

1) **Reporting Responsibility**

- a) Successful Respondent shall be responsible for reporting all services purchased under the Contract. Successful Respondent shall file the monthly reports, subcontract reports, and pay the administrative fees in accordance with the due dates specified in this section.
- b) DIR shall have the right to verify required reports and to take any actions necessary to enforce its rights under this section, including but not limited to, compliance checks of Successful Respondent's applicable Contract books. Successful Respondent will provide all required documentation at no cost.

2) **Detailed Monthly Report**

- a) Successful Respondent shall electronically provide DIR with a detailed monthly report in the format required by DIR showing the dollar volume of any and all sales under the Contract for the previous month period. Reports are due on the fifteenth (15th) calendar day of the month following the month of the sale. If the 15th calendar day falls on a weekend or state or federal holiday, the report shall be due on the next business day. The monthly report shall include, per transaction: the detailed sales for the period, Customer name, invoice date, invoice number, description, quantity, MSRP or List Price, unit price, extended price, Customer Purchase Order number, contact name, Customer's complete billing address, the estimated administrative fee for the reporting period, subcontractor name, EPEAT designation (if applicable), configuration (if applicable), contract discount percentage, actual discount percentage, negotiated contract price (if fixed price is offered instead of discount off of MSRP), and other information as required by DIR. Each report must contain all information listed above per transaction or the report will be rejected and returned to the Successful Respondent for correction in accordance with this section. Successful Respondent shall report in a manner required by DIR which is subject to change dependent upon DIR's business needs. Failure to do so may result in Contract termination.
- b) If the Successful Respondent submits three (3) monthly late sales reports or cost recovery fee payments within a 12-month period, DIR reserves the right to suspend or terminate this Contract for cause per Section 10.B.4.a [Contract](#) of Appendix A. If Successful Respondent is late with its monthly sales

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report or monthly administrative fee payment, Successful Respondent shall pay a late payment fee (“Late Payment”) to DIR of one hundred dollars (\$100) per day, for each day the monthly report is late, up to ten (10) days per month for a maximum monthly Late Payment amount of \$1000. Assessment of a Lay Payment fee does not waive any other contractual remedy pursuant to this Contract.

3) **Historically Underutilized Businesses Subcontract Reports**

- a) Successful Respondent shall electronically provide each Customer with their relevant Historically Underutilized Business Subcontracting Report, pursuant to the Contract, as required by Chapter 2161, Texas Government Code. Reports shall also be submitted to DIR.
- b) Reports shall be due in accordance with the CPA rules.

4) **DIR Administrative Fee**

- a) An administrative fee shall be paid by Successful Respondent to DIR to defray the DIR costs of negotiating, executing, and administering the Contract. The maximum administrative fee is set by the Texas Legislature in the biennial General Appropriations Act. DIR will review monthly sales reports, close the sales period, and notify the Successful Respondent of the administrative fee no later than the fourteenth (14th) day of the second month following the date of the reported sale. Successful Respondent shall pay the administrative fee by the twenty-fifth (25th) calendar day of the second month following the date of the reported sale. For example, Successful Respondent reports January sales by February 15th; DIR closes January sales and notifies Successful Respondent of administrative fee by March 14th; Successful Respondent submits administrative fee for January sales by March 25th.
- b) DIR may change the amount of the administrative fee upon thirty (30) calendar days written notice to Successful Respondent without the need for a formal contract amendment.
- c) Successful Respondent shall reference the DIR Contract number, reporting period, and administrative fee amount on any remittance instruments.

5) **Accurate and Timely Submission of Reports**

- a) Successful Respondent shall submit reports and administrative fees accurately and timely in accordance with the due dates specified in this Section. Successful Respondent shall correct any inaccurate reports or administrative fee payments within three (3) Days upon written notification by DIR. Successful Respondent shall deliver any late reports or late

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administrative fee payments within three (3) Days upon written notification by DIR. If Successful Respondent is unable to correct inaccurate reports or administrative fee payments or deliver late reports and administrative fee payments within three (3) Days, Successful Respondent shall contact DIR and provide a corrective plan of action, including the timeline for completion of correction. The corrective plan of action shall be subject to DIR approval.

- b) Should Successful Respondent fail to correct inaccurate reports or cure the delay in timely and accurate delivery of reports and payments within the corrective plan of action timeline, DIR reserves the right to require an independent third party audit of the Successful Respondent's records as specified in subsection C.3 at DIR's expense.
- c) Failure to timely submit three (3) reports or administrative fee payments within any rolling twelve (12) month period may, at DIR's discretion, result in the addition of late fees of \$100/day for each day the report or payment is due (up to \$1000/month) or suspension or termination of Successful Respondent's Contract.

C. Records and Audit

- 1) Acceptance of funds under the Contract by Successful Respondent acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit or investigation in connection with those funds. Successful Respondent further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. Successful Respondent shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Successful Respondent and the requirement to cooperate is included in any subcontract it awards pertaining to the Contract. Under the direction of the Legislative Audit Committee, a Vendor that is the subject of an audit or investigation by the State Auditor's Office must provide the State Auditor's Office with access to any information the State Auditor's Office considers relevant to the investigation or audit.
- 2) Successful Respondent shall maintain adequate records to establish compliance with the Contract until the later of a period of seven (7) years after termination of the Contract or until full, final and unappealable resolution of all Compliance Check or litigation issues that arise under the Contract. Such records shall include per transaction: Customer name, invoice date, invoice number, description, quantity, unit price, extended price, Customer Purchase Order number, contact name, Customer's complete billing address, the calculations supporting each administrative fee owed DIR under the Contract, Historically Underutilized

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Businesses Subcontracting reports, and such other documentation as DIR may request.

- 3) Successful Respondent and/or Order Fulfillers shall grant access to all paper and electronic records, books, documents, accounting procedures, practices, customer records including but not limited to contracts, agreements, purchase orders and statements of work, and any other items relevant to the performance of the Contract to the DIR Internal Audit department or DIR Contract Management staff, including the compliance checks designated by the DIR Internal Audit department, DIR Contract Management staff, the State Auditor's Office, and of the United States, and such other persons or entities designated by DIR for the purposes of inspecting, Compliance Checking and/or copying such books and records. Successful Respondent and/or Order Fulfillers shall provide copies and printouts requested by DIR without charge. DIR shall provide Successful Respondent and/or Order Fulfillers ten (10) Days' notice prior to inspecting, Compliance Checking, and/or copying Successful Respondent's and/or Order Fulfiller's records. Successful Respondent's and/or Order Fulfillers records, whether paper or electronic, shall be made available during regular office hours. Successful Respondent and/or Order Fulfiller personnel familiar with the Successful Respondent's and/or Order Fulfiller's books and records shall be available to the DIR Internal Audit department, or DIR Contract Management staff and designees as needed. Successful Respondent and/or Order Fulfiller shall provide adequate office space to DIR staff during the performance of Compliance Check. If Successful Respondent is found to be responsible for inaccurate reports, DIR may invoice for the reasonable costs of the audit, which Successful Respondent must pay within thirty (30) days of receipt.
- 4) For procuring State Agencies whose payments are processed by the Texas Comptroller of Public Accounts, the volume of payments made to Successful Respondent through the Texas Comptroller of Public Accounts and the administrative fee based thereon shall be presumed correct unless Successful Respondent can demonstrate to DIR's satisfaction that Successful Respondent's calculation of DIR's administrative fee is correct.

D. Contract Administration Notification

- 1) Prior to execution of the Contract, Successful Respondent shall provide DIR with written notification of the following: i) Successful Respondent Contract Administrator name and contact information, ii) Successful Respondent sales representative name and contact information, and iii) name and contact information of Successful Respondent personnel responsible for submitting reports and payment of administrative fees.

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- 2) Upon execution of the Contract, DIR shall provide Successful Respondent with written notification of the following: i) DIR Contract Administrator name and contact information, and ii) DIR Cooperative Contracts E-Mail Box information.

10. SUCCESSFUL RESPONDENT RESPONSIBILITIES

A. Indemnification

- 1) **Independent contractor**

SUCCESSFUL RESPONDENT AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, IT IS FURNISHING SERVICES IN THE CAPACITY OF AN INDEPENDENT CONTRACTOR AND THAT SUCCESSFUL RESPONDENT IS NOT AN EMPLOYEE OF THE CUSTOMER, DIR OR THE STATE OF TEXAS.

- 2) **Acts or Omissions**

Successful Respondent shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from any acts or omissions of the Successful Respondent or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. THE DEFENSE SHALL BE COORDINATED BY SUCCESSFUL RESPONDENT WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUCCESSFUL RESPONDENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. SUCCESSFUL RESPONDENT AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

- 3) **Infringements**

- a) Successful Respondent shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES from any and all third party claims involving infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF SUCCESSFUL RESPONDENT

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PURSUANT TO THIS CONTRACT. SUCCESSFUL RESPONDENT and the CUSTOMER agree to furnish timely written notice to each other of any such claim. SUCCESSFUL RESPONDENT SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. The defense shall be coordinated by the Office of the Attorney General FOR TEXAS STATE AGENCY CUSTOMERS AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS.

- b) If Successful Respondent becomes aware of an actual or potential claim, or Customer provides Successful Respondent with notice of an actual or potential claim, Successful Respondent may (or in the case of an injunction against Customer, shall), at Successful Respondent's sole option and expense: (i) procure for the Customer the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer's use is non-infringing.

4) **Property Damage**

IN THE EVENT OF LOSS, DAMAGE, OR DESTRUCTION OF ANY PROPERTY OF CUSTOMER OR THE STATE DUE TO THE NEGLIGENCE, MISCONDUCT, WRONGFUL ACT OR OMISSION ON THE PART OF THE SUCCESSFUL RESPONDENT, ITS EMPLOYEES, AGENTS, REPRESENTATIVES, OR SUBCONTRACTORS, THE SUCCESSFUL RESPONDENT SHALL PAY THE FULL COST OF EITHER REPAIR, RECONSTRUCTION, OR REPLACEMENT OF THE PROPERTY, AT THE CUSTOMER'S SOLE ELECTION. SUCH COST SHALL BE DETERMINED BY THE CUSTOMER AND SHALL BE DUE AND PAYABLE BY THE SUCCESSFUL RESPONDENT NINETY (90) CALENDAR DAYS AFTER THE DATE OF THE SUCCESSFUL RESPONDENT'S RECEIPT FROM THE CUSTOMER OF A WRITTEN NOTICE OF THE AMOUNT DUE.

B. Taxes/Worker's Compensation/Unemployment Insurance

- 1) SUCCESSFUL RESPONDENT AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, SUCCESSFUL RESPONDENT SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF SUCCESSFUL RESPONDENT'S AND SUCCESSFUL RESPONDENT'S EMPLOYEES' TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS CONTRACT. SUCCESSFUL RESPONDENT AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS' COMPENSATION. SUCCESSFUL RESPONDENT AGREES AND ACKNOWLEDGES THAT SUCCESSFUL RESPONDENT, ITS EMPLOYEES,

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REPRESENTATIVES, AGENTS, OR SUBCONTRACTORS SHALL NOT BE ENTITLED TO ANY STATE BENEFIT OR BENEFIT OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER. THE CUSTOMER AND/OR THE STATE SHALL NOT BE LIABLE TO THE SUCCESSFUL RESPONDENT, ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER.

- 2) SUCCESSFUL RESPONDENT AGREES TO INDEMNIFY AND HOLD HARMLESS CUSTOMERS, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION OR EXPECTATIONS OF BENEFITS BY SUCCESSFUL RESPONDENT, ITS EMPLOYEES, REPRESENTATIVES, AGENTS OR SUBCONTRACTORS IN ITS PERFORMANCE UNDER THIS CONTRACT. SUCCESSFUL RESPONDENT SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY THE OFFICE OF THE ATTORNEY GENERAL FOR TEXAS STATE AGENCY CUSTOMERS AND BY CUSTOMER'S LEGAL COUNSEL FOR NON-STATE AGENCY CUSTOMERS.

C. Successful Respondent Certifications

- 1) Successful Respondent certifies on behalf of Successful Respondent and its designated Order Fulfillers that they:
- a) have not given, offered to give, and do not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract;
 - b) are not currently delinquent in the payment of any franchise tax owed the State and are not ineligible to receive payment under §231.006 of the Texas Family Code and acknowledge the Contract may be terminated and payment withheld if this certification is inaccurate;
 - c) neither they, nor anyone acting for them, have violated the antitrust laws of the United States or the State, nor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage;

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- d) have not received payment from DIR or any of its employees for participating in the preparation of the Contract;
- e) under Section 2155.004, Texas Government Code, the Successful Respondent certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate;
- f) to the best of their knowledge and belief, there are no suits or proceedings pending or threatened against or affecting them, which if determined adversely to them will have a material adverse effect on the ability to fulfill their obligations under the Contract;
- g) Successful Respondent and its principals are not suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM) maintained by the General Services Administration;
- h) as of the effective date of the Contract, are not listed in any of the Divestment Statute Lists published on the Texas State Comptroller's website (<https://comptroller.texas.gov/purchasing/publications/divestment.php>);
- i) Successful Respondent represents and warrants that, for its performance of this contract, it shall purchase products and materials produced in the State of Texas when available at the price and time comparable to products and materials produced outside the state, to the extent that such is required under Texas Government Code, Section 2155.4441;
- j) agrees that all equipment and materials used in fulfilling the requirements of this contract are of high-quality and consistent with or better than applicable industry standards, if any. All Works and Services performed pursuant to this Contract shall be of high professional quality and workmanship and according consistent with or better than applicable industry standards, if any;
- k) agrees that any payments due under this Contract will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the State of Texas;
- l) are in compliance Section 669.003, Texas Government Code, relating to contracting with executive head of a state agency;
- m) represent and warrant that the provision of goods and services or other performance under the Contract will not constitute an actual or potential conflict of interest and certify that they will not reasonably create the appearance of impropriety, and, if these facts change during the course of the Contract, certify they shall disclose the actual or potential conflict of interest and any circumstances that create the appearance of impropriety;

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- n) under Section 2155.006 and Section [2261.053](#), Texas, Government Code, are not ineligible to receive the specified contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate;
 - o) have complied with the Section 556.0055, Texas Government Code, restriction on lobbying expenditures. In addition, Successful Respondent acknowledges the applicability of §2155.444 and §2155.4441, Texas Government Code, in fulfilling the terms of the Contract; and
 - p) represent and warrant that the Customer's payment and their receipt of appropriated or other funds under this Agreement are not prohibited by Sections 556.005 or Section 556.008, Texas Government Code;
 - q) represent and warrant that in accordance with Section 2270.002 of the Texas Government Code, by signature hereon, Successful Respondent does not boycott Israel and will not boycott Israel during the term of this Contract.
 - r) represent and warrant with Section 2155.0061, Government Code, the Successful Respondent certifies that the individual or business entity named in this Contract is not ineligible to receive the specified Contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.
- 2) During the term of the Contract, Successful Respondent shall, for itself and on behalf of its Order Fulfillers, promptly disclose to DIR all changes that occur to the foregoing certifications, representations and warranties. Successful Respondent covenants to fully cooperate in the development and execution of resulting documentation necessary to maintain an accurate record of the certifications, representations and warranties.
- 3) In addition, Successful Respondent understands and agrees that if Successful Respondent responds to certain Customer pricing requests, then, in order to contract with the Customer, Successful Respondent may be required to comply with additional terms and conditions or certifications that an individual customer may require due to state and federal law (e.g., privacy and security requirements).

D. Ability to Conduct Business in Texas

Successful Respondent and its Order Fulfillers shall be authorized and validly existing under the laws of its state of organization, and shall be authorized to do business in the State of Texas in accordance with Texas Business Organization Code, Title 1, Chapter 9.

E. Equal Opportunity Compliance

Successful Respondent agrees to abide by all applicable laws, regulations, and executive orders pertaining to equal employment opportunity, including federal laws and the laws of the State in which its primary place of business is located. In accordance with such laws, regulations, and executive orders, the Successful Respondent agrees that no person in the United States shall, on

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the grounds of race, color, religion, national origin, sex, age, veteran status or handicap, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed by Successful Respondent under the Contract. If Successful Respondent is found to be not in compliance with these requirements during the term of the Contract, Successful Respondent agrees to take appropriate steps to correct these deficiencies. Upon request, Successful Respondent will furnish information regarding its nondiscriminatory hiring and promotion policies, as well as specific information on the composition of its principals and staff, including the identification of minorities and women in management or other positions with discretionary or decision-making authority.

F. Use of Subcontractors

If Successful Respondent uses any subcontractors in the performance of this Contract, Successful Respondent must make a good faith effort in the submission of its Subcontracting Plan in accordance with the State's Policy on Utilization of Historically Underutilized Businesses (HUB). A revised Subcontracting Plan approved by DIR's HUB Office shall be required before Successful Respondent can engage additional subcontractors in the performance of this Contract. A revised Subcontracting Plan approved by DIR's HUB Office shall be required before Successful Respondent can remove subcontractors currently engaged in the performance of this Contract. Successful Respondent shall remain solely responsible for the performance of its obligations under the Contract.

G. Responsibility for Actions

- 1) Successful Respondent is solely responsible for its actions and those of its agents, employees, or subcontractors, and agrees that neither Successful Respondent nor any of the foregoing has any authority to act or speak on behalf of DIR or the State.
- 2) Successful Respondent, for itself and on behalf of its subcontractors, shall report to DIR promptly when the Certification Statement of Exhibit A of the RFO and/or Section 9.C. (xii), [Successful Respondent Certifications](#) of this Appendix A to the Contract change. Successful Respondent covenants to fully cooperate with DIR to update and amend the Contract to accurately disclose employment of current or former State employees and their relatives and/or the status of conflicts of interest.

H. Confidentiality

- 1) Successful Respondent acknowledges that DIR and Customers that are governmental bodies as defined by Texas Government Code, Section 552.003 are subject to the Texas Public Information Act. Successful Respondent also acknowledges that DIR and Customers that are state agencies will comply with the Public Information Act, and with all opinions of the Texas Attorney General's office concerning this Act.

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- 2) Under the terms of the Contract, DIR may provide Successful Respondent with information related to Customers. Successful Respondent shall not re-sell or otherwise distribute or release Customer information to any party in any manner.

I. Security of Premises, Equipment, Data and Personnel

Successful Respondent and/or Order Fulfiller may, from time to time during the performance of the Contract, have access to the personnel, premises, equipment, and other property, including data, files and /or materials (collectively referred to as “Data”) belonging to the Customer. Successful Respondent shall use their best efforts to preserve the safety, security, and the integrity of the personnel, premises, equipment, Data and other property of the Customer, in accordance with the instruction of the Customer. Successful Respondent shall be responsible for damage to Customer's equipment, workplace, and its contents when such damage is caused by its employees or subcontractors. If a Successful Respondent and/or Order Fulfiller fails to comply with Customer’s security requirements, then Customer may immediately terminate its Purchase Order and related Service Agreement.

J. Background and/or Criminal History Investigation

Prior to commencement of any services, background and/or criminal history investigation of the Successful Respondent’s employees and subcontractors who will be providing services to the Customer under the Contract may be performed by the Customer. Should any employee or subcontractor of the Successful Respondent who will be providing services to the Customer under the Contract not be acceptable to the Customer as a result of the background and/or criminal history check, then Customer may immediately terminate its Purchase Order and related Service Agreement or request replacement of the employee or subcontractor in question.

K. Limitation of Liability

For any claim or cause of action arising under or related to the Contract: i) to the extent permitted by the Constitution and the laws of the State, none of the parties shall be liable to the other for punitive, special, or consequential damages, even if it is advised of the possibility of such damages; and ii) Successful Respondent’s liability for damages of any kind to the Customer shall be limited to the total amount paid to Successful Respondent under the Contract during the twelve (12) months immediately preceding the accrual of the claim or cause of action. However, this limitation of Successful Respondent’s liability shall not apply to claims of bodily injury; violation of intellectual property rights including but not limited to patent, trademark, or copyright infringement; indemnification requirements under this Contract; and violation of State or Federal law including but not limited to disclosures of confidential information and any penalty of any kind lawfully assessed as a result of such violation.

L. Overcharges

Successful Respondent hereby assigns to DIR any and all of its claims for overcharges associated with this contract which arise under the antitrust laws of the United States, 15 U.S.C.A. Section

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1, et seq., and which arise under the antitrust laws of the State of Texas, Tex. Bus. and Comm. Code Section 15.01, et seq.

M. Prohibited Conduct

Successful Respondent represents and warrants that, to the best of its knowledge as of the date of this certification, neither Successful Respondent nor any Order Fulfiller, subcontractor, firm, corporation, partnership, or institution represented by Successful Respondent, nor anyone acting for such Order Fulfiller, subcontractor, firm, corporation or institution has: (1) violated the antitrust laws of the State of Texas under Texas Business & Commerce Code, Chapter 15, or the federal antitrust laws; or (2) communicated its response to the Request for Offer directly or indirectly to any competitor or any other person engaged in such line of business during the procurement for the Contract.

N. Required Insurance Coverage

As a condition of this Contract with DIR, Successful Respondent shall provide the listed insurance coverage within five (5) Days of execution of the Contract if the Successful Respondent is awarded services which require that Successful Respondent's employees perform work at any Customer premises and/or use employer vehicles to conduct work on behalf of Customers. In addition, when engaged by a Customer to provide services on Customer premises, the Successful Respondent shall, at its own expense, secure and maintain the insurance coverage specified herein, and shall provide proof of such insurance coverage to the related Customer within five (5) Days following the execution of the Purchase Order. Successful Respondent may not begin performance under the Contract and/or a Purchase Order until such proof of insurance coverage is provided to, and approved by, DIR and the Customer. If Vendor's services contracted under this Contract will not require Vendor to perform work on Customer's premises, or to use employer vehicles (whether owned or otherwise) to conduct work on behalf of Customers, Vendor may certify to the foregoing facts, and agree to provide notice and the required insurance if the foregoing facts change. The certification and agreement must be provided by executing the Certification of Off-Premise Customer Services, which shall serve to meet the insurance requirements.

All required insurance must be issued by companies that have an A rating and a Financial Size Category Class of VII from AM Best, and are licensed in the State of Texas and authorized to provide the corresponding coverage. The Customer and DIR will be named as Additional Insureds on all required coverage. Required coverage must remain in effect through the term of the Contract and each Purchase Order issued to Successful Respondent thereunder. The minimum acceptable insurance provisions are as follows:

1) **Commercial General Liability**

Commercial General Liability must include \$1,000,000.00 per occurrence for Bodily Injury and Property Damage with a separate aggregate limit of \$2,000,000.00; Medical Expenses per person of \$5,000.00; Personal Injury and

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Advertising Liability of \$1,000,000.00; Products/Completed Operations aggregate Limit of \$2,000,000.00 and Damage to Premises Rented: \$50,000.00. Agencies may require additional Umbrella/Excess Liability insurance. The policy shall contain the following provisions:

- a) Blanket contractual liability coverage for liability assumed under the Contract;
- b) Independent Contractor coverage;
- c) State of Texas, DIR and Customer listed as an additional insured; and
- d) Waiver of Subrogation.

2) **Workers' Compensation Insurance**

Workers' Compensation Insurance and Employers' Liability coverage must include limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Art. 8308-1.01 et seq. Tex. Rev. Civ. Stat) and minimum policy limits for Employers' Liability of \$1,000,000 per accident, \$1,000,000 disease PER EMPLOYEE and \$1,000,000 per disease POLICY LIMIT.

3) **Business Automobile Liability Insurance**

Business Automobile Liability Insurance must cover all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. The policy shall contain the following endorsements in favor of DIR and/or Customer:

- a. Waiver of Subrogation;
- b. Additional Insured.

O. Use of State Property

Successful Respondent is prohibited from using the Customer's equipment, the Customer's Location, or any other resources of the Customer or the State of Texas for any purpose other than performing services under this Agreement. For this purpose, equipment includes, but is not limited to, copy machines, computers and telephones using State of Texas long distance services. Any charges incurred by Successful Respondent using the Customer's equipment for any purpose other than performing services under this Agreement must be fully reimbursed by Successful Respondent to the Customer immediately upon demand by the Customer. Such use shall constitute breach of contract and may result in termination of the contract and other remedies available to DIR and Customer under the Contract and applicable law.

P. Immigration

- 1) The Successful Respondent shall comply with all requirements related to federal immigration laws and regulations, to include but not be limited to, the Immigration and Reform Act of 1986, the Illegal Immigration Reform and Immigrant

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Responsibility Act of 1996 ("IIRIRA") and the Immigration Act of 1990 (8 U.S.C.1101, et seq.) regarding employment verification and retention of verification forms for any individual(s) who will perform any labor or services under this Contract.

- 2) Pursuant to Chapter 673 of Texas Government Code, Successful Respondent shall, as a condition of this Contract, also comply with the United States Department of Homeland Security's E-Verify system to determine the eligibility of:
 - a) all persons 1) to whom the E-Verify system applies, and 2) who are hired by the Vendor during the term of this Contract to perform duties within Texas; and
 - b) all subcontractors' employees 1) to whom the E-Verify system applies, and 2) who are hired by the subcontractor during the term of this Contract and assigned by the subcontractor to perform work pursuant to this Contract.
- 3) The Successful Respondent shall require its subcontractors to comply with the requirements of this Section and the Successful Respondent is responsible for the compliance of its subcontractors. Nothing herein is intended to exclude compliance by Successful Respondent and its subcontractors with all other relevant federal immigration statutes and regulations promulgated pursuant thereto.

Q. Public Disclosure

No public disclosures or news releases pertaining to this contract shall be made by Successful Respondent without prior written approval of DIR.

R. Product and/or Services Substitutions

Substitutions are not permitted without the written permission of DIR or Customer.

S. Secure Erasure of Hard Disk Managed Services Products and/or Services

Successful Respondent agrees that all managed service products and/or services equipped with hard disk drives (e.g., computers, telephones, printers, fax machines, scanners, multifunction devices) shall have the capability to securely erase data written to the hard drive prior to final disposition of such managed service products and/or services, either at the end of the managed service product and/or services' useful life or at the end of the Customer's managed service product and/or services' useful life or the end of the related Customer Managed Services Agreement for such products and/or services, in accordance with 1 TAC 202.

T. Deceptive Trade Practices; Unfair Business Practices

- 1) Successful Respondent represents and warrants that neither Successful Respondent nor any of its Subcontractors has been (i) found liable in any administrative hearing, litigation or other proceeding of Deceptive Trade Practices violations as defined under Chapter 17, Texas Business & Commerce Code, or (ii) has outstanding

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allegations of any Deceptive Trade Practice pending in any administrative hearing, litigation or other proceeding.

- 2) Successful Respondent certifies that it has no officers who have served as officers of other entities who (i) have been found liable in any administrative hearing, litigation or other proceeding of Deceptive Trade Practices violations or (ii) have outstanding allegations of any Deceptive Trade Practice pending in any administrative hearing, litigation or other proceeding.

U. Drug Free Workplace Policy

The Successful Respondent shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (41 U.S.C. §§8101-8106) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (Financial Assistance), issued by the Office of Management and Budget (2 C.F.R. Part 280, Subpart F182) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

V. Accessibility of Public Information

- 1) Pursuant to S.B. 1368 of the 83rd Texas Legislature, Regular Session, Successful Respondent is required to make any information created or exchanged with the State pursuant to this Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State.
- 2) Each State government entity should supplement the provision set forth in Subsection 1, above, with the additional terms agreed upon by the parties regarding the specific format by which the Successful Respondent is required to make the information accessible by the public.

W. Successful Respondent Reporting Requirements

Successful Respondent shall comply with Subtitle C, Title 5, Business & Commerce Code, Chapter 109 as added by HB 2539 of the 83rd Texas Legislature, Regular Session, requiring computer technicians to report images of child pornography.

X. Cybersecurity Training

In accordance with Section 2054.5192, Texas Government Code, for any contract with a state agency or institution of higher education, if Successful Respondent, or a subcontractor, officer, or employee of Successful Respondent, will have access to a state computer system or database, then Successful Respondent shall ensure that such officer, employee, or subcontractor shall complete a cybersecurity training program certified under Section 2054.519, Texas Government Code, as selected by Customer state agency or institution of higher education. The cybersecurity training program must be completed by such officer, employee, or subcontractor during the term

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of the contract and during any renewal period. Successful Respondent shall verify to the Customer state agency or institution of higher education completion of the program by each such officer, employee, or subcontractor.

11. CONTRACT ENFORCEMENT

A. Enforcement of Contract and Dispute Resolution

- 1) Successful Respondent and DIR agree to the following: (i) a Party's failure to require strict performance of any provision of the Contract shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision, (ii) for disputes not resolved in the normal course of business, the dispute resolution process provided for in Chapter 2260, Texas Government Code, shall be used, and (iii) actions or proceedings arising from the Contract shall be heard in a state court of competent jurisdiction in Travis County, Texas.
- 2) Disputes arising between a Customer and the Successful Respondent shall be resolved in accordance with the dispute resolution process of the Customer that is not inconsistent with subparagraph A.1 above. DIR shall not be a party to any such dispute unless DIR, Customer, and Successful Respondent agree in writing.
- 3) State agencies are required by rule (34 TAC §20.108(b)) to report vendor performance through the Vendor Performance Tracking System (VPTS) on every purchase over \$25,000.00.

B. Termination

1) Termination for Non-Appropriation

In all instances of termination or expiration, Successful Respondent shall be required to provide a list of all Purchase Orders, and Purchase Order detail that are open as of the date of termination or expiration. Further, Vendor shall continue to report sales and pay administrative fees for the duration of all such Purchase Orders.

a) Termination for Non-Appropriation by Customer

Customer may terminate Purchase Orders if funds sufficient to pay its obligations under the Contract are not appropriated: i) by the governing body on behalf of local governments; ii) by the Texas legislature on behalf of state agencies; or iii) by budget execution authority provisioned to the Governor or the Legislative Budget Board as provided in Chapter 317, Texas Government Code. In the event of non-appropriation, Successful Respondent and/or Order Fulfiller will be provided ten (10) calendar days written notice of intent to terminate.

Notwithstanding the foregoing, if a Customer issues a Purchase Order and has accepted delivery of the services, they are obligated to pay for the services or they may discontinue using services under any return provisions that Successful

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Respondent offers. In the event of such termination, the Customer will not be considered to be in default or breach under this Contract, nor shall it be liable for any further payments ordinarily due under this Contract, nor shall it be liable for any damages or any other amounts which are caused by or associated with such termination.

b) Termination for Non-Appropriation by DIR

DIR may terminate Contract if funds sufficient to pay its obligations under the Contract are not appropriated: by the i) Texas legislature or ii) by budget execution authority provisioned to the Governor or the Legislative Budget Board as provided in Chapter 317, Texas Government Code. In the event of non-appropriation, Successful Respondent and/or Order Fulfiller will be provided thirty (30) calendar days written notice of intent to terminate. In the event of such termination, DIR will not be considered to be in default or breach under this Contract, nor shall it be liable for any further payments ordinarily due under this Contract, nor shall it be liable for any damages or any other amounts which are caused by or associated with such termination.

2) **Absolute Right**

DIR shall have the absolute right to terminate the Contract without recourse in the event that: i) Successful Respondent becomes listed on the prohibited vendors list authorized by Executive Order #13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury, Office of Foreign Assets Control; ii) Successful Respondent becomes suspended or debarred from doing business with the federal government as listed in the System for Award Management (SAM) maintained by the General Services Administration; or (iii) Successful Respondent is found by DIR to be ineligible to hold this Contract under Subsection (b) of Section 2155.006, Texas Government Code. Successful Respondent shall be provided written notice in accordance with Section 19.A, Notices, of intent to terminate.

3) **Termination for Convenience**

DIR may terminate the Contract, in whole or in part, by giving the other party thirty (30) calendar days' written notice. A Customer may terminate a Purchase Order by giving the other party thirty (30) calendar days' written notice.

4) **Termination for Cause**

a) **Contract**

Either DIR or Successful Respondent may issue a written notice of default to the other upon the occurrence of a material breach of any covenant, warranty or

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provision of the Contract, upon the following preconditions: first, the parties must comply with the requirements of Chapter 2260, Texas Government Code in an attempt to resolve a dispute; second, after complying with Chapter 2260, Texas Government Code, and the dispute remains unresolved, then the non-defaulting party shall give the defaulting party thirty (30) calendar days from receipt of notice to cure said default. If the defaulting party fails to cure said default within the timeframe allowed, the non-defaulting party may, at its option and in addition to any other remedies it may have available, cancel and terminate the Contract. Customers purchasing products or services under the Contract have no power to terminate the Contract for default.

b) **Purchase Order**

Customer or Order Fulfiller may terminate a Purchase Order upon the occurrence of a material breach of any term or condition: (i) of the Contract, or (ii) included in the Purchase Order in accordance with Section 3.B.2 above, upon the following preconditions: first, the parties must comply with the requirements of Chapter 2260, Texas Government Code, in an attempt to resolve a dispute; second, after complying with Chapter 2260, Texas Government Code, and the dispute remains unresolved, then the non-defaulting party shall give the defaulting party thirty (30) calendar days from receipt of notice to cure said default. If the defaulting party fails to cure said default within the timeframe allowed, the non-defaulting party may, at its option and in addition to any other remedies it may have available, cancel and terminate the Purchase Order.

5) **Immediate Termination or Suspension**

DIR may immediately suspend or terminate this Contract without advance notice if DIR receives notice or knowledge of potentially criminal violations by Successful Respondent or Order Fulfiller (whether or not such potential violations directly impact the provision of goods or services under this Contract). In such case, the Successful Respondent or Order Fulfiller may be ineligible to receive further business or payment but may be responsible for winding down or transition expenses incurred by Customer. DIR or Customer will use reasonable efforts to provide notice (to the extent allowed by law) to vendor within five (5) Days after imposing the suspension or termination. Vendor may provide a response and request an opportunity to present its position. DIR or Customer will review vendor presentation but is under no obligation to provide formal response.

6) **Customer Rights Under Termination**

In the event the Contract expires or is terminated for any reason, a Customer shall retain its rights under the Contract and the Purchase Order issued prior to the termination or expiration of the Contract. The Purchase Order survives the expiration or termination of the Contract for its then effective term. DIR or Customer will use reasonable efforts to

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provide notice (to the extent allowed by law) to vendor within five (5) business days after imposing the suspension or termination. Vendor may provide a response and request an opportunity to present its position. DIR or Customer will review vendor presentation but is under no obligation to provide formal response.

7) Successful Respondent or Order Fulfiller Rights Under Termination

In the event a Purchase Order expires or is terminated, a Customer shall pay: 1) all amounts due for products or services ordered prior to the effective termination date and ultimately accepted, and 2) any applicable early termination fees agreed to in such Purchase Order.

C. Force Majeure

DIR, Customer, or Successful Respondent may be excused from performance under the Contract for any period when performance is prevented as the result of an act of God, strike, war, civil disturbance, epidemic, or court order, provided that the party experiencing the event of Force Majeure has prudently and promptly acted to take any and all steps that are within the party's control to ensure performance and to shorten the duration of the event of Force Majeure. The party suffering an event of Force Majeure shall provide notice of the event to the other parties when commercially reasonable. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination. However, a Customer may terminate a Purchase Order if it is determined by the Customer that Successful Respondent will not be able to deliver services in a timely manner to meet the business needs of the Customer.

12. STATEMENT OF SERVICES TO BE PERFORMED

Successful Respondent understands that this is a non-exclusive, indefinite quantity contract. DIR makes no representations or warranties that Vendor shall receive any number or volume of Requests for Service (RFS) hereunder. This Contract is for temporary staff and is not intended for work for hire.

- A. Successful Respondent shall provide Worker(s) to DIR Customers to perform services that are defined in the Work Order Solicitation, in accordance with the terms and conditions of the Contract. Workers provided by Successful Respondent shall possess qualifications that meet or exceed those specified in the Work Order Solicitation and will perform the functions as outlined in the Work Order Solicitation at the rates quoted therein. All travel is subject to the prior, written approval of the Customer.
- B. Successful Respondent shall provide responses to Statements of Work issued by DIR Customers to perform services that are defined in the Work Order Solicitation, in accordance with the terms and conditions of the Contract and the Statement of Work. Workers provided by Successful shall possess qualifications that meet or exceed those specified in the Work Order Solicitation and will perform the functions as outlined in

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the Work Order Solicitation at the rates quoted therein. All travel is subject to the prior, written approval of the Customer.

13. WORK ORDER SOLICITATION/PURCHASE ORDER ISSUANCE

- A. Customers under this Contract shall issue requests for services in the form of a “Work Order” or a “Statement of Work.” Work Order Solicitations will be submitted by Customers directly to Contract Holders or will be submitted by Customers to DIR then sent to Contract Holders. Customer requests for service may include the pre-selection requirement that potential Contract Holders (and their Worker) submit to and satisfy criminal background checks as authorized by Texas law.
- B. Issuance of a request for services is not a guarantee of work. Customers may elect to cancel the request at any time during the process.
- C. In order to be awarded a Purchase Order hereunder, Contract Holders will respond to Work Order Solicitation(s) for services as issued by Customers or DIR on behalf of its Customers, consistent with the Terms and Conditions of this Contract. Successful Respondent understands that no work under any Purchase Order issued by Customer shall commence until receipt of Purchase Order. Successful Respondent will perform in accordance with the terms and conditions of the Customer Purchase Order.
- D. Successful Respondent shall submit resumes outside of the Work Order Solicitation process unless requested by a Customer.
- E. Successful Respondent shall direct all communications concerning this Contract and any Work Order Solicitation(s) to DIR or through the ITSAC Portal, or per the terms of the Customer solicitation, except as requested by Customer (i.e., interviews, required HR processes, etc.).
- F. Successful Respondent is prohibited from submitting a substitute candidate during the interview process if the original candidate is no longer available. Successful Respondent may offer a replacement candidate, if the Purchase Order has been issued and the original candidate is no longer available.
- G. Duplicate submissions of a candidate may be disqualified, if one (1) or more Contract Holders submit the same candidate for the same competitive solicitation.
- H. Together with each resume submitted, Successful Respondent must submit a Right to Represent, signed by the proposed Worker, authorizing the Successful Respondent to submit Worker’s resume for that solicitation. If multiple Contract Holders submit resumes and Rights to Represent for the same Worker for a given solicitation, then that Worker may be disqualified from consideration for the solicitation.
- I. DIR will not promulgate a standard candidate resume format/layout. Contract Holders may submit candidate resumes in desired company format/layout. DIR requires Successful Respondent to submit the approve DIR cover sheet with the candidate resume.

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14. HOURLY RATES

- A. The Successful Respondent shall quote hourly bill rates in response to Work Order Solicitation(s) during the term of this Contract. Hourly bill rates shall not exceed awarded NTE bill rates in this Contract. Hourly rates quoted in a particular Purchase Order shall remain valid for a period of time specified in the Purchase Order. Successful Respondent shall not increase its rates under any Purchase Order, including amendments/Purchase Order Change Notice (POCN) thereto, without the express prior written approval of Customer. In the event, that the Successful Respondent submits an hourly bill rate that exceeds the NTE bill rate in the Contract, the candidate will be submitted to the Customer with an hourly bill rate that is reduced to the NTE hourly bill rate in the Contract.
- B. All quoted hourly bill rates shall include all expenses associated with each candidate, including wages, benefits, DIR Cost Recovery Fee, usual living expenses and costs of commuting to and from the Customer's primary work site designated. Travel reimbursement may be allowed. See Section 7.C [Payments](#) and **Contract Section 4. F. Travel Expense Reimbursement**.
- C. Payment of work over forty (40) hours will be at the hourly rate quoted and must be coordinated and pre-approved through the Customer.

15. SUCCESSFUL RESPONDENT SUSPENSION

- A. At any point under the Contract, DIR may issue a Notice of Intent to Suspend to any Contract Holder for failure to adhere to Contract requirements, including but not limited to the events listed below:
- 1) Successful Respondent or Successful Respondent's Worker(s) no longer holds necessary license(s) or certificate(s) required to perform the work under any Work Order;
 - 2) Successful Respondent falsifies an invoice for services or travel reimbursement;
 - 3) Successful Respondent violates the prohibition from contacting a Customer to discuss an "open" solicitation during the Work Order Solicitation; NOTE: The prohibition does not extend to marketing of services.
 - 4) Successful Respondent or its Workers have engaged in practices prohibited in Article [7 Purchase Orders, Invoices, and Payments](#) hereof; Article 9 [Successful Respondent Responsibilities](#),; hereof; and Article 4 [Intellectual Property Matters](#), in the Contract;
 - 5) Successful Respondent or Successful Respondent's Worker commits any material breach or default of any covenant, warranty, obligation or agreement under this Contract, fails to perform the work under this Contract within the time specified herein or any extension thereof, or so fails to pursue the work as to endanger

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Successful Respondent's performance under this Contract in accordance with its terms.

16. SUBSTITUTION OF WORKERS

- A. During the ITSAC process for Work Order Solicitations, Successful Respondent shall only submit candidates to DIR for the positions being solicited, not directly to the Customer.
- B. If Customer determines a Worker does not meet the qualifications needed, has not followed applicable safety standards or for any other reason is unable to complete the assignment satisfactorily, Customer will direct Successful Respondent to resolve the complaint or remove its Worker immediately. If Successful Respondent is unable to resolve the complaint immediately or provide a satisfactory substitute Worker within seven (7) Days, the Purchase Order may be terminated and Customer may select another Contract Holder to finish the remaining work as outlined in the Work Order Solicitation
- C. If a Worker no longer provides services for Successful Respondent, Successful Respondent shall have up to seven (7) Days to replace the Worker with a substitute Worker satisfactory to DIR and Customer. Successful Respondent shall use its best efforts to provide a substitute Worker at the same, or a lower rate than that charged for the replaced Worker's services. If the rate for the substitute Worker is higher than the rate charged for the replaced Worker's services and the higher rate is unacceptable to DIR or Customer, or if the Successful Respondent is unable to provide a satisfactory substitute Worker within seven (7) Days, the Purchase Order may be terminated and DIR or Customer may select another Contract Holder to finish the remaining work.
- D. In the event the Worker cancels his/her obligation without cause prior to the original termination date, Customer may require the Successful Respondent to provide a replacement to complete the obligation that the departing individual did not fulfill. The replacement must be approved by Customer and will be provided at no charge for a time equal to five (5) Business Days, not to exceed ten (10) Days. This gratis period is to cover the cost to Customer of retraining the replacement individual on the internal Customer systems.
- E. Except when a Worker leaves employment voluntarily, the Successful Respondent may not remove a Worker from a project without prior written consent of DIR and Customer.
- F. Successful Respondent is responsible to retrieve from all Workers as they transition from work on a Work Order, whether voluntarily or involuntarily, all keys, access cards, files, equipment and all other property and security devices that may have been issued to Worker by DIR's Customer and to deliver the items to the Customer.

17. ITSAC PROTOCOL

**Standard Terms and Conditions for
INFORMATION TECHNOLOGY STAFF AUGMENTATION CONTRACT (ITSAC)
SERVICES**

- A. The Successful Respondent shall not hire employees of a Customer and offer such employees as Workers for a Work Order Solicitation on which that employee is currently participating. Unless an employee is released from employment, Successful Respondent shall not hire an employee of another Contract Holder providing Worker(s) to a Customer and offer such employee as Workers for a Work Order Solicitation on which that Worker is currently participating until such time as the Purchase Order under which that Worker was originally obtained has expired or been terminated. (Worker is responsible for contractual obligations to the Contract Holder that initially submitted the Worker to the Customer).
- B. Worker who is currently on Purchase Order to a Customer through the DIR ITSAC program will not be considered for additional Work Order Solicitations having overlapping timeframes. However, at the discretion of a Customer, Workers who are currently assigned to a Customer through the DIR ITSAC program may be considered for additional DIR ITSAC work from the same DIR Customer. Successful Respondent shall not submit the names of the same Worker for an overlapping time frame unless previously agreed to by the Customer.

18. NON-SOLICITATION OF STATE EMPLOYEES

- A. Successful Respondent shall not solicit, directly or indirectly, any employee of DIR who is associated with this Contract for a period of ninety (90) calendar days following completion of the Contract. Further, Successful Respondent shall not solicit for a period of ninety (90) calendar days following completion of the Work Order, directly or indirectly, any employee of a Customer who has participated in any projects on which the Successful Respondent's Worker(s) have been assigned.
- B. DIR and its Customer agree not to solicit employees of the Successful Respondent, during the term of the appropriate Work Order, and for a period of ninety (90) calendar days thereafter.

19. WARRANTY

The Customer has thirty (30) Days from the date of signature on the Successful Respondent Invoice to inform Successful Respondent of its determination that the Successful Respondent's Worker has made errors in completed work. Customer will immediately inform the Successful Respondent of the Customer's determination. Successful Respondent shall make corrections and revisions as necessary to provide the Customer with an acceptable Work Product without cost to Customer. Correction is limited to rework of the unsatisfactory work without change to the original specifications and without regard to the amount of the effort expended on the original work.

20. NOTIFICATION

**Standard Terms and Conditions for
INFORMATION TECHNOLOGY STAFF AUGMENTATION CONTRACT (ITSAC)
SERVICES**

A. Notices

All notices, demands, designations, certificates, requests, offers, consents, approvals and other instruments given pursuant to the Contract shall be in writing and shall be validly given on: (i) the date of delivery if delivered by email, facsimile transmission, mailed by registered or certified mail, or hand delivered, or (ii) three (3) Days after being mailed via United States Postal Service. All notices under the Contract shall be sent to a party at the respective address indicated in Section 7 of the Contract or to such other address as such party shall have notified the other party in writing.

B. Handling of Written Complaints

In addition to other remedies contained in the Contract, a person contracting with DIR may direct their written complaints to the following office:

Public Information Office
Department of Information Resources
Attn: Public Information Officer
300 W. 15th Street, Suite 1300
Austin, Texas 78701
(512) 475-4759, facsimile

21. CAPTIONS

The captions contained in the Contract, Appendices, and its Exhibits are intended for convenience and reference purposes only and shall in no way be deemed to define or limit any provision thereof.