

**CONTRACT**  
**FOR**  
**TOURISM PUBLIC RELATIONS AND TRADE RELATIONS**  
**REPRESENTATION SERVICES - CONTINENTAL EUROPE MARKET REGION**  
**BETWEEN**  
**LIEB MANAGEMENT & BETEILIGUNGS GMBH**  
**AND THE**  
**OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM**  
**RFP No. 301-5-0382**

This Contract for Tourism Public Relations and Trade Relations Representation Services – Continental Europe Market Region, is made and entered into by and between the Office of the Governor, Economic Development and Tourism Office, hereinafter referred to as “OOG,” “EDT,” or “Texas Tourism,” and **Lieb Management & Beteiligungs GmbH**, hereinafter referred to as “Contractor.” OOG and Contractor are hereinafter referred to collectively as the “Parties.”

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## **A.1 DESCRIPTION AND REQUIREMENTS**

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### **A.1.1 Description of Services Required**

The purpose of this Contract is for provide the terms pursuant to which the Contractor will provide a comprehensive and strategic Travel and Tourism public relations and marketing campaign that fully integrates consumer, media, travel trade, and meetings market activities in the primary target markets of the Continental Europe Market Region, and provide “*ad hoc*” promotional and marketing services as directed in the secondary markets in the Continental Europe Market Region. The campaign shall create a responsible, accurate, and positive image of Texas, while effectively marketing and promoting the state as a premier travel destination in the primary target market and secondary markets in the Continental Europe Markets Service Region, as designated by OOG. The Contractor will be expected to implement, oversee, and measure all activities within the primary and secondary target markets of the Continental Europe Market Region. In addition to the terms and conditions of this Executed Contract, the following additional documents are incorporated into the Contract for all purposes subject to the Order of Precedence as provided in Section A.4.27: All Attachments to the Contract, RFP No. 301-5-0382, and Contractor’s Proposal, including any clarifications or supplemental information.

### **A.1.2 Primary Term of the Contract**

The Contract shall commence on the earlier of September 1, 2015 or the date of contract execution, and shall terminate on August 31, 2017, unless terminated earlier pursuant to Section A.1.4 of this Contract.

### A.1.3 Renewal and Extension Options

The OOG shall have the right to renew the primary term of the Contract for up to three additional one-year renewal periods, after which the contract may be extended once for up to six months. The OOG shall provide the Contractor with written notice of its intention to extend the term of the Contract in writing at least thirty (30) days prior to the Contract termination date. The primary term plus the optional extended term(s), if any, shall constitute the "contract period."

### A.1.4 Termination

- a. **Termination for Convenience.** The OOG reserves the right, in its sole discretion and at its sole option, to terminate this Contract, in whole or in part, without a penalty, by notifying Contractor in writing of such termination. Such notification of termination shall state the effective date of such termination and if no effective date is specified, the termination shall be effective upon the date of the notification. In the event of such a termination, Contractor shall, unless otherwise mutually agreed upon in writing, immediately cease all services or if an effective date is specified, cease all services on the effective date. The OOG shall be liable for payments limited only to the portion of work authorized by OOG in writing and completed prior to the effective date of cancellation, provided that OOG shall not be liable for any work performed that is not acceptable to OOG and/or does not meet contract requirements. All work products produced by Contractor and paid for by OOG shall become property of the OOG and shall be tendered upon request.
- b. **Termination for Default.** In the event that Contractor fails to provide the agreed upon services according to the provisions of this Contract, or fails to comply with any of the terms or conditions of this Contract, the OOG may, upon written notice of default to Contractor, immediately terminate all or any part of this Contract. Termination is not an exclusive remedy, but will be in addition to any other rights and remedies provided in equity, by law, or under this Contract.
- c. **No Liability Upon Termination.** If the Contract is terminated for any reason, the OOG and the State of Texas shall not be liable to Contractor for any damages, claims, losses, or any other amounts arising from or related to any such termination.
- d. **Remedies.** Notwithstanding any exercise by the OOG of its rights of early termination pursuant to this section, Contractor shall not be relieved of any liability to the OOG for damages due to the OOG by virtue of any breach of this Contract by Contractor or for amounts otherwise due the OOG by Contractor. However, Contractor may be entitled to the remedies provided in Texas Government Code, Chapter 2260 as described herein.

### A.1.5 Amendments and Changes

Any amendment or change to the contract performance requirements, whether by modification or supplement, must be accomplished by a formal contract amendment signed and approved by and between the duly authorized representatives of the Contractor and OOG. Neither party to this Contract will be bound by any oral statements, contracts, or representations contrary to the written contract requirements and terms and conditions.

The OOG reserves the right to amend this Contract through execution of a unilateral amendment provided to the Contractor with ten (10) days' notice prior to execution of the amendment under the following circumstances: (1) to correct an obvious clerical error in this Contract; (2) to incorporate new or revised federal or state laws, regulations, rules, or policies that are required to be included as part of the Contract; (3) to change the designated OOG mailing address for this Contract; or (4) to change the designated Contractor mailing address for this Contract.

#### A.1.6 Definitions

- A. **Acceptable Quality Level:** The level of performance for required services, as determined in the sole discretion of the OOG, below which the Contractor may not be paid, or Contractor may be required to re-perform or provide reimbursement to OOG.
- B. **Addendum:** A modification of the specifications issued by OOG and distributed to prospective Contractors prior to the opening of responses.
- C. **Advertising Equivalency Value:** Cost to the Contractor to make paid media placements of key messages on actual per-line cost for the publicity generated or other method per medium as agreed upon by the OOG.
- D. **Buyer FAM (Familiarization) Tour:** A complimentary or reduced rate travel program for qualified travel trade representatives (e.g., tour operators, travel agents, receptive tour operators, meetings and incentive planners, or other buyers) that includes some or all of the following: complimentary or reduced rate transportations, accommodation, attractions, admissions, and meals. A buyer tour is designed to acquaint participants with specific Texas travel destinations or suppliers to increase the participants' knowledge of the Texas tourism product and to encourage them to develop and/or expand travel packages to Texas. Buyer FAM Tours usually last between four (4) and seven (7) calendar days and usually include multiple Texas cities. Buyer FAM Tours may be individual or group tours.
- E. **Contract:** The contract awarded as a result of RFP No. 301-5-0382 and all exhibits thereto, this RFP, any addendum issued in conjunction with this RFP, the successful Contractor's proposal, any BAFO, and subsequent submission by Contractor, shall all be fully incorporated therein as exhibits.
- F. **Contractor:** Lieb Management & Beteiligungs GmbH.
- G. **Convention and Visitors Bureau (CVB):** A local organization supported by hotel/motel occupancy taxes, government budget allocations, private memberships or a combination of any of these funding mechanisms. A CVB encourages groups to hold meetings, conventions, and trade shows in its city, offers assistance for these meetings, and promotes tourism to its city. In some communities these activities may be accomplished by a Chamber of Commerce.
- H. **Cooperative Marketing:** Marketing and/or promotional activity in which OOG and at least one (1) other partner pool their resources to provide effective and attractive marketing and promotional opportunities.
- I. **Destination Marketing Organization (DMO):** A category of membership of various travel trade associations that includes state or provincial tourism offices, convention and visitor bureaus, and chambers of commerce, and similar organizations, which promote a city, region, or state as a travel destination.
- J. **Editorial Calls:** Telephone calls or personal visits conducted to encourage media coverage of Texas.
- K. **Feature Brief:** A release distributed to the media that is typically more detailed than a news release and describes and promotes an aspect(s) of Texas travel. Feature briefs are designed to

generate placements of feature stories.

- L. **Fulfillment Materials:** Pamphlets, brochures, travel guides, press kits, and any such materials that may be requested by individuals, travel trade, or media.
- M. **Historically Underutilized Businesses (HUBs):** Business that is at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman, and/or Service Disabled Veteran, who reside in Texas and actively participate in the control, operations, and management of the entity's affairs. See, Texas Government Code, Title 10, Subtitle D, Chapter 2161, 34 Texas Administrative Code, Chapter 34, Subchapter B. <http://www.window.state.tx.us/procurement/prog/hub/>.
- N. **Media:** Includes, but is not limited to, consumer and trade broadcast (e.g., radio, television), print (e.g., newspapers, magazines), and interactive computer/mobile device media (e.g., Internet, World Wide Web, Social Media).
- O. **Media FAM (Familiarization) Tour:** A complimentary or reduced rate travel program to Texas for qualified members of the most effective trade and consumer media in order to promote travel to Texas. Media FAM Tours may include complimentary or reduced rate transportation, accommodations, attractions admissions, and meals. A Media FAM Tour is designed to acquaint media with specific Texas destinations and/or travel experiences to encourage and generate positive media coverage about travel to Texas. Media FAM Tours can last up to seven (7) calendar days and usually, but not always, include travel to multiple Texas cities.
- P. **Media Measure:** Term used to describe the dollar value (U.S.) of non-paid media coverage of Texas.
- Q. **Media Mission:** A concentrated Public Relations effort consisting of one-on-one editorial appointments for Contractor account team members and/or OOG representatives and/or Texas travel industry partners with key representatives of targeted media for the purpose of generating positive media coverage about Texas and travel to Texas. A media mission may include other promotional or special events and is usually conducted within a specific geographic market during a brief period of time and can include multiple destinations.
- R. **Monthly Service Fee:** The fixed monthly fee charged by the Contractor to fully compensate the Contractor, and supporting subcontractors if applicable, for the costs of all of the Contractor's in-house services and expenses required to complete work under this Contract. Such expenses include: all labor, including, but not limited to, all agency account service time; project and account management, direction, supervision, and coordination; writing and editing of newsletters, speeches, news releases feature briefs, print and electronic clippings services, press kits, social media, etc.; strategic counsel; crisis management; accounting and billing; administrative support; legal services and fees; plans and reports; facilities; equipment, as required to meet the contract performance requirements. The monthly service fee also includes all incidental and normal business operating expenses, such as local and long distance phone (landline and mobile) calls; facsimile; routine travel; postage; local courier service; internal copying; supplies; materials, parking and other ongoing services performed or required for routine performance. The monthly service fee does not include Reimbursable Expenditures (A.1.6(Z)).
- S. **Motor Coach:** An over-the-road passenger coach or mini-bus with driver that transports buyer and media group FAM tour participants and their luggage within the state.

- T. **News Releases:** A one or two-page printed or electronic document (with or without photographs and captions) or a video describing one or more aspects of the Texas travel product sent to the media and designed to generate a hard news story placement. News releases may be distributed via a variety of means including, but not limited to, mail, fax, Internet (World Wide Web), and/or, satellite broadcast. News releases may also be referred to as press releases.
- U. **Print, Digital, and Broadcast Publicity:** Publicity generated in a printed publication, online, digital, social media or broadcast (TV or radio) format.
- V. **Proactive Contact:** Contacts (telephone call, email or personal meeting) with key representatives of targeted media and/or travel trade proactively conducted by the Contractor to encourage media coverage (media contact) and/or development of travel packages featuring Texas travel product (trade contact).
- W. **Product Educational Seminar:** An independent destination marketing seminar for pre-qualified travel trade in target markets that is designed to inform and educate travel trade sales staff about Texas tourism products and services. A product educational seminar may be held in conjunction with other special events such as a trade show, sales mission, product launch, marketing or promotional event, meal function, reception, or similar event. Product educational seminars may be conducted in conjunction with Texas tourism partners or in-market travel industry partners.
- X. **Product Launch:** An event or series of events designed to present Texas suppliers' new and/or expanded tourism products to retail travel agents, tour operators, group leaders, meeting planners, media, and others in target markets. A product launch may include special events, such as a trade show, product seminar, press event, promotional function, meal function, reception or similar event.
- Y. **Promotions:** Media, travel trade, tie-in, and/or consumer direct marketing ventures (e.g., sweepstakes, reader holidays, trip giveaways, contests, etc.) that maximizes the awareness of travel to Texas and/or the Texas travel product by reaching a mass audience through a variety of media, trade outlets or consumer direct tactics.
- Z. **Reimbursable Expenditures:** Reasonable actual expenses necessary for the performance of the services under the Contract, excluding routine costs to be included within the Monthly Service Fee (A.1.6.R.). All reimbursable expenditures must be pre-approved, in writing, by OOG and subject to the requirements and limitations of Section A.2.13.
- AA. **Sales Mission:** A concentrated marketing effort consisting of one-on-one sales contacts and other promotional activities and special events between the Contractor's account team and/or OOG representatives and/or Texas travel industry partners, and key travel trade for the purpose of encouraging tour operators, travel agents, meetings market professionals or other buyers to develop and sell travel to Texas. A sales mission may include other promotional or special events and is usually conducted within a specific geographic market during a brief period of time and can include multiple destinations.
- BB. **State of Texas Business Day:** Monday through Friday, 8:00 a.m. through 5:00 p.m., except for scheduled State of Texas and national holidays.
- CC. **State of Texas Fiscal Year:** The period beginning September 1 and ending August 31.
- DD. **Suppliers:** Attractions, accommodations, CVBs, and other businesses and organizations which

supply tourism products.

**EE. Target Markets** (in order of importance)

1. Primary Continental Market Service Region: Germany
2. Secondary Continental Europe Market Region Markets: France
3. Secondary Continental Europe Market Region Markets: Netherlands
4. Secondary Continental Europe Market Region Markets: Other European Markets as directed

**FF. Texas Partners:** OOG, EDT, and any Texas tourism industry representatives or suppliers participating in a given marketing and/or promotional activity.

**GG. Texas Tourism:** A program within the OOG that is responsible for promoting travel to and enhancing tourism development in Texas.

**HH. Travel Trade:** Retail travel agents, tour operators, group leaders, wholesalers, receptive tour operators, meetings market travel professionals and planners, corporate travel divisions, and other buyers and/or packagers of tourism products.

**II. Wholesalers:** Individuals or companies that accumulate tour packages for sale to the travel industry, including, but not limited to, tour operators, and travel agents.

**JJ. Work Product:** All documents, reports, statistical analyses, work papers, work products, materials, approaches, designs, specifications, systems, documentation, methodologies, concepts, research, materials, intellectual property or other property developed, produced, or generated in connection with this Contract, including, but not limited to, newsletters, speeches, news releases, feature briefs, print and electronic clippings, press kits, advertising copy, social media, data, and/or data compilations, print and digital invitations, photographs, mats, video, display materials, and other collateral prepared, developed, supplied, commissioned, gathered or generated by the Contractor in the performance of its obligations under this Contract, and/or provided by the OOG or any other person or entity to the Contractor in order that it may perform the services required under this Contract

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## **A.2 STATEMENT OF WORK – SERVICE REQUIREMENTS**

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### **A.2.1 Marketing and Public Relations Requirements**

OOG strives to use the most innovative and cost-effective marketing programs to raise awareness of Texas as a premier travel destination. This is accomplished by aggressively marketing and promoting the state to consumers, the media, and the travel trade industry (including the meetings market). With this in mind, the Contractor shall have the following goals while providing public relations and trade relations services for OOG to raise awareness on a state, national, and international level of Texas as a premier travel destination:

- a. Generate maximum positive press coverage;
- b. Manage all Texas Tourism marketing efforts as directed;
- c. Manage Texas Tourism social media promotion in Target Markets as needed and directed;
- d. Conduct high profile consumer, media, and travel trade promotions;
- e. Promote and market Texas as a travel destination to generate qualified travel trade and media leads for Texas travel industry partners, generate Texas travel packages, and ultimately travel to

Texas;

- f. Successfully coordinate the Texas Tourism marketing efforts at the ITB and IMEX Frankfurt travel trade shows;
- g. Create effective cooperative marketing programs that provide maximum partner participation; and
- h. Generate measurable results from public relations and marketing efforts including: advertising equivalency value of positive media coverage generated, exposure of the Texas travel product to targeted consumers, and tour product development.

Contractor shall utilize the target measures included in its proposal/response to RFP No. 301-5-0382 as approved by the OOG to evaluate work in reaching the goals.

#### **A.2.2 Creative Services**

The Contractor shall be responsible for coordinating the production of presentation, promotional and collateral materials as required to meet the contract performance requirements, including but not limited to: press releases, collateral, print and digital invitations, photographs, mats, filming, editing, equipment rentals, display materials (including trade show booths), and brochures.

#### **A.2.3 Key Messages**

The Contractor shall propose a public relations campaign that:

- a. Uses communications strategies and messages that are at all times commensurate with standards deemed appropriate by the OOG in its sole discretion.

#### **A.2.4 Marketing and Public Relations Initiatives**

To meet OOG's tourism Mission and to fulfill the Marketing and Public Relations Requirements detailed in (A.2.1), Contractor will provide the following services needed to provide tourism public relations:

a. **Consumer Promotions.** Conduct aggressive and attractive consumer promotions (A.1.6(Y)) to maximize awareness of the Texas travel product by reaching a mass audience through a variety of media, trade outlets, or consumer direct tactics.

##### **b. Media Relations.**

1. Conduct media relations activities with key consumer and travel trade media in target markets to generate media placements of key messages that result in maximum positive publicity of Texas as a premier travel destination.
2. Concentrate media relations activities during key travel planning seasons in target markets that provide the greatest potential to enhance the effectiveness and extend the reach of OOG's planned advertising activities.
3. Media relations activities may include, but are not limited to: proactive media contacts; press releases; feature briefs; responses to and fulfillment leads; production, storage and fulfillment of collateral and promotional materials; press kits; press conferences; video; b-roll tapes; presentations; brochures; promotional items; newsletters; mat releases; photographs; editorials; translation of materials; editorial visits; interviews; media missions; FAM tours; product launches; promotions; events; clipping services; and rental of venues.

4. Develop and regularly update an editorial calendar that supports OOG's planned advertising and marketing activities, key tourism seasons, prominent destinations and activities, regional and historical attractions, niche markets, and new tourism products. The calendar shall track and respond to media placement opportunities throughout the year for Texas in key regional, national, and international consumer and trade media.

#### **A.2.5 Travel Trade Relations**

- a. Promote Texas Tourism with the assistance of key travel trade industry representatives by conducting travel trade relations activities and marketing initiatives to the most effective travel trade businesses in each market to contribute to the development of the Texas tour product.
- b. Travel trade activities may include, but are not necessarily limited to: proactive trade contacts to market the Texas travel product; responses to and fulfillment of leads; production, storage, and fulfillment of collateral and promotional materials; marketing DVDs; presentations; brochures; promotional items; newsletters; photographs; slides; translation of materials; FAM tours; sales missions; trade shows; educational seminars; product launches; promotions; events; etc.
- c. Successfully coordinate the Texas Tourism marketing presence at the ITB trade and consumer show and IMEX Frankfurt meetings and market show.

#### **A.2.6 Response Tracking**

The Contractor shall track and maintain records and all publicity of all Contractor-assisted placements promoting Texas tourism within each market. The Contractor shall use a standard method, approved by OOG, to calculate and report the Advertising Equivalency Value for all publicity generated. The Contractor shall report on the types and amount of media placements generated from activities specified in A.2.4.

#### **A.2.7 Plan of Action**

During the first performance period of the Contract, Contractor shall implement the workplan proposed in its proposal/response to RFP No. 301-5-0382 as approved by the OOG.

On or before June 1st of each year beginning after the effective date, the Contractor shall be responsible for development and submission of an annual Plan of Action for the services the Contractor proposes to undertake in all markets during the upcoming fiscal year. The Plan of Action shall include the Contractor's evaluations and recommendations for all proposed activities and projects, to be undertaken in each market, that will most effectively position Texas as a premier travel destination and create market awareness of and stimulate interest in travel to Texas among consumers, the media, and travel trade. Appropriate market research and planning should be conducted and provided in order to determine the most effective and cost efficient public relations effort. The Plan of Action must include a detailed budget for all proposed projects, activities, services to be performed, as well as recommendations of specific goals and measurements that demonstrate the success of the Plan of Action in meeting the goals and objectives outlined in Section A.2.1. The Plan of Action must be approved by OOG prior to implementation. Any changes made to the Plan of Action throughout the year must be approved by OOG in writing.

#### **A.2.8 Marketing Plan**

Upon OOG approval, the Plan of Action will be adopted and serve as the Public Relations and Marketing Plan. Contractor shall operate in accordance with an approved, detailed, written marketing plan, including budget allocation for using public relations and marketing activities (consumer, media and trade relations) to market and promote Texas as a premier travel destination in primary target markets and, when directed, activities in secondary target markets. The Marketing Plan must meet or exceed the goals and objectives identified in A.2.1.

#### A.2.9 Performance Measurement

OOG holds the following expectations for execution of work and how it will be performed:

- a. **Research and Planning.** Appropriate market research and planning should be conducted in order to determine the most effective and cost-efficient public relations effort. Activities should reinforce creative messages and appeal to the targeted audiences. The Contractor shall instigate long term planning, yet also be responsive to immediate opportunities that arise suddenly to ensure the most effective and cost-efficient marketing is utilized. The Contractor shall become familiar with and use travel research data and information made available by OOG and shall incorporate such research into campaign strategies. OOG's travel research reports are available at [www.travel.state.tx.us](http://www.travel.state.tx.us).
- b. **Timelines.** OOG and the Contractor shall determine projected timelines at the onset of individual projects. Every effort should be made to produce public relations materials well ahead of the determined deadlines. Proofs of collateral and other promotional materials shall be submitted to OOG in a timely manner so that editing is implemented, approval given, and deadlines met.
- c. **Reports.** The Contractor's account team, in coordination with OOG's designated representative, shall compile and maintain an ongoing project sheet, containing project information such as name, anticipated date of completion, and date received, along with pertinent deadlines and contact information. Monthly, quarterly, and annual status reports shall be provided to OOG.
  1. **Monthly Report.** This report shall be delivered to OOG no later than the fifteenth (15) business day of each month and shall include the following:
    - a. **Response Tracking Report** - includes a log sheet that records all monthly media placements generated during the prior month's period, including but not limited to, number of media value generated with explanations of media calculation, circulation, title of publication/program, title of article, media type, publication date, and description of activity that generated the article/program. Copies of all clips listed on the log sheet shall be included in the monthly report;
    - b. **On Going and Completed Projects Update** - a description and evaluation of all on-going projects and activities completed by the Contractor (including all necessary back-up) during the prior month's period, including but not limited to, all services and work products (e.g., materials production/distribution, industry events, research, media relations, trade relations, special events, promotions, cooperative marketing ventures, etc.). An original copy of all materials produced shall be included with the report; and
    - c. **Accounting Report** - a monthly accounting of the prior month's expenditures, including the monthly service fee and all reimbursable expenditures by project, projected future expenditures, a cumulative total of expenditures for the fiscal year and contract period, and available budget balances for the remainder of the contract period and fiscal year.

2. **Quarterly Report.** Within thirty (30) days following the close of each quarter, the Contractor shall submit to OOG a written quarterly report of the Contractor's work and activities. The quarterly report shall include:
- a. **Log of Pro-Active Trade Contacts** - a log of all quarterly and annual pro-active trade contacts made during the prior quarter;
  - b. **Log of Pro-Active Media Contacts** - a log of all quarterly and annual pro-active media contacts made during the prior quarter;
  - c. **Mini-Texas Resource Center** - a log of all quarterly consumer, media, and travel trade inquiries received and fulfilled during the prior quarter, including the nature of the inquiries and all other pertinent information, and an inventory report of OOG materials on hand to fulfill inquiries;
  - d. **Response Tracking Report** - includes a log sheet that records all quarterly and annual media placements generated during the prior quarter, including all required media clips;
  - e. **Subcontracting Report** - a quarterly report of all use of subcontractors during the month, including a listing of each subcontract made with HUBs (including certification number) and non-HUBs, the amount of each subcontract, subcontractor names and addresses, and the total dollar value of all subcontracts issued to HUBs and the total dollar value of all subcontracts issued to non-HUBs, and including a summary accounting of invoices received and payments made to subcontractors for services performed;
  - f. **Media List** - an electronic copy, in a Microsoft Office compatible format of the media data base the Contractor has used for media relations activities under this contract;
  - g. **Travel Trade List** - an electronic copy, in a Microsoft Office compatible format of the travel trade data base the Contractor has used for travel trade relations activities under this contract;
  - h. **Performance Update** - a report, including all relevant figures, on the Contractor's progress during the previous quarter toward meeting key contract performance standards and Contractor's evaluations and recommendations for meeting the annual performance standards targets. The report shall include quarterly totals for:
    - 1. progress toward achieving tour product development goal, including the number of packages to Texas destinations maintained and developed by travel trade businesses;
    - 2. amount of media value generated;
    - 3. number of consumers reached via Contractor generated promotions;
    - 4. number of pro-active media contacts; and
    - 5. number of pro-active trade contacts.
  - i. **Texas State Library Filings Report** - a report and listing of all work product (e.g., brochures, films, recordings, reports, documents, etc.) produced under the contract that are subject to filing with the Texas State Library;
  - j. **Crisis Management** - a report on all crisis management situations that occurred during the previous quarter, including an assessment of the actions taken to address the situations and speed recovery, the Contractor's evaluations and recommendations for any necessary actions or changes to the public relations and marketing plan; and
  - k. **Contractor's Evaluations and Recommendations** - Contractor's evaluation on all services (including all work projects and work products) performed under the Contractor's Plan of Action during the previous quarter and any recommendations for improvements, including plan revisions and additional services proposed for future implementation.

#### **A.2.10 Annual Report**

On or before September 15th of each year of the contract beginning after September 1, 2016, the

Contractor shall submit to the Director of Tourism a written annual report that provides a comprehensive overview of the performance of the Contractor's representation services, including, but not limited to, a review of all campaign activities, major accomplishments, performance summaries (including all performance measures), and industry awards received.

#### **A.2.11 Contracted Account Staff**

The Contractor shall dedicate qualified professional staff who are experienced in consumer, media, travel trade, and meetings market relations to work on OOG's tourism account in the primary market and in secondary target markets as directed. The Contractor must dedicate an account manager to oversee all activities in the Continental Europe Market Region including, but not limited to, coordinating public relations and marketing campaigns in the primary market and, if directed in secondary markets, account management, accounting for the entire contract, billing, and reporting. The account manager will be OOG's primary day-to-day contact. The account manager shall be at the physical office as described below in Section A.2.12. The Contractor may fulfill public relations and marketing activities in the primary and secondary markets through the use of subcontractors. Personnel must include key account team members within each market who must work from the offices described in Section A.2.12 below. Key account team members shall be responsible for day-to-day activities required to support and service OOG's tourism account in the primary and secondary markets. Key account team members located in each market must be proficient in the English language and experienced in working on public relations and travel trade relations accounts within the respective market. OOG reserves the right to approve and accept key personnel. The Contractor must notify OOG in writing if key personnel cannot continue on the account, and OOG must approve replacement personnel. Unless otherwise agreed to by the OOG, all key personnel must be experienced in working on accounts similar in nature and budget size to OOG's account and should be experienced in providing public relations services for tourism, travel and/or destination marketing organizations.

#### **A.2.12 Physical Office**

Within the first thirty (30) days following the award of the contract, the Contractor shall have established, and shall maintain throughout the contract period, a fully operational physical office within Germany. The office shall be adequately staffed and equipped at all times to provide day-to-day operations to support and service OOG's tourism account in the Target Markets. Unless otherwise agreed to by the OOG, all key members of the Contractor's account team shall be located at, and provide day-to-day operations from, the Contractor's office within that market.

#### **A.2.13 Reimbursable Expenses and Cost Estimates**

OOG will reimburse Contractor for actual expenses incurred in the performance of the services under the Contract, if such expenses are reasonable and either necessary or advisable. Contractor must provide copies of original invoices or receipts as evidence of actual expenditures. Limitations on the amount and type of reimbursement include:

- a. **Procedure for Reimbursable Expenses.** The Contractor must provide a sufficient explanation of the nature and purpose of all charges for expenses and provide sufficient documentation to establish that such charges are reasonable and either necessary or advisable.
  1. Prior to incurring any reimbursable expense, the Contractor shall submit a cost estimate that includes a description of the work to be performed for advance, written approval by OOG. All purchases of reimbursable goods and services are subject to OOG's then current

competitive procurement procedures. When soliciting competitive bids, the Contractor shall provide appropriate bid information or documentation if requested by OOG with a cost estimate, along with the Contractor's recommendation for OOG's approval.

2. Upon OOG approval of cost estimates, the Contractor shall complete the project as stated and agreed upon in accordance with the approved cost estimate.
  3. The Contractor shall maintain and make available for inspection or review the financial information and data used by it in the preparation or support of any cost submission or cost, price or profit analysis required by the OOG under this Contract or any negotiated subcontract and a copy of the cost summary submitted to OOG.
  4. If the OOG provides prior written approval signed by an authorized official, the OOG reserves the right to reimburse Contractor for expenses that are different in type or amount from those described herein.
- b. **Mileage.** OOG will reimburse Contractor for reasonable and necessary (non-routine) personal or company automobile travel mileage at the lesser of actual costs or the per mile rate posted on the Texas Mileage Guide on the Texas Comptroller of Public Accounts' website at <https://fm.xcpa.state.tx.us/fm/travel/travelrates.php>.
- c. **Meals and Lodging.** Unless prior written approval of the OOG is provided, the OOG will reimburse Contractor for reasonable and necessary meal/per diem expenses and lodging at the lesser of actual costs or the maximum U.S. dollar rates for reimbursement of U.S. Government civilians traveling on official business in foreign areas established by the U.S. State Department, Office of Allowances, posted on the U.S. State Department website at [http://aoprals.state.gov/content.asp?content\\_id=184&menu\\_id=78](http://aoprals.state.gov/content.asp?content_id=184&menu_id=78)
- d. **Airfare.** Airfare will be reimbursed at the lesser amount of the actual expense or the regular published rates for airfares for commercial airlines. OOG will not reimburse Contractor for expenses relating to first-class or business class airfare.
- e. **Subcontractor Expenses.** Except as to any subcontractor payments relating to Contractor's provision of in-house services that are included in Contractor's monthly fee as described by Section A.1.6(R), OOG will reimburse Contractor for the actual, reasonable and necessary expenses relating to Contractor's use of subcontractors. Contractor shall be solely responsible for any payments and other claims due to subcontractors for work performed under this Contract. If required for the receipt of goods and/or services provided by a subcontractor, the OOG may, in its sole discretion, approve a Contractor's request to provide advance payment of all or part of the reimbursable expenses associated with subcontractor's performance. Any such approval must be in writing, signed by an authorized official of the OOG.
- f. **Postage.** OOG will reimburse the Contractor for the actual cost of purchase of postage required for fulfillment or other operations conducted on behalf of OOG, except that postage required for the Contractor's normal business operations which shall be included in the monthly service fee.
- g. **Gratuities/Alcohol.** OOG will not reimburse Contractor for tips, gratuities, or for the purchase of alcohol.
- h. **Reimbursement for OOG Employee Expenses.** OOG will not reimburse Contractor for the cost of expenses incurred by OOG employees.

- i. **No Mark-up.** Contractor will only be reimbursed for actual expenses. Contractor shall not be reimbursed for any mark-up or other overhead costs.

#### **A.2.14 Crisis Management**

The Contractor shall provide ongoing crisis management services in the Target Markets as needed and directed by OOG.

#### **A.2.15 Coordination of Efforts**

When appropriate, and as required by OOG, the Contractor shall coordinate activities with other OOG contracted firms (e.g., advertising, research, etc.), other state agencies and local, regional, and state-wide tourism industry associations and organizations involved with or affected by services provided under this Contract.

#### **A.2.16 Subcontractors**

In the event that the Contractor should determine that it is necessary or expedient to subcontract for any of the performances herein, the Contractor shall (i) submit cost estimates; (ii) submit a copy of the proposed subcontract to the OOG if requested; and (iii) obtain the written approval from the OOG before subcontracting for the subject performances. Any use of subcontractors for the provision of Contractor's in-house services that are included in Contractor's monthly fee as described by Section A.1.6(R) shall be clearly identified in Contractor's proposal.

In no event shall this section or any other provision of this Contract be construed as relieving the Contractor of the responsibility for ensuring that all performances rendered under this Contract, and any subcontracts thereto, are rendered in compliance with all of the terms of this Contract. Subcontractors providing services under this Contract shall meet the same requirements and level of experience as required of Contractor.

The Contractor, in subcontracting for any performances specified herein, expressly understands and agrees that the OOG shall not be liable in any manner to the Contractor's subcontractor(s). Contractor may identify the State of Texas or the OOG as the intended recipient of goods or services under a subcontract, but Contractor is not authorized to execute any contract directly obligating the OOG to payment for goods or services or otherwise identifying the OOG as a party to the contract. Neither the execution of this Contract, nor any other conduct of any representative of OOG or Contractor relating to the Contract, shall be considered a waiver of sovereign immunity to suit against the OOG or the State of Texas.

In accordance with Texas Government Code, Chapter 2251 (Texas Prompt Payment Act), the Contractor shall, upon receipt of payment from the OOG, pay a subcontractor the appropriate share of the payment not later than the 10th day after the date the vendor receives the payment. Upon request of the OOG, Contractor shall provide documentation in a form acceptable to the OOG to support confirmation of payments made by Contractor to subcontractors.

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### **A.3 FINANCIAL MATTERS**

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#### **A.3.1 Contract Total**

The parties stipulate and agree that the OOG's total liability to Contractor, including consideration for the full, satisfactory and timely performance of all its duties, responsibilities and obligations, and for reimbursement of all expenses, if any, as set forth in this Contract or arising out of any

performance herein shall not exceed SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$700,000.00) for the fiscal year beginning September 1, 2015 through August 31, 2016. Any increase(s) in the contract amount for subsequent fiscal years, any renewals or extensions, or as a result of increases in available funding shall require an amendment to the Contract pursuant to section A.1.5, which will specify the new line item amount and new contract total.

The parties agree that any act, action or representation by either party, their agents or employees that purports to increase the contract total is voidable by the OOG, unless this Contract is amended pursuant to this section.

### **A.3.2 Continued Appropriations**

This Contract is contingent upon the continued availability of appropriated state funds. This Contract shall terminate, without liability or penalty to OOG, in the event that appropriations are not available.

### **A.3.3 No Debt Against the State**

This Contract shall not be construed as creating any debt by or on behalf of the State of Texas, and all obligations of the State of Texas, regarding this Contract, are subject to the continued availability of funds, per Section A.3.2.

### **A.3.4 Purchase of Services**

The OOG cannot and does not guarantee the purchase of particular level, quantity, or utilization of any services during the contract period (including any optional contract renewal or extension periods). All quantities of services and work products (excluding the Contractor's monthly services fee) shall be purchased upon OOG's request, in "as needed" quantities, on an "as needed" basis, as determined by OOG.

### **A.3.5 Contract**

The OOG shall issue written notice for all contract, contract renewal or extension notices, and authorizations for the purchase of services specified in the contract performance requirements. No authorization for the purchase of any services is provided until the Contractor/Contractor receives such written notice.

The Contractor shall identify the person authorized to receive direction from OOG, to manage the work being performed, and to act on behalf of the Contractor ("Authorized Representative"). The Contractor shall ensure that its Authorized Representative, or his or her designee, is available at all times for consultation with OOG.

### **A.3.6 Delivery**

All deliveries shall be made in accordance with the contract requirements. If the Contractor foresees problems, delays or adverse conditions that may prevent the Contractor from meeting delivery requirements, the Contractor shall give written notice to OOG which explains the reason(s) for the delay and which provides an alternate delivery for OOG approval. OOG has the right to extend delivery date if reasons appear valid to OOG, at its sole discretion. The Contractor shall keep OOG advised at all times of delivery status. Default in promised delivery (without accepted reasons) authorizes OOG to purchase services elsewhere and charge full increase, if any, in costs and handling to the defaulting Contractor. No substitutions or cancellations shall be permitted without prior

written approval of OOG. Default in delivery may result in termination of the contract, for reason of default, in accordance with paragraph A.1.4(b).

### **A.3.7 Acceptance of Work Performed**

All work performed by the Contractor shall be accepted in writing by an authorized official of the OOG before payment will be approved. Acceptance shall be based upon Contractor's compliance with all contract requirements. OOG will not pay for work which is of poor quality and/or fails to fully comply with the contract requirements. Should OOG determine, in its sole discretion, that the Contractor's work is of poor quality and/or Contractor fails to perform services which comply with the contract requirements, OOG may require the Contractor to promptly re-perform the services in conformity with the contract requirements at no additional cost to OOG, or OOG may reject payment of invoices for Contractor's work without penalty or further obligation to the Contractor. OOG may further require new performance or a refund in the event that work is discovered after payment has been made to be either unauthorized or below the Accepted Quality Level. Failure to perform work in compliance with all contract requirements may result in termination of the contract for reason of default, in accordance with A.1.4(b).

### **A.3.8 Invoicing and Payment**

- a. The Contractor shall submit itemized monthly invoices for all services completed, delivered to and accepted by OOG, per the contract requirements.
- b. Invoices shall be submitted once every thirty (30) days. Invoice amounts shall be in U.S. dollars. Each invoice shall reference the OOG RFP No. 301-5-0382. All invoices shall be made payable to the Contractor at the address shown on the contract.
- c. Invoices and payment inquiries shall be submitted directed to:  
Accounts.Payable@gov.texas.gov or by mail to:  
Office of the Governor  
Accounts Payable  
P.O. Box 12878  
Austin, Texas 78711-2878
- d. Each invoice is subject to review and approval by OOG before payment will be processed. Normal payment processing time for services which have been completed, delivered to, and approved by OOG is thirty (30) calendar days after receipt of a valid, uncontested invoice. OOG will incur no penalty for late payment if payment is made in thirty (30) or fewer days from receipt of goods or services and an uncontested invoice. Payments shall be made in accordance with Chapter 2251, Texas Government Code (Texas Prompt Payment Act).
- e. The Contractor shall bill and OOG will make payment to the Contractor for approved costs incurred in accordance with the following:
  1. **Monthly Services Fee.** OOG will pay the monthly service fee for services performed in accordance with the requirements of the Contract. Fees will be as set forth in Contractor's Fee Schedule, which shall be an Addendum to the Contract. Invoices for partial month's services shall be pro-rated and paid based upon a 30-day work period (month).
  2. **Reimbursable Expenditures.** All reimbursable expenditures incurred by the Contractor on OOG's behalf, including those made by the Contractor's subcontractors, shall be billed at

actual costs. OOG will make payment to the Contractor for such reimbursable costs for that OOG has pre-approved in writing, a Contractor's estimate (including all supporting documentation) and for which the Contractor has incurred costs, provided such services have been approved, completed, and received by OOG during the contract period. The Contractor's invoices submitted to OOG for payment shall include the following information:

- a. Original approved project estimate (with the OOG's written approval) and documentation of any variation from estimate, including signed change order, if applicable; and
  - b. Proper bid documentation, when applicable, and receipts for all purchases and expenditures.
- f. Any invoice that does not comply with the minimum requirements stated above, or that does not comport with the limitations on expenditures as set forth in Section A.2.13, may not be considered valid and may be subject to rejection and/or return to the Contractor.
- g. Upon satisfactory completion by the Contractor of all the tasks identified in the contract, acceptance of such tasks by OOG, and OOG's release of any payment holds, the Contractor will be paid the unpaid balance of any money due for such tasks in accordance with the payment terms outlined in the contract. The Contractor agrees that determination of satisfactory completion will be based entirely on the judgment of the staff of OOG. The Contractor further agrees that OOG and its staff are not liable for any damages to Contractor or any subcontractors for claims arising from the enforcement of the requirements of this Section A.3.8.

#### **A.3.9 Accounting Systems**

The Contractor shall have an accounting system that accounts for costs in accordance with generally accepted accounting principles. The Contractor's accounting system must include an accurate and organized file/records system for accounting and financial purposes for providing backup materials for billings.

As a prerequisite to the OOG's ability to process any payments to Contractor under this Contract, Contractor shall provide the OOG with required tax and payee identification information in the form of a completed "Application for Texas Identification Number" (available on the Comptroller of Public Accounts' website at <http://www.window.state.tx.us/taxinfo/taxforms/ap-152.pdf>). If Contractor has previously completed the required documentation to obtain a Texas Identification Number (TIN) prior to the effective date of this Contract, Contractor may satisfy this requirement by providing the OOG with Contractor's current TIN, name, and address to permit the OOG to verify registration in the TINS System with the Texas Comptroller of Public Accounts.

#### **A.3.10 Inspections**

Throughout the contract period, all services, including all work products, shall be subject to inspection and test by authorized OOG representatives. OOG reserves the right, at all reasonable times, to have access to and inspect all goods and services being provided by the Contractor and its subcontractors, including but not limited to, all facilities, equipment, supplies, and pertinent records or written material relating to the contract requirements. Failure of the Contractor and its subcontractors to provide reasonable access to authorized OOG representatives who desire to perform such inspections or tests, or failure of services to comply with the contract terms shall be deemed unacceptable. In the event inspected or tested services are deemed unacceptable by OOG for failure to meet or exceed all contracts requirements, the cost of the sample used and the cost of testing shall be borne by the Contractor.

### A.3.11 Audit, Access to Records

- a. **Contractor Cooperation.** Contractor will cooperate fully in any monitoring, inspection, assessment, review or audit conducted by the OOG or its authorized representatives related to any services provided under this Contract or billed to the OOG. Contractor will remedy in a timely manner, any weaknesses, deficiencies, contract noncompliance, or audit exceptions found as a result of a review by the OOG or its authorized representatives. Such remedy may include a refund or offset of contract payments or any other appropriate actions deemed necessary by the OOG. Contractor's failure to comply with this requirement shall be grounds for termination of the contract, for reason of default, in accordance with Section A.1.4(b).
- b. **Access to Records.** The OOG, through any of its duly authorized representatives, shall have access to books, records, documents, financial records and any other information, pertinent to performance of all work under this Contract for the purpose of audit, review, inspection, copying, and/or audit. This right of access applies to services performed by, or financial records pertaining to, all subcontracts and subcontractor services. The Contractor shall provide proper facilities for such access and inspection, or otherwise promptly make such records available to the OOG or its authorized representatives through the production or copying of any documents or information required by the OOG at Contractor's expense.
- c. **Records Retention.** Records shall be maintained and made available during the entire performance period of this Contract and until seven (7) years from date of final payment by OOG for the services provided under this Contract. In addition, those records relating to any dispute, litigation, or the settlement of claims arising out of such performance, or costs or items to which an audit exception has been taken, shall be maintained and made available until completion of such action and resolution of all issues which arise from it, or until the end of the aforementioned seven (7) year period, whichever is later.
- d. **State Auditor.** In addition to and without limitation on the other audit provisions of this Contract, pursuant to Section 2262.154 of the Texas Government Code, the State Auditor's Office may conduct an audit or investigation of Contractor or any other entity or person receiving funds from the OOG directly under this Contract or indirectly through a subcontract under this Contract. The acceptance of funds by Contractor or any other entity or person directly under this Contract or indirectly through a subcontract under this Contract is acceptance of the authority of the State Auditor's Office to conduct an audit or investigation in connection with those funds. Contractor or other entity 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. Contractor further agrees to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested. Contractor shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through Contractor and the requirement to cooperate is included in any subcontract it awards. The State Auditor's Office shall at any time have access to and the right to examine, audit, excerpt, and transcribe any pertinent books, documents, working papers, and records of Contractor related to this Contract.
- e. **Transition to New Contractor.** The Contractor shall allow such access to the work product it has created for OOG hereunder as may be necessary to enable any new OOG Contractor of Tourism Public Relations and Trade Relations Representation Services Continental Europe Markets Region to accomplish a smooth transition to the new Contractor

### **A.3.12 Delivery of Notices.**

Any notice required or permitted under this Contract by one party to the other party must be in writing and correspond with the contact information noted in this section. At all times, Contractor will maintain and monitor at least one active electronic mail (e-mail) address for the receipt of Contract-related communications from the OOG. It is the Contractor's responsibility to monitor this e-mail address for Contract-related information.

- a. **Contractor's Contact Information.** The mailing address of the Contractor for all notices is:

Ralf Lieb, Managing Director  
Lieb Management & Beteiligungs GmbH  
Bavariaring 38  
Munich, Germany  
[ralf@lieb-management.de](mailto:ralf@lieb-management.de)

- b. **Office of the Governor's Contact Information.** The mailing address of the OOG for all notices is:

Brad Smyth, Director of Tourism  
Office of the Governor of Texas  
Economic Development and Tourism Office  
P.O. Box 12878  
Austin, TX 78711-2878

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## **A.4 ADDITIONAL GENERAL TERMS AND CONDITIONS**

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### **A.4.1 Governing Law, Remedies, Venue**

The Contract shall be governed, construed, and interpreted under the laws of the State of Texas without regard to any otherwise applicable conflict of law rules or requirements. Notwithstanding any other terms in this contract, or any exhibits or addenda hereto, or any other documents included in this contract, all claims, counterclaims, disputes, and other matters in question between OOG and the Contractor arising out of or relating to the contract or the breach thereof, will be decided in accordance with the dispute resolution procedures set forth in section A.4.26, and any resulting action shall be in the Travis County District Court in the City of Austin, Travis County, Texas. The parties may agree to submit such claims, counterclaims, disputes, and other matters in question to arbitration or mediation, but only by mutual written contract.

OOG, without limiting any other rights or remedies it may have by law, equity or under the Contract, will have the right to impose and collect liquidated damages and will have the right to institute an action for actual damages and/or injunctive relief and/or to terminate the Contract immediately. OOG's termination of this Contract shall not limit or waive any remedies the OOG may have for breach by Contractor of its past, present or future duties and obligations created by this Contract or otherwise required by applicable law.

### **A.4.2 Licenses, Permits and Laws**

The Contractor warrants and covenants that it has obtained all permits, approvals, and licenses, necessary for its lawful performance of its obligations under this contract, without costs to OOG. The Contractor shall maintain such licenses during the term of this contract without additional

expense to OOG. The Contractor shall comply with any applicable federal, state, county, local and municipal laws, ordinances, resolutions, codes, decisions, orders, rules, and regulations, in connection with the work required by this contract.

#### **A.4.3 Political Activity**

None of the activities or performances rendered hereunder by the Contractor shall involve lobbying or political activity, including but not limited to, any activity to further the election or defeat of any candidate for public office, or any activity undertaken to influence the passage, defeat, or final contents of legislation.

#### **A.4.4 Sectarian Activity**

None of the activities or performances rendered hereunder by the Contractor shall involve any sectarian or religious activity.

#### **A.4.5 Americans with Disabilities Act**

Contractor shall provide reasonable accessibility for persons with disabilities in compliance with the Americans with Disabilities Act, where applicable.

#### **A.4.6 Proprietary Right/Copyright**

Contractor shall not assert rights at common law or in equity or establish any claim to statutory copyright in any material or information developed in performance of the Contract. OOG shall have the right to use, copyright, reproduce, publish, or distribute any or all of such information and other materials without the necessity of obtaining any permission from Contractor and without expense or charge.

#### **A.4.7 Patent, Trademark, Copyright and Other Infringement Claims**

Contractor shall indemnify, save and hold harmless the State of Texas from and against claims of patent, trademark, copyright, trade secret, or other proprietary rights, violations, or infringements arising from the State's or Contractor's use of or acquisition of any services or other items provided to the State of Texas by Contractor or otherwise to which the State of Texas has access as a result of Contractor's performance under this Contract, provided that the State shall notify Contractor of any such claim within a reasonable time of the State's receiving notice of any such claim. If Contractor is notified of any claim subject to this section, Contractor shall notify OOG of such claim within five (5) business days of such notice. No settlement of any such claim shall be made by Contractor without OOG prior written approval. Contractor shall reimburse the State of Texas for any claims, damages, losses, costs, expenses, judgments or any other amounts, including, but not limited to, attorneys' fees and court costs, arising from any such claim. Contractor shall pay all reasonable costs of the State's counsel and shall also pay costs of multiple counsels, if required to avoid conflicts of interest. Contractor represents that it has determined what licenses, patents and permits are required under this Contract and has acquired all such licenses, patents and permits.

#### **A.4.8 Ownership of Documents**

All work product performed under this Contract shall become the exclusive property of OOG. All property rights, including publication rights, to all products developed under this Contract shall be retained by OOG. The Contractor shall ensure duplication and duplication rights are secured to OOG from all contracts and subcontractors, prior to delivery of products to OOG. OOG reserves the

right to authorize others to use, publish, or reproduce products developed hereunder. The Contractor agrees to hold OOG harmless for claims that may arise for infringement related to work product under this contract. If this contract is terminated for any reason, Contractor shall work cooperatively with OOG and any new contractor to which OOG may award a new contract in the future so that there is a smooth transition to the new contractor. Contractor's failure to secure all required duplication and duplication rights to OOG from all contracts and subcontracts, prior to delivery of products, shall be grounds for termination of the contract, for reason of default, in accordance with Section A.1.4(b).

All right, title and interest in and to said property shall vest in OOG upon creation and shall be deemed to be a work for hire and made in the course of the services rendered pursuant to this Contract. To the extent that title to any such work product may not, by operation of law, vest in OOG, or such work product may not be considered a work made for hire, all rights, title and interest therein are hereby irrevocably assigned to OOG. OOG shall have the right to obtain and to hold in its name any and all patents, copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof. Contractor must give OOG and/or the State of Texas, as well as any person designated by OOG and/or the State of Texas, all assistance required to perfect the rights defined herein without any charge or expense beyond those amounts payable to Contractor for the services rendered under this Contract.

#### **A.4.9 Intellectual Property**

- a. Intellectual property includes any discovery or invention for which patent rights may be acquired, any photographs, graphic designs, plans, drawings, specifications, computer programs, technical reports, operating manuals, or other copyrightable materials, and any other materials in which intellectual property rights may be obtained.
- b. OOG shall be the sole owner of intellectual property developed under this Contract. OOG hereby reserves the exclusive right to use, publish, or reproduce the intellectual property for sales or otherwise, and to authorize others to do so.
- c. Contractor shall take such steps as are necessary to perfect and to protect OOG's intellectual property rights and all products developed hereunder by the Contractor and its subcontractors. If the Contractor conceives of, puts into practice, discovers, invents, or produces any intellectual property during the course of its work under this Contract, it shall report that fact to OOG.
- d. In performing work under this Contract, the Contractor shall comply with all laws, rules, and regulations relating to intellectual property, and shall not infringe on any third-party's intellectual property rights. In accordance with Section A.4.16 of this Contract, Contractor shall indemnify and hold OOG harmless for and against any claims for copyright infringement related to its work under this Contract.
- e. The Contractor shall include provisions adequate to effectuate the purposes of this Article in all subcontracts under this Contract in the course of which intellectual property may be produced or acquired. Such provisions shall make it clear that any intellectual property created under such subcontracts belongs solely to OOG.

#### **A.4.10 Data, Publicity, Public Information**

- a. Contractor shall not provide information generated or otherwise obtained in the performance of its responsibilities under this Contract to any parties other than OOG and the State of Texas

through its authorized agents except as otherwise provided by this Contract or after obtaining the prior written approval of OOG.

- b. The Contractor agrees to notify and obtain the written approval of OOG prior to releasing any information to the news media regarding the activities being conducted under this Contract.
- c. The OOG, the Texas Legislature, and any other State agency may, at the OOG's discretion, distribute any report prepared by the Contractor or post any report to an agency website or website of a standing committee of the legislature.
- d. Notwithstanding any provisions of this Contract to the contrary, Contractor understands OOG will comply with the Texas Public Information Act, Texas Government Code, Chapter 552 as interpreted by judicial opinions and opinions of the Attorney General of the State of Texas. OOG agrees to notify Contractor in writing within ten (10) business days from receipt of a request for information related to Contractor's work under this contract. Contractor will cooperate with OOG in the production of documents responsive to the request. OOG will make a determination whether to submit a Public Information Act request to the Texas Attorney General. Contractor will notify OOG within twenty-four (24) hours of receipt of any third party requests for information that was provided by the State of Texas for use in performing the Contract. The Contract and all data and other information generated or otherwise obtained in its performance may be subject to the Texas Public Information Act. Contractor agrees to maintain the confidentiality of information received from the State of Texas during the performance of this Contract, including information which discloses confidential personal information particularly, but not limited to, social security numbers.
- e. Contractor 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. Unless otherwise agreed, the information provided shall be in Microsoft Office Word 2010 or other format readable by Microsoft Office Word 2010.

#### **A.4.11 Change of Name/Key Personnel**

Contractor shall promptly notify OOG of any change of name in which it holds this Contract. An Amendment to this Contract shall be required upon a change of name which shall specifically state that no other terms or conditions of this Contract are thereby changed. Contractor shall not assign this Contract pursuant to this Article.

Contractor further agrees that the key personnel assigned to work under the resulting Contract, if any, shall remain available for the entirety of the project throughout the term of the Contract as long as that individual is employed by Contractor unless the OOG agrees to a change in the key personnel.

#### **A.4.12 Bankruptcy**

Should the Contractor become insolvent, or if the proceedings in bankruptcy should be instituted by or against the Contractor, the remaining or unexpired portion of this Contract shall, at the election of OOG, be terminated.

#### A.4.13 Contractor Affirmations

Signing this Contract with a false statement is a material breach of contract and shall void the Contract, and the Contractor shall be removed from all bid lists. By agreeing to and signing this Contract, the Contractor hereby makes the following certifications and warranties required by statute:

- a. **Delinquent Child Support Obligations:** Under Section 231.006 of the Texas Family Code, the Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
- b. **Prohibited Bids and Contracts:** Under Section 2155.004 of the Texas Government Code (relating to prohibited bids and contracts), the Contractor 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.
- c. **Previous Employment with the Agency:** The Contractor acknowledges and understands that Section 2252.901 (as amended) of the Texas Government Code prohibits the Office of the Governor from using state appropriated funds to enter into any employment or consulting contract with any individual who has been previously employed, as an employee, by the Agency within the past twelve (12) months. If the Contractor is an individual, the Contractor certifies that Section 2252.901 (as amended) of the Texas Government Code does not prohibit the use of state appropriated funds for satisfying the payment obligations herein. Contractor further acknowledges and understands that Section 572.069 of the Texas Government Code prohibits state officers and employees who participated in the procurement of services under this Contract from accepting employment with the Contractor for a period of two years following the end of their State employment.
- d. **Buy Texas:** Under Section 2155.4441 of the Texas Government Code, the Contractor represents and warrants that it will buy Texas products and materials for use in providing the services authorized herein when such products and materials are available at a comparable price and within a comparable period of time when compared to non-Texas products and materials.
- e. **Gift to Public Servant:** The Contractor warrants that it has not given, nor does it 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 award of this Contract.
- f. **Corporate Franchise Tax:** The Contractor certifies that its Texas franchise tax payments are current, or that it is exempt from, or not subject to, such tax.
- g. **No Claims.** Contractor certifies that Contractor does not have any potential or existing claims against or unresolved audit exceptions with the State of Texas or any agency of the State of Texas.
- h. **Debt to State:** The Contractor acknowledges and agrees that, to the extent the Contractor owes any debt or delinquent taxes to the State of Texas, any payments the Contractor is owed under this Contract may be applied by the Comptroller of Public Accounts toward any debt or delinquent taxes the Contractor owes the State of Texas until the debt or delinquent taxes are paid in full.

- i. **Antitrust:** Pursuant to 15 U.S.C. Section 1, et seq., and Chapter 15 of the Texas Business and Commerce Code, neither the Contractor nor the firm, corporation, partnership, or institution represented by the bidder, or anyone acting for such a firm, corporation or institution has violated the antitrust laws of this state, federal antitrust laws, nor communicated directly or indirectly the bid made to any competitor or any other person engaged in such line of business.
- j. **Compensation Relating to RFP:** Neither the Contractor nor any person or entity which will participate financially in any contract resulting from RFP No. 301-5-0382 has received compensation for participation in the preparation of the specifications, preparation, or production of RFP No. 301-5-0382.
- k. **Conflicts of Interest:** Contractor represents and warrants that it has no actual or potential conflicts of interest in providing the requested items to the OOG under this contract, if any, and that Contractor's provision of the requested items under this contract, if any, would not reasonably create an appearance of impropriety. Contractor has a continual and ongoing obligation to immediately notify OOG in writing, upon discovery of any actual or potential conflict.
- l. **Independent Contractor:** The Contractor agrees and acknowledges that during the existence of the contract, if any, it acts in the capacity of an independent contractor and that the Contractor and its agents, if any, is not an employee of the OOG.
- m. **Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion:** OOG will adhere to the directions provided in U.S. Presidential Executive Order (EO) 13224, Executive Order on Terrorist Financing - Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it via cross-referencing Contractors/vendors with the Federal General Services Administration's System for Award Management (SAM), <https://www.sam.gov>, which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list.

Contractor certifies that the responding entity and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and the Contractor is in compliance with the State of Texas statutes and rules relating to procurement and that Contractor is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <https://www.sam.gov>. That Contractor further certifies that it will not knowingly enter into any subcontract with an entity who is, or whose principals are, on the specially designated nationals list or debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction. That Contractor will ensure that this section regarding debarment, suspension, ineligibility, and voluntary exclusion, and the specially designated nationals list without modification in any subcontracts or solicitations for subcontracts.

- n. **Hurricane Relief:** Texas law prohibits the OOG from awarding a contract to any person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under section 2155.006 of the Texas Government Code, the Contractor certifies that the individual or business entity named in its Proposal is not ineligible to receive the

Contract and acknowledges that the Contract may be terminated and payment withheld or rescinded if this certification is inaccurate or false.

- o. **Former Executive Head and Employees of the Agency.** Contractor certifies that this Contract is compliant, and will remain in compliance during the Contract term, with Sections 669.003 (Contracting with Executive Head of State Agency) and 2252.901 (Contracts with Former or Retired Agency Employees) of the Texas Government Code.
- p. **Terminated Contracts:** By submitting a Proposal, the Contractor certifies that it has not had a contract terminated or been denied the renewal of any contract for non-compliance with policies or regulations of any state or federally funded program within the past five (5) years nor is it currently prohibited from contracting with a governmental agency. If the Contractor does have such a terminated contract, the Contractor shall identify the contract and provide an explanation for the termination.
- q. **Deceptive Trade Practices; Unfair Business Practices:** The Contractor represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that the Contractor has not been found to be liable for such practices in such proceedings. The Contractor certifies that it has no officers who have served as officers of other entities who have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit, and that such officers have not been found to be liable for such practices in such proceedings.
- r. **Immigration:** The Contractor represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Acts of 1986 and 1990 ("IRCA") regarding employment verification and retention of verification forms for any individuals hired on or after November 6, 1986, who will perform any labor or services in the United States of America under this Contract, if any, and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA") enacted on September 30, 1996).
- s. **Change of Management:** The Contractor agrees that the key personnel assigned to work under the resulting Contract, if any, shall remain available for the entirety of the project throughout the term of the Contract as long as that individual is employed by the Contractor unless the OOG agrees to a change in the key personnel.
- t. **Felony Criminal Convictions:** Contractor represents and warrants that Contractor and Contractor's employees have not been convicted of a felony criminal offense, or that, if such a conviction has occurred, Contractor has fully advised OOG as to the facts and circumstances surrounding the conviction.
- u. **Resident Bidder:** By submitting a bid, Contractor certifies that if a Texas address is shown as the address of the Contractor, then Contractor qualifies as a Texas Resident Bidder as defined in Texas Administrative Code, Title 34, Part 1, Chapter 20.
- v. **False Statements.** By submitting a bid, Contractor represents and warrants that it is not making any false statements, representations, certifications, affirmations, warranties or guarantees regarding the bid. If any of the statements, representations, certifications, affirmations, warranties or guarantees are false or if Contractor signs the Contract with a false statement or it is subsequently determined that Contractor has violated any of the statements, representations,

certifications, affirmations, warranties or guarantees included in the Contract, Contractor shall be in default under this Contract and OOG may terminate or void this Contract for cause and pursue other remedies available to OOG under this Contract and applicable law.

- w. **Fraud, Waste and Abuse.** Contractor understands that OOG does not tolerate any type of fraud, waste, or misuse of funds received from OOG. OOG's policy is to promote consistent, legal, and ethical organizational behavior, by assigning responsibilities and providing guidelines to enforce controls. Any violations of law, OOG policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. In the event of a formal allegation or a finding of fraud, waste, or misuse of funds received from OOG is made against Contractor, Contractor is required to immediately notify OOG of said finding. Contractor is also obliged to inform OOG of the status of any on-going investigations. Contractor is expected to report any possible fraudulent or dishonest acts, waste, or abuse to OOG's Fraud Coordinator or Ethics Advisor at (512) 463-1788 or in writing to: Ethics Advisor, Office of the Governor, P.O. Box 12428, Austin, Texas 78711.

#### **A.4.14 Force Majeure**

Neither Contractor nor OOG shall be liable to the other for any delay in, or failure of performance, of any requirement included in this contract, if any, caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, fires, explosions, hurricanes, floods, failure of transportation, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each party must inform the other in writing, with proof of receipt, with three (3) business days of the existence of such force majeure, or otherwise waive this right as a defense.

#### **A.4.15 Civil Rights**

The Contractor agrees that no person shall, on the grounds of race, color, religion, sex, National origin, age, disability, political affiliation, or religious belief, be excluded from the participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in the administration of, or in connection with, any program or activity funded in whole or in part with funds available under this Contract. The Contractor shall comply with U.S. Presidential Executive Order 11246, "Equal Employment Opportunity," as amended by Executive Order 11375, "Amending Executive Order 11246 relating to Equal Employment Opportunity," and as supplemented by regulations at 41 C.F.R. Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity Department of Labor."

#### **A.4.16 Indemnification**

(a) **Acts or Omissions**

**CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND OOG, 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 CONTRACTOR 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 CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. CONTRACTOR AND THE OOG AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

(b) Infringements

CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND OOG, 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 CONTRACTOR PURSUANT TO THIS CONTRACT. CONTRACTOR AND OOG AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. CONTRACTOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.

CONTRACTOR SHALL HAVE NO LIABILITY UNDER THIS SECTION IF THE ALLEGED INFRINGEMENT IS CAUSED IN WHOLE OR IN PART BY: (I) USE OF THE PRODUCT OR SERVICE FOR A PURPOSE OR IN A MANNER FOR WHICH THE PRODUCT OR SERVICE WAS NOT DESIGNED, (II) ANY MODIFICATION MADE TO THE PRODUCT WITHOUT CONTRACTOR'S WRITTEN APPROVAL, (III) ANY MODIFICATIONS MADE TO THE PRODUCT BY THE CONTRACTOR PURSUANT TO OOG'S SPECIFIC INSTRUCTIONS, (IV) ANY INTELLECTUAL PROPERTY RIGHT OWNED BY OR LICENSED TO OOG, OR (V) ANY USE OF THE PRODUCT OR SERVICE BY OOG THAT IS NOT IN CONFORMITY WITH THE TERMS OF ANY APPLICABLE LICENSE AGREEMENT.

IF CONTRACTOR BECOMES AWARE OF AN ACTUAL OR POTENTIAL CLAIM, OR OOG PROVIDES CONTRACTOR WITH NOTICE OF AN ACTUAL OR POTENTIAL CLAIM, CONTRACTOR MAY (OR IN THE CASE OF AN INJUNCTION AGAINST OOG, SHALL), AT CONTRACTOR'S SOLE OPTION AND EXPENSE; (I) PROCURE FOR THE OOG 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 OOG'S USE IS NON-INFRINGEMENT.

(c) Taxes/Workers' Compensation/Unemployment Insurance – Including Indemnity

CONTRACTOR AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, CONTRACTOR SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF CONTRACTOR'S AND CONTRACTOR'S EMPLOYEES' TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS CONTRACT. CONTRACTOR AGREES TO COMPLY WITH ALL APPLICABLE LAWS RELATING TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND OCCUPATIONAL ACCIDENT INSURANCE (WORKERS' COMPENSATION). THE OOG AND/OR THE STATE SHALL NOT BE LIABLE TO THE CONTRACTOR, ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/OR OCCUPATIONAL ACCIDENT INSURANCE (WORKERS' COMPENSATION) OR ANY BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF OOG.

CONTRACTOR AGREES TO INDEMNIFY AND HOLD HARMLESS CUSTOMERS, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEYS' FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR OCCUPATIONAL ACCIDENT INSURANCE (WORKERS' COMPENSATION) IN ITS PERFORMANCE UNDER THIS CONTRACT. CONTRACTOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. CONTRACTOR AND THE OOG AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

#### **A.4.17 Liability for Damage to Government Property**

The Contractor shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to this Contract, if any. The Contractor shall notify the OOG Contract Manager in writing of any such damage within one (1) calendar day.

#### **A.4.18 Non-Waiver of Rights**

Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive, or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or successive breach.

#### **A.4.19 No Waiver of Sovereign Immunity**

The Parties expressly agree that no provision of this Contract, if any, nor the OOG's conduct related to the Contract, will constitute a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the OOG, the State of Texas, and their officials and staff. The OOG does not waive any such privileges, rights, defenses, or immunities by entering into this Contract or by its conduct prior to or subsequent to entering into this Contract.

#### **A.4.20 Interpretation/Severability**

If any provision of this Contract is held to be void or unenforceable, this shall have no effect on the remaining provisions of the contract which shall continue in full force and effect. This Contract is intended as a full and complete expression of and constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and all prior and contemporaneous understandings, agreements, promises, representations, terms and conditions, both oral and written, are superseded and replaced by this Contract. In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Any vague, ambiguous or conflicting terms shall be interpreted and construed in such a manner as to accomplish the purpose of the Contract.

#### **A.4.21 Compliance with Laws; Dealing with Public Servants**

The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) Texas Penal Code section 36.02, which prohibits bribery; (ii) Texas Penal Code section 36.09, which prohibits the offering or conferring of benefits to public servants; and (iii) Texas Government Code section 2155.003, which prohibits the chief clerk or any other employee of the OOG from having an interest in, or in any manner being connected with, a contract or bid for a purchase of goods or services by an agency of the state, or accept from any person to whom a contract has been awarded anything of value or a promise, obligation, or contract for future reward or compensation.

The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of this Contract, if any. Except where otherwise expressly required by applicable laws and regulations, OOG shall not be responsible for monitoring Contractor's compliance. If Contractor performs any work knowing or having reason to know that it is contrary to laws or regulations, Contractor shall bear all claims, costs, losses, and damages caused by, arising out of, or resulting there from.

#### **A.4.22 Federal, State, and Local Requirements**

With respect to all employees in the U.S., Contractor shall demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978. Contractor is responsible for both federal and State unemployment insurance coverage and standard Worker's Compensation insurance coverage. Contractor shall comply with all federal and state tax laws and withholding requirements. The State of Texas shall not be liable to Contractor or its employees for any Unemployment or Workers' Compensation coverage, or federal or state withholding requirements. The contractor shall be solely responsible for complying with any such legal obligations incumbent on it with respect to contractor employees in the European Union. Contractor shall indemnify the State of Texas and shall pay all costs, penalties, or losses resulting from Contractor's omission or breach of this Section.

#### **A.4.23 Drug Free Workplace**

Contractor shall comply with and implement the applicable provisions of the Drug-Free Work Place Act of 1988 and any amendments that may hereafter be issued.

#### **A.4.24 Insurance and Other Security**

a. Contractor will be required to obtain insurance coverage limits not less than the following insurance and bonding coverage outlined below in connection with the Contract:

1. Commercial General Liability Insurance

Bodily Injury and Property Damage	
Each occurrence limit:	\$1,000,000
Aggregate limit:	\$2,000,000
Medical Expense each person:	\$5,000
Personal Injury and Advertising Liability:	\$1,000,000
Products /Completed Operations Aggregate Limit:	\$2,000,000
Damage to Premises Rented to You:	\$50,000

2. Occupational Accident Insurance: Contractor must maintain occupational accident insurance coverage, workers' compensation insurance, or its equivalency in accordance with applicable laws of the Contractor's home country.

- b. Employees furnished by the Contractor shall not be considered employees of the OOG or the State of Texas and the Contractor shall be responsible for payments of all occupational accident claims, unemployment compensation claims, unemployment disability claims or claims under similar laws. The Contractor is not required to cover the employees of subcontractors. However, the Contractor must require its subcontractors to maintain the required coverage.

Contractor also represents and warrants that all policies, to the extent possible, shall contain endorsements prohibiting cancellation except upon at least thirty (30) days prior written notice to OOG. Contractor represents and warrants that it shall maintain the above insurance coverage during the term of this Contract, and shall provide OOG with an executed copy of the policies immediately upon request.

#### **A.4.25 Assignment**

Contractor shall not assign or transfer any interest in the Contract without the prior written consent of OOG.

#### **A.4.26 Dispute Resolution**

The dispute resolution process provided in Chapter 2260 of the Texas Government Code shall be used, as further described herein, by the OOG and by Contractor to attempt to resolve any claim for breach of Contract made by the Contractor.

Contractor's claims for breach of this Contract that the parties cannot resolve in the ordinary course of business shall be submitted to the negotiation process provided in Chapter 2260, subchapter B, of the Government Code. To initiate the process, Contractor shall submit written notice, as required by subchapter B, to the Director of the Economic Development and Tourism Division at the OOG or his designee. Said notice shall specifically state that the provisions of Chapter 2260, subchapter B, are being invoked. A copy of the notice shall also be given to all other representatives of Contractor and the OOG otherwise entitled to notice under the parties' Contract. Compliance by Contractor with subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 2260, subchapter C, of the Government Code.

The contested case process provided in Chapter 2260, subchapter C, of the Government Code is Contractor's sole and exclusive process for seeking a remedy for any and all alleged breaches of Contract by OOG if the parties are unable to resolve their disputes under Section 9.11.1.

Compliance with the contested case process provided in subchapter C is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this Contract by OOG nor any other conduct of any representative of OOG relating to the Contract shall be considered a waiver of sovereign immunity to suit.

#### **A.4.27 Order of Precedence**

In the event of conflicts or inconsistencies between this Contract, the RFP and its exhibits or attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: Executed Contract, Attachments to the Contract, the RFP, and Contractor's Proposal.

**A.4.28 Public Disclosure**

The Contractor understands that the OOG does not endorse any vendor, commodity good, or service. The Contractor, its employees, representatives, subcontractors or other agents may not issue any media release, advertisement, publication, or public pronouncement that pertains to this Contract or the services or project to which this Contract relates or that mentions the OOG without the prior written approval of the OOG.

**A.4.29 Technology Access.**

To the extent applicable, Contractor will comply with the State of Texas Accessibility requirements for Electronic and Information Resources specified in 1 TAC Chapter 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation. Likewise, if applicable, Contractor shall provide DIR with the URL to its Voluntary Product Accessibility Template (VPAT) for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act), or indicate that the product/service accessibility information is available from the General Services Administration "Buy Accessible Wizard" (<http://www.buyaccessible.gov>). A Contractor not listed with the "Buy Accessible Wizard" or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format. Additional information regarding the "Buy Accessible Wizard" or obtaining a copy of the VPAT is located at <http://www.section508.gov/>.

**A.4.30 Vendor Performance.**

Pursuant to Texas Government Code, Section 2155.144, -.1442 and 34 TAC Section 20.108, state agencies are required to report vendor performance on any purchase of \$25,000 or more from contracts administered by the Texas Comptroller of Public Accounts or any other purchase made through an agency's delegated authority or a purchase made pursuant to the authority in Government Code, Title 10, Subtitle D or a purchase exempt from Texas Comptroller of Public Accounts' procurement rules and procedures. DFPS reports vendor performance by means of the Vendor Performance Tracking System (VPTS), which can be accessed online at: [http://www.window.state.tx.us/procurement/prog/vendor\\_performance/](http://www.window.state.tx.us/procurement/prog/vendor_performance/)

**THIS CONTRACT CONSTITUTES THE ENTIRE LEGAL AND BINDING AGREEMENT BETWEEN THE PARTIES, WHO HAVE DULY AUTHORIZED, EXECUTED, AND DELIVERED THIS CONTRACT IN ACCORDANCE WITH ITS TERMS. THE UNDERSIGNED REPRESENTATIVES HAVE THE AUTHORITY TO EXECUTE AND AGREE TO THIS CONTRACT ON BEHALF OF THEIR RESPECTIVE REPRESENTED PARTY.**

OFFICE OF THE GOVERNOR

LIEB MANAGEMENT & BETEILIGUNGS GMBH.



Chief of Staff or Designee

Ralf Lieb  
Managing Director

Date: 8/28/15

Date: 08/20/2015