

REQUIREMENTS AGREEMENT
C-08-212A-08-19

THIS AGREEMENT (the "Agreement") is entered into effective as of **August 19, 2008** by and between **Rene Lucio d/b/a R & R Distributing, (individual proprietor)** a resident of Hidalgo County, Texas ("Seller") and **Hidalgo County** ("Buyer").

WHEREAS, Buyer has solicited proposals for the supply of its requirements of Hidalgo County "**Commissary Supplies**," as further described in Exhibit "A" which is attached hereto and incorporated herein by reference for all purposes (the "Products") for a period of one year; and

WHEREAS, Seller has submitted a proposal to supply Buyer's requirements; and

WHEREAS, Buyer has determined that Seller has submitted the lowest and best bid to meet Buyer's requirements for the Product.

NOW THEREFORE, for and in consideration of the mutual covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, all of the Products that Buyer may require for use by Buyer in "**Commissary Supplies**" in the areas of **Hidalgo County** projects for a period of **August 19, 2008** from **August 18, 2009** with the option to renew for an additional **two (2) one (1) year term**; and an additional sixty (60) day grace period, under the same rates, terms, and condition, and it is agreed that the Products will meet the specifications set forth in Exhibit "A" hereto.

2. When Buyer determines that it needs a quantity of the Products to be delivered, it will, according to its Purchasing Policies, complete and submit to Seller a Purchase Order describing the type and quantity of the Products required. The Products are to be delivered by Buyer to the location in Hidalgo County specified by Buyer in its Purchase Order.

3. Buyer agrees to pay Seller for each Purchase Order based on the prices set out in Exhibit "B". Seller shall render invoices for each Purchase Order, and the invoices shall be paid by Buyer on or before the 30th day following receipt of the invoice.

4. County and Seller agree that either party may terminate this contract upon thirty (30) days written notice at any time for any reason or no reason at all.

5. General Provisions.

a. **Conflict with Applicable Law.** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

- b. **No Waiver.** No waiver by Buyer of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.
- c. **Entire Agreement.** This Agreement contains the entire contract between the parties hereto, and each party acknowledges that neither has made (either directly or through any agent or representative) any representations or agreements in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by Buyer and Seller, and not otherwise.
- d. **Texas Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.
- e. **Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communications required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:
- If to Buyer: Hidalgo County
Attention: County Judge
100 E. Cano, 2nd Floor
Edinburg, Texas 78539
- If to Seller: Rene Lucio d/b/a R&R Distributing
5705 E. Texas Rd.
Edinburg, Texas 78539
- Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the United States mail.
- f. **Additional Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.
- g. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.
- h. **Assignment.** This Agreement shall not be assignable.
- i. **Headings.** The headings and captions contained in this Agreement are solely for convenient reference and shall not be deemed to affect the meaning or interpretation of any provision or paragraph hereof.

j. **Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and the singular shall include the plural whenever and as often as may be appropriate

k. **Authority to Execute.** The execution and performance of this Agreement by Buyer and Seller have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of Buyer and Seller in accordance with its terms.

l. **Commitment of Current Revenues Only.** In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Buyer under this Agreement, Buyer may terminate this Agreement upon sixty (60) days written notice to Seller. Buyer agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of Buyer pursuant to the provisions of Tex. Loc. Govt. Code Ann. § 271.903 (Vernon Supp. 1996).

m. **Insurance.** Company shall provide insurance in force on all its vehicles and all persons connected with providing services under this Contract naming County as an additional insured (with coverages and in the amounts described on Exhibit "C" attached hereto and incorporated herein at this point for all purposes), and shall furnish to County certificates of such insurance coverage.

n. **Purchasing Ethics.** Seller represents and warrants it has not, during the process of being awarded this contract violated the following ethical standards of Buyer and, upon and after the execution of this Agreement, agrees to abide by the following ethical standards of Buyer:

(1) It shall be a breach of ethics to offer, give or agree to give any elected official, department head or employee, or former elected official, department head or employee, of Hidalgo County, or for any elected official, department head or employee or former elected official, department head or employee of Hidalgo County, to solicit, demand, accept or agree to accept from another person, entity or organization, a gratuity or an officer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advise, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor pending before any department or agency of Hidalgo County.


(2) It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for Hidalgo County, or any person associated therewith, as an inducement for the award of a subcontract or order.

EXECUTED effective as of the day and year first above written.

APPROVED BY COMMISSIONERS COURT ON, _____.

APPROVED AS TO FORM:

Atlas & Hall, L.L.P

By: 
Date: 8-13-08

HIDALGO COUNTY

By: _____
Juan D. Salinas, III, County Judge
Date: _____

ATTEST:

Arturo Guajardo, Jr., County Clerk
Date: _____

Vendor _____
By: _____
Printed Name: _____
Title: _____
Date: _____

**EXHIBIT “A”
SPECIFICATIONS**

Hidalgo County Sheriff's Office
"Commissary Services"
Bid No.:08-212-06-11-ROL

Exhibit "A"

Specifications

GENERAL REQUIREMENTS

1. The following are the minimum requirements and/or specifications that will be acceptable to the Hidalgo County Sheriff's Office. These requirements and/or specifications may be equal or better. Any bid that does not meet the minimum requirements and/or specifications will be rejected.
2. Hidalgo County Sheriff's Office is seeking to contract with a qualified vendor(s) to furnish "Commissary products" on an "As Needed Basis" including, but not limited to, the following:

TERMS, CONDITIONS AND REQUIREMENTS

1. All costs and expenses associated with the preparation and submission of bids shall be the responsibility of the bidder and no reimbursement for such charges or expenses shall be passed onto Hidalgo County Sheriff's Office.
2. Hidalgo County Sheriff's Office has the authority to utilize State Contracts from its membership with their existing or new cooperatives when ever it is in the County's best interest to do so.
3. All purchases will be on an "As Needed Basis", there are no set quantities to be purchased.
4. The initial contract term for this project will be for one (1) year with the County's option to extend for an additional two (2) one (1) year term.

5. Hidalgo County Sheriff's Office reserves the right to continue this bid for an additional sixty (60) day grace period, under the same rates, terms and conditions at the end of the contract term for unforeseen delays in award of new bid for the next contract term.
6. Insurance requirements for this project to be maintained through out the contract term (Refer to limits on the Exhibit "C" for limits).
7. Hidalgo County Sheriff's Office reserves the right to award to the lowest qualified bid on a lump sum basis to one bidder or to multiple bidders if the County determines it is in the best interest to do so.
8. All bid prices for items shall take into consideration shipping and handling costs and any other items mentioned on specifications as part of the fixed item price.
9. Awarded vendor will ensure that all deliveries will be made in full within two (2) to five (5) working days from purchase order.
10. Supplies Required: Hidalgo County Sheriff's Office requires Total/Full Jail Inmate Commissary products such as but not limited to:

Snacks
 Sugar & artificial sweetener
 Drinks/drink mix
 Candies
 Small supplies such as
 pens/pencils/envelopes/etc.
 Personal items (combs, lotion, etc.)
 Personal hygiene items
 Dental care items
 Various over -the-counter medications
 Sports bras, women's undergarments, men's
 undergarments, T-shirts, shower shoes

11. Hidalgo County Sheriff's Office Inventory History: Commissary history for the period of January through December 2006 is as follows:

Total inventory purchases:

\$ 436,484.62 (Current average daily total
detention center population is at 1148).

12. Hidalgo County Sheriff's Office reserves the right to add/delete items as it deems to be in the best interest of the County.
13. Product Containers: No glass or metal containers shall be allowed. Size and type of containers shall be approved by Hidalgo County Sheriff's Office. Hidalgo County Sheriff's Office reserves the right to increase/decrease products offered as it deems to be in the best interest of the County.
14. Security: All security provisions established for the facility shall be strictly followed. Hidalgo County Sheriff's Office reserves the right to enforce existing or establish new security procedures as deemed to be in the best interest of the County in order to maintain safe and orderly operation of the detention facility.
15. All food products must be properly labeled, only fresh and legal products shall be delivered to the Commissary. Item(s) found defective or not meeting specifications shall immediately be picked and replaced by the awarded vendor.
16. Hidalgo County Sheriff's Office reserves the right to search any bags or personal items brought into the jail by the awarded vendor at any time. The County may request a complete list of awarded vendor's employees at any time during this contract which will include name, date of birth, social security number, sex, nationality and driver's license. Vendor's employees shall be in company uniform, and be clearly identified as being employed by the company, and present themselves in a professional manner at all times.
17. Record/Inventory: Hidalgo County Sheriff's Office may require that the vendor provide a monthly inventory to account for commissary activities.
18. Commissary items may be substituted by vendors but, must be equal or better and must be approved by the Hidalgo County Sheriff's Office.
19. **Market Volatility and Unit Price Adjustments:** Hidalgo County recognizes that during periods of national crisis and unstable economic conditions,

unforeseen price increases might affect costs for goods and services contracted on an annual basis. The following procedure may be employed to mediate price volatility:

A) Requesting Price Adjustment: Upon written request of the Vendor to the County Purchasing Agent, the County may review evidence of prevailing industry-wide market conditions that warrant an adjustment in bid prices contained in the contract.

- A Vendor must tie any price change clause to an industry-wide or otherwise nationally recognized index, or some other form of verifiable document. Such written request must be accompanied by a certified copy of the supplier's advisory or notification to the vendor of the price changes.
- The Vendor must put the Purchasing Agent on the mailing lists for such publications so that the Purchasing Agent can monitor said changes. Such membership shall be at no cost to the County.
- The County Purchasing Agent retains the right to determine whether or not such proposed price changes are in the best interest of the County.
- No price escalation will be authorized in excess of the amount of the increase referred to in the supplier's notice.
- The County may only grant a price increase if the evidence presented is deemed reliable. Should the County allow a price increase, the approved price change shall be honored for all orders received by the vendor or contractor after the effective date of such price change. Approved price changes are not applicable to orders already issued and in process at time of price change.

B) Price Reduction: Vendor shall notify the County at the time when the Vendor's costs for items and/or supplies reduce due to stabilization in the market

at which time prices for items on this contract shall be reduced accordingly. Failure by the Vendor to notify the County of a decrease in costs for items and/or supplies for which the Vendor was granted a price adjustment, may result in immediate termination of this contract and the County shall not be obligated to pay the Vendor the difference between the contract price and the price adjustment.

C) Time frame for Adjusted Price Increases: Price increases are only valid for the quarter in which they are requested and approved. Prices shall return to the original contract price at the beginning of the following quarter unless a Vendor notifies the County in writing within ten (10) days of expiration of the quarter in which the price increase is in effect, that it desires to have the price increase continue or that the Vendor is requesting a different price increase for the following quarter. Such request must be supplemented with sufficient justification to demonstrate that the price increase remains necessary. The County Purchasing Department shall have sole discretion whether to grant the price increase extension. The County too, shall have discretion to unilaterally reduce, eliminate or extend a price adjustment to the Vendor at any time upon written notice from the County to the Vendor demonstrating justification for such reduction, elimination or extension of the price adjustment.

D) Allowable Review Periods: Price adjustment reviews may only be requested by the Vendor on a quarterly basis. However, the County may at its own discretion, conduct temporary price adjustment reviews at any time. The County Purchasing Agent and/or the County Auditor reserve the right to audit and/or examine any pertinent books, documents, papers, records or invoices relating directly to the contract transaction in question after reasonable notice and during normal business hours.

E) Dollar Limit to Price Changes: The total increase in contract price shall not exceed twenty-five percent (25%) of the original contract price during the contract term.

Cont' - SPECIFICATIONS

HIDALGO COUNTY SHERIFF'S OFFICE - COMMISARY ITEMS

1. Hygiene Kit (4" T-Brush / T-Paste 1.05 oz. / Soap 1.5 oz/
Deodorant 0.05 oz.)
2. Almond Joy Bar 1.61.oz
3. Baby Ruth 2.1 oz.
4. Butter Finger Bar 2.1 oz.
5. Snickers Almond Bar 1.76 oz.
6. Milky Way Bar 2.05 oz.
7. Pay Day Bar 1.85 oz.
8. Snickers Bar 2.07 oz.
9. 3 Musketeers Bar 2.13 oz.
10. Skittles "Original Fruits" 2.17 oz. bag
11. M & M Peanuts 1.74 oz. bag
12. Twix Bar 2.0 oz.
13. Peanut Pattie 1.75 oz.
14. Reeses Peanut Butter Cups 1.5 oz.
15. Breath Savers (12 mints) 0.75 oz.
16. Ramen Soups (chili/beef/chicken/shrimp) 3 oz. Clear Pack
17. Chili Corn Nuts 1.4 oz pack
18. Ranch Corn Nuts 1.4 oz pack
19. Original Corn Nuts 1.4 oz pack
20. Salted Peanuts 1.75 oz. bag
21. Beef Jerky Steak 1 oz. stick
22. Chunk Light Tuna 4.23 oz. Pouch
23. Refried Beans Resealable Pouch 6 oz.
24. Nacho Cheese Dip (w/Jalapeno 4 oz. Plastic Tub)
25. Jalapeno Cheese Spread 8 oz. Plastic Tub
26. Jelly (Grape & Strawberry) 12 oz. Squeeze Bottle
27. Peanut Butter Squeezers 1.12 oz.
28. Chili No Beans 11.25oz. Pouch
29. Chili w/Beans 11.25oz. Pouch
30. Hot Chili w/Beans 11.25 oz. Pouch
31. Beef Stew 11.25 oz. Pouch
32. Roast Beef & Gravy 10 oz. Pouch
33. Sardines in Hot Tomato Sauce 3.53oz. Pouch
34. Fish Fillets 3.53oz. Pouch
35. B.B.Q. Potato Chips 1.5 oz. bag
36. Flaming Hot Cheetos 1.5oz. bag
37. BBQ Corn Chips 1.5oz. bag
38. Doritos Nacho Cheese 1.5oz.
39. Tortilla Chips 12oz. bag
40. Tostadas 12oz. pack
41. Snack Crackers 12 oz. box
42. Cookies (duplex/vanilla/chocolate/p-butter) 6 oz. Tray
43. Zinger Cremes 4 oz. pack
44. Apples Pies 4 oz.
45. Cherry Pies 4 oz. pk
46. Cherry Rolls 4 oz.
47. Cinnamon Rolls 4 oz. pk
48. Honey Bun 6oz. pk
49. Chocolate Cupcakes (2-pk) - 4 oz.

Cont' SPECIFICATIONS

50. Moonpies (banana/strawberry/chocolate) 2.75 oz.
51. Coca Cola Classic 20 oz. plastic bottle
52. Sprite 20 oz. plastic bottle
53. Fanta Orange 20 oz. plastic bottle
54. Dr. Pepper 20 oz. plastic bottle
55. Diet Coke 20 oz. plastic bottle
56. Instant Coffee 4 oz. Resealable Clear Pouch
57. Coffee Mug w/Lid 14 oz.
58. Hot Cocoa Mix 1oz. bag
59. Cereal Bowl w/Lid 24 oz.
60. Ozarka Spring Water 20 oz. plastic bottle
61. Sugar Cubes 1 lb. bx
62. White Sport Bras (Medium thru 3xl)
63. White Sweatshirts (Medium thru 4xl)
64. White Boxer Shorts (Small thru 6xl)
65. White Thermal Underwear Set (Small thru 6xl)
66. Men White Crew Neck T-shirts (Medium thru 6xl)
67. White Men Briefs (Small thru 5xl)
68. Mens/Ladies Crew Socks (one size fits all)
69. White Ladies Panties (Size 5 thru 18)
70. White Mens/Ladies Velcro Tennis Shoes (Size 6-13)
71. Tylenol Extra Strength (2 gel pouch) 50 ct. bx
72. Halls Mentho-Lyptus (9 drops) Stick
73. Advil Coated (2 tablet pouch) 50 ct. box
74. Motrin Ibuprofen (2 tablet pouch) 50 ct. bx
75. Anti Shank Security Toothbrush & Clear Cap
76. Anti-Shank Security Razor - Single Edge
77. Jolly Ranchers 3.7 oz. Assorted Bag
78. Sunflower Kernels 4 oz. bag
79. Starlite Mints 3.75 oz. bag
80. Irish Spring Bar Soap Antibacterial 4.5 oz.
81. Elastic Pony Tailers 18 ct. pk-black
82. St. Valentines Cards (English/Spanish) 6/pk
83. Happy Easter Card (English/Spanish) 6/pk
84. Happy Mother's Day Card (English/Spanish) 6/pk
85. Father's Day Card (English/Spanish) 6/pk
86. Happy Birthday Card (English/Spanish) 6/pk
87. Thanksgiving Day Card (English/Spanish) 6/pk
88. Christmas Card (English/Spanish) 6/pk
89. Oral Pain Relief 0.33 oz. Tube
90. Alcohol - Free Mouthwash 8 oz. Plastic Bottle
91. Alcohol - Free Hair Gel 16 oz. Plastic Bottle
92. Athletes Foot Cream 0.05 oz. Tube
93. Hydrocortisone Cream 1 oz. Tube
94. Chap Stick Lip Balm 15 oz.
95. Hemorrhoidal Ointment 2 oz. Tube
96. Muscle Rub 3 oz. Tube
97. Medicated Chest Rub 3.53 oz.
98. Floss Loops "Mint Flavor" 30 ct. Plastic Bag
99. Eye Drops 0.05 oz.
100. Alka Seltzer (Original Effervescent 2-tablet Pouch) 116.ct. box
101. Alka Seltzer (Plus Cold Effervescent 2-tablet Pouch) 72 ct. bx
102. Rolaid's Antacid (12 Tablets) Stick

Con't- SPECIFICATIONS

103. Acne Gel Medication 1 oz. Tube
104. Contact Lens M/P Solution 8 oz.
105. Legal Gummed Pads (8 ½ x 11")
106. 3 1/2" Flexible Pencil
107. Bubble Cushioned Envelope (6" x 9")
108. #10 White Security Envelopes
109. No Clasp Envelope (9" x 12")
110. Twin Pocket Folders
111. Dictionary (English - Spanish & English)
112. Word Seek Puzzles Books
113. Sketch Pads (50 Sheets)
114. Playing Cards Deck
115. 4 ½" Flexible Black Ink Pen
116. Tracing Paper Pad (40 Sheets)
117. Tan PVC Shower Sandals (Size 8 thru 13)
118. Colgate "Red Gel" Toothpaste 4.2 oz.
119. Close Up "Red Gel" Toothpaste 4.0 oz.
120. Dove Bar Soap 3.15 oz.
121. Zest Bar Soap 3.2 oz.
122. Three Flowers Brilliantine 4 oz.
123. Dandruff Shampoo & Conditioner 14.2 oz.
124. Lice Control Shampoo 2 oz.
125. Nair Hair Removal 9 oz.
126. Speed Stick Aqua Sport Anti-Perspirant Gel 3 oz.
127. Razorless Hair Removing Cream 6 oz.
128. After Shave Lotion 4 oz.
129. Baby Lotion 15 oz.
130. Shaving Gel 3 oz. Clear Tube
131. White Handkerchief (15" x 15")
132. VO5 Extra Body Shampoo 15.0 oz.
133. VO5 Extra Body Conditioner 15.0 oz.
134. Suave Powder Fresh Deodorant 1.7 oz. Clear
135. Hinged Soap Dish Box- Regular Size
136. Greaseless Skin Cream 4.5 oz.
137. Cocoa Butter Moisturizing Soap 3.6 oz.
138. Hair Moisturizer 4 oz. Tube
139. Palm Hair Brush Flexible - Black
140. Tampons - Singles (Regular/Super/Junior) 40 ct. Box
141. Disposable Douche 6 oz.
142. White Washcloth (12"x12")

**EXHIBIT “B”
PAYMENT SCHEDULE**

25. Jalapeno Cheese Spread 8 oz. Plastic Tub Unit Price \$0.92
26. Jelly (Grape & Strawberry) 12 oz. Squeeze Bottle Unit Price \$-0-
27. Peanut Butter Squeezers 1.12 oz. Unit Price \$-0-
28. Chili No Beans 11.25oz. Pouch Unit Price \$-0-
29. Chili w/Beans 11.25oz. Pouch Unit Price \$-0-
30. Hot Chili w/Beans 11.25 oz. Pouch Unit Price \$-0-
31. Beef Stew 11.25 oz. Pouch Unit Price \$-0-
32. Roast Beef & Gravy 10 oz. Pouch Unit Price \$-0-
33. Sardines in Hot Tomato Sauce 3.53oz. Pouch Unit Price \$-0-
34. Fish Fillets 3.53oz. Pouch Unit Price \$-0-
35. B.B.Q. Potato Chips 1.5 oz. bag Unit Price \$0.26
36. Flaming Hot Cheetos 1.5oz. bag Unit Price \$0.26
37. BBQ Corn Chips 1.5oz. bag Unit Price \$0.26
38. Doritos Nacho Cheese 1.5oz. Unit Price \$0.26
39. Tortilla Chips 12oz. bag Unit Price \$1.51
Substitution: 16 oz.
40. Tostadas 12oz. pack Unit Price \$1.55
41. Snack Crackers 12 oz. box Unit Price \$1.30
42. Cookies (duplex/vanilla/chocolate/p-butter) 6 oz. Tray Unit Price \$0.45
43. Zinger Cremes 4 oz. pack Unit Price \$0.59
44. Apples Pies 4 oz. Unit Price \$0.59
45. Cherry Pies 4 oz. pk Unit Price \$0.59
46. Cherry Rolls 4 oz. Unit Price \$0.59
47. Cinnamon Rolls 4 oz. pk Unit Price \$0.59
48. Honey Bun 6oz. pk Unit Price \$0.59
49. Chocolate Cupcakes (2-pk) - 4 oz. Unit Price \$0.59
50. Moonpies (banana/strawberry/chocolate) 2.75 oz. Unit Price \$0.35
51. Coca Cola Classic 20 oz. plastic bottle Unit Price \$0.90
52. Sprite 20 oz. plastic bottle Unit Price \$0.90
53. Fanta Orange 20 oz. plastic bottle Unit Price \$0.90
54. Dr. Pepper 20 oz. plastic bottle Unit Price \$0.90
55. Diet Coke 20 oz. plastic bottle Unit Price \$0.90

56. Instant Coffee 4 oz. Resealable Clear Pouch Unit Price \$4.39
57. Coffee Mug w/Lid 14 oz. Unit Price \$1.69
58. Hot Cocoa Mix 1oz. bag Unit Price \$0.39
59. Cereal Bowl w/Lid 24 oz. Unit Price \$1.59
60. Ozarka Spring Water 20 oz. plastic bottle Unit Price \$0.39
61. Sugar Cubes 1 lb. bx Unit Price \$1.99
62. White Sport Bras (Medium thru 3xl) Unit Price \$4.00
63. White Sweatshirts (Medium thru 4xl) Unit Price \$5.99
64. White Boxer Shorts (Small thru 6xl) Unit Price \$3.39
65. White Thermal Underwear Set (Small thru 6xl) Unit Price \$8.00
66. Men White Crew Neck T-shirts (Medium thru 6xl) Unit Price \$2.90
67. White Men Briefs (Small thru 5xl) Unit Price \$0.99
68. Mens/Ladies Crew Socks (one size fits all) Unit Price \$0.72
69. White Ladies Panties (Size 5 thru 18) Unit Price \$1.97
70. White Mens/Ladies Velcro Tennis Shoes (Size 6-13) Unit Price \$-0-
71. Tylenol Extra Strength (2 gel pouch) 50 ct. bx Unit Price \$0.39
72. Halls Mentho-Lyptus (9 drops) Stick Unit Price \$0.49
73. Advil Coated (2 tablet pouch) 50 ct. box Unit Price \$0.39
74. Motrin Ibuprofen (2 tablet pouch) 50 ct. bx Unit Price \$0.39
75. Anti Shank Security Toothbrush & Clear Cap Unit Price \$0.25
76. Anti-Shank Security Razor - Single Edge Unit Price \$0.20
77. Jolly Ranchers 3.7 oz. Assorted Bag Unit Price \$0.81
78. Sunflower Kernels 4 oz. bag Unit Price \$0.82
79. Starlite Mints 3.75 oz. bag Unit Price \$0.81
80. Irish Spring Bar Soap Antibacterial 4.5 oz. Unit Price \$0.56
81. Elastic Pony Tailers 18 ct. pk-black Unit Price \$0.11
82. St. Valentines Cards (English/Spanish) 6/pk Unit Price \$0.35
83. Happy Easter Card (English/Spanish) 6/pk Unit Price \$0.35
84. Happy Mother's Day Card (English/Spanish) 6/pk Unit Price \$0.35
85. Father's Day Card (English/Spanish) 6/pk Unit Price \$0.35
86. Happy Birthday Card (English/Spanish) 6/pk Unit Price \$0.35

87. Thanksgiving Day Card (English/Spanish) 6/pk Unit Price \$0.35
88. Christmas Card (English/Spanish) 6/pk Unit Price \$0.35
89. Oral Pain Relief 0.33 oz. Tube Unit Price \$5.14
90. Alcohol - Free Mouthwash 8 oz. Plastic Bottle Unit Price \$2.79
91. Alcohol - Free Hair Gel 16 oz. Plastic Bottle Unit Price \$-0-
92. Athletes Foot Cream 0.05 oz. Tube Unit Price \$2.29
93. Hydrocortisone Cream 1 oz. Tube Unit Price \$2.39
94. Chap Stick Lip Balm 15 oz. Unit Price \$1.14
95. Hemorrhoidal Ointment 2 oz. Tube Unit Price \$2.59
96. Muscle Rub 3 oz. Tube Unit Price \$3.49
97. Medicated Chest Rub 3.53 oz. Unit Price \$2.49
98. Floss Loops "Mint Flavor" 30 ct. Plastic Bag Unit Price \$1.10
99. Eye Drops 0.05 oz. Unit Price \$1.97
100. Alka Seltzer (Original Effervescent 2-tablet Pouch) 116.ct. box
Unit Price \$0.38
101. Alka Seltzer (Plus Cold Effervescent 2-tablet Pouch)
72 ct. bx Unit Price \$0.49
102. Rolaid's Antacid (12 Tablets) Stick Unit Price \$0.57
103. Acne Gel Medication 1 oz. Tube Unit Price \$2.10
104. Contact Lens M/P Solution 8 oz. Unit Price \$4.89
Substitution: 4 oz.
105. Legal Gummed Pads (8 1/2 x 11") Unit Price \$-0-
106. 3 1/2" Flexible Pencil Unit Price \$1.10
107. Bubble Cushioned Envelope (6" x 9") Unit Price \$0.49
108. #10 White Security Envelopes Unit Price \$0.06
109. No Clasp Envelope (9" x 12") Unit Price \$0.15
110. Twin Pocket Folders Unit Price \$0.45
111. Dictionary (English - Spanish & English) Unit Price \$0.99
112. Word Seek Puzzles Books Unit Price \$1.59
113. Sketch Pads (50 Sheets) Unit Price \$-0-
114. Playing Cards Deck Unit Price \$0.90
115. 4 1/2" Flexible Black Ink Pen Unit Price \$0.35
116. Tracing Paper Pad (40 Sheets) Unit Price \$2.57

117. Tan PVC Shower Sandals (Size 8 thru 13) Unit Price \$1.59
118. Colgate "Red Gel" Toothpaste 4.2 oz. Unit Price \$3.19
119. Close Up "Red Gel" Toothpaste 4.0 oz. Unit Price \$2.19
Substitution: 8.0 oz.
120. Dove Bar Soap 3.15 oz. Unit Price \$0.53
121. Zest Bar Soap 3.2 oz. Unit Price \$0.55
122. Three Flowers Brilliantine 4 oz. Unit Price \$3.28
123. Dandruff Shampoo & Conditioner 14.2 oz. Unit Price \$2.69
124. Lice Control Shampoo 2 oz. Unit Price \$8.29
Substitution: 8.0 oz.
125. Nair Hair Removal 9 oz. Unit Price \$4.99
Substitution: 10 oz.
126. Speed Stick Aqua Sport Anti-Perspirant Gel 3 oz. Unit Price \$1.29
127. Razorless Hair Removing Cream 6 oz. Unit Price \$6.19
128. After Shave Lotion 4 oz. Unit Price \$1.49
129. Baby Lotion 15 oz. Unit Price \$1.67
130. Shaving Gel 3 oz. Clear Tube Unit Price \$1.49
131. White Handkerchief (15" x 15") Unit Price \$0.55
132. VO5 Extra Body Shampoo 15.0 oz. Unit Price \$1.29
133. VO5 Extra Body Conditioner 15.0 oz. Unit Price \$1.29
134. Suave Powder Fresh Deodorant 1.7 oz. Clear Unit Price \$1.32
135. Hinged Soap Dish Box- Regular Size Unit Price \$0.39
136. Greaseless Skin Cream 4.5 oz. Unit Price \$2.26
Substitution: 6 oz.
137. Cocoa Butter Moisturizing Soap 3.6 oz. Unit Price \$0.97
138. Hair Moisturizer 4 oz. Tube Unit Price \$-0-
139. Palm Hair Brush Flexible - Black Unit Price \$0.39
140. Tampons - Singles (Regular/Super/Junior) 40 ct. Box Unit Price \$0.21
141. Disposable Douche 6 oz. Unit Price \$0.99
142. White Washcloth (12"x12") Unit Price \$0.39

EXHIBIT “C”
INSURANCE REQUIREMENTS

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID GB
R&RDI-1

DATE (MM/DD/YYYY)
08/11/08

PRODUCER IBC Insurance Agency, LTD- SA 5300 Walzem Road #200 San Antonio TX 78218 Phone: 210-646-9870 Fax: 210-646-8418	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Rene Lucio DBA R & R Distributing 5705 East Texas Rd. Edinburg TX 78539	INSURER A: Hartford Insurance	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR	ADDE	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	65SBM16993	07/01/08	07/01/09	EACH OCCURRENCE	\$ 1,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000
						MED EXP (Any one person)	\$ 10,000
						PERSONAL & ADV INJURY	\$ 1,000,000
						GENERAL AGGREGATE	\$ 2,000,000
						PRODUCTS - COM/PROP AGG	\$ 2,000,000
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident)	\$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				BODILY INJURY (Per accident)	\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				PROPERTY DAMAGE (Per accident)	\$
						AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
						EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
							\$
						WC STATU-TORY LIMITS	OTH-ER
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

County of Hidalgo
 Edinburg TX 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Eddie M Randol

E.M. Randol

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

PRODUCER
Jaime Zapata
 508 N 10th st
 McAllen, Tx 78501



THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: State Farm Mutual Automobile Insurance Company 25178	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED
Rene Lucio DBA
R & R Distributing
 5705 E Texas Rd
 Edinburg, Tx 78539

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	Commercial App 1989 Chevy pk 2007 Well Utility Trailer	07/16/2008	07/16/2009	COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ 500,000.00 BODILY INJURY (Per accident) \$ 500,000.00 PROPERTY DAMAGE (Per accident) \$ 500,000.00
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
		OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

CERTIFICATE HOLDER

Hidalgo County
 2802 S. Bus Hwy 281
 Edinburg, Tx 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Jaime Zapata

STATE OF TEXAS §

COUNTY OF HIDALGO §

AFFIDAVIT


EXEMPTION FROM THE TEXAS WORKERS' COMPENSATION ACT

NOW COMES BEFORE ME, Rene Lucio, who affirms that he is a registered sole proprietor doing business as *R&R Distributing* in the County of Hidalgo.

FURTHER, Rene Lucio, affirms that he does not have any employees and solely performs and carries out all work activities associated with *R&R Distributing*.

THEREFORE BE IT KNOWN THAT, Rene Lucio d/b/a *R&R Distributing*:

- 1) does not meet the definition of an "employer" as defined in Chapter 406. Workers' Compensation Insurance Coverage, Subchapter A. Coverage Election; Security Procedures, §406.001 which states: "employer" means a person who employs one or more employees."; and,
- 2) is hereby claiming exemption from the Texas Workers' Compensation Act as allowed by law.

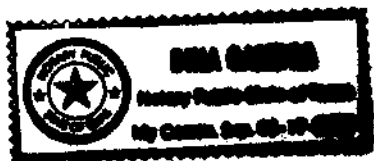

 Rene Lucio
 d/b/a R&R Distributing

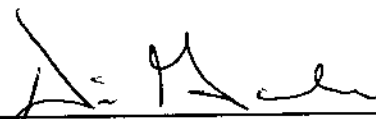
ACKNOWLEDGEMENTS

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 1st day of July, 2008, by Rene Lucio.




 Notary Public, State of Texas

Dina Gamboa
 Notary's Name (Printed)

Notary's Commission Expires: 5-17-09