

2. Company hereby promises and agrees to render and provide, during the term of this Contract, and shall be obligated to render and provide the services in accordance with the Specifications within **Hidalgo County** following a request for Services by the **Hidalgo County Sheriff's Office** or its designated agent. Company agrees in performing the Services that it will use proper professional standards, comply with any and all appropriate laws and regulations in providing the Services, and devote such time as is necessary to safely and efficiently provide the Services.

3. This Contract shall be for a period of one (1) year ("on an as needed basis") but in no event to exceed the \$25,000.00 statutory bid limit (per calendar year), with the County's at its sole option to renew/extend for or up to an additional three (3) one (1) year term. County also reserves the right to continue this bid for an additional sixty (60) day Grace Period, under the same rates terms and conditions.

4. As a condition of this Contract, Company shall hold and maintain throughout the term of this Contract all licenses and permits required, or which may be required by any authority during the term hereof to provide the Services.

5. All vehicles operated by the Company to perform the Services shall contain all equipment required by any authority to operate on streets and roads and all persons in the employment of Company who operate such vehicles shall have the required licenses, qualifications, skill and expertise to perform such Services and shall comply with all laws, rules and regulations prescribed by any agency or authority having jurisdiction with regard to the operation of such vehicles in providing the Services.

6. As consideration for rendering the Service provided for in this Contract, the County agrees to pay Company the amounts specified in Exhibit "B" attached hereto payable against written invoice submitted by Company.

7. 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 the 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.

8. Company shall provide a sufficient number of trucks, vehicles, personnel and equipment available to safely and efficiently provide the Services.

9. Company shall indemnify and hold harmless County, its elected officials, employees and agents from any and all claims, damages, losses, and expenses including attorney's fees for the defense of any action against County arising out of, resulting from, or connected with the provision of the Service by Company under this Contract. Said indemnity shall cover any act or failure to act by the Company, its agents or employees.

10. This Contract shall not be assignable in whole or in part by either party without prior written consent of the other party.

11. It is expressly agreed that this Contract and the performance by the parties hereunder does not create any agency relationship or master-servant relationship, that County has no supervision of the performance of the Services provided by Company, and that Company is an independent contractor under this Contract.

12. Any notice required or permitted to be given hereunder shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid, as set forth below:

to County: **The County of Hidalgo
Attn: County Judge
100 E. Cano
Edinburg, Texas 78539**

If to Company **Don McGhee, Vice President -Sales
HYDRO SYSTEMS, INC.
1501 North 28th Street
Harlingen, Texas 78550**

13. In case any one or more of the provisions contained in this Agreement 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 Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

14. This Agreement may be terminated by either party without cause upon thirty (30) days written notice.

15. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.

16. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be performable in Hidalgo County.

WITNESS our hands in duplicate originals this _____ day of _____, 2008.

APPROVED AS TO FORM:

Atlas & Hall, LLP
By: *[Signature]*
Atlas & Hall, LLP

COUNTY OF HIDALGO

ATTEST:

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

Arturo Guajardo, Jr., County Clerk

COMPANY: HYDRO SYSTEMS, INC.

By: _____

Printed Name: Don McGhee

Title: Vice President-Sales

EXHIBIT "A"
SPECIFICATIONS

EXHIBIT "A"

HIDALGO COUNTY SHERIFF'S OFFICE "WATER SOFTENERS SYSTEM MAINTENANCE SERVICE"

~~RFQ No. 08-501-07-18-jmt~~

RFQ No. 2008-325-00-00

SPECIFICATIONS

Project Overview:

The County of Hidalgo Texas Sheriff's Office is seeking a qualified vendor (s) to conduct work on a "WATER SOFTENERS SYSTEM MAINTENANCE SERVICE" on an only "As Needed Basis" including, but not limited to, the following:

Requirements, Terms & Conditions

1. ALL COSTS AND EXPENSES ASSOCIATED WITH THE PREPARATION AND SUBMISSION OF ALL QUOTES SHALL BE THE RESPONSIBILITY OF THE BIDDER AND NO REIMBURSEMENTS FOR SUCH CHARGES OR EXPENSES SHALL BE PASSED ONTO HIDALGO COUNTY.
2. HIDALGO COUNTY MAY UTILIZES STATE AWARDED CONTRACTS WHENEVER IT IS IN THE COUNTY'S BEST INTEREST TO DO SO.
3. VENDOR SHALL HAVE BEEN IN BUSINESS (IN THIS FIELD) FOR A MINIMUM OF THREE (3) YEARS.
4. A LIST OF A MINIMUM OF TWO (2) CURRENT REFERENCES/CONTRACTS FOR ANY STATE, LOCAL POLITICAL SUBDIVISION, PRIVATE SECTOR OR ANY OTHER LAW ENFORCEMENT AGENCY MUST BE SUBMITTED WITH YOUR QUOTE. INFORMATION SHOULD INCLUDE, BUT NOT LIMITED TO THE FOLLOWING:
 - A). COMPANY
 - B). CONTACT PERSON
 - C). PHONE NUMBER
 - D). WORK PERFORMED
 - E). CONTRACT TERM
5. VENDOR SUBMITTING QUOTE WILL USE SERVICE TECHNICIANS FOR MANUFACTURED SYSTEM DESCRIPTION AS FOLLOW:

THE HUDSON MODEL SA-600-3900-SYSTEM, 2000 WATER SYSTEM IS A TRIPLEX SYSTEM WITH 3 FIBERGLASS RESIN TANKS AND A SEPARATE SINGLE POLY SALT / BRINE TANK. THE SYSTEM IS CONTROLLED BY A SINGLE MONITORING DEVICE SYSTEMAX 2000

 1. HIGH CAPACITY CATIONIC RESIN
 2. REMOVE EXISTING RESIN, INSTALL NEW RESIN
 3. CHEMICAL CLEANING OF HOT WATER BOILERS
6. VENDORS SUBMITTING QUOTE MUST WARRANTY ALL WORK PERFORMED.

EXHIBIT "A"

Cont..

HIDALGO COUNTY SHERIFF'S OFFICE "WATER SOFTENERS SYSTEM MAINTENANCE SERVICE"

~~RFQ No. 08-501-07-18-jmt~~

RFQ No. 2008-32400-00

SPECIFICATIONS

7. THE INITIAL CONTRACT TERM FOR THIS PROJECT WILL BE FOR ONE (1) YEAR BUT IN NO EVENT TO EXCEED THE \$25,000.00 STATUTORY BID LIMIT (PER CALENDAR YEAR) WITH THE COUNTY'S OPTION TO EXTEND FOR THREE (3) ADDITIONAL ONE (1) YEAR TERMS UNDER THE SAME RATES, TERMS AND CONDITIONS.
8. VENDOR MUST SUBMIT AND MAINTAIN ALL PROPER INSURANCES FOR THE DURATION OF WORK TERM (REFER TO EXHIBIT C).
9. ALL PRICES FOR INSPECTIONS, REPAIRS AND MAINTENANCE SHALL INCLUDE CONSIDERATION FOR HOURLY RATE PLUS PARTS PERCENTAGE MARK UP (IF APPLICABLE).
10. ALL BILLING INVOICES WILL BE ITEMIZED (PARTS, LABOR, ETC....)
11. AWARD: HIDALGO COUNTY RESERVES THE RIGHT TO:
 - A- SEPARATE AND ACCEPT, OR ELIMINATE ANY ITEMS(S) LISTED UNDER THIS QUOTE THAT IT DEEMS NECESSARY TO ACCOMMODATE BUDGETARY AND/OR OPERATIONAL REQUIREMENTS;
 - B- REJECT ANY OR ALL QUOTES SUBMITTED AND FURTHER RESERVES THE RIGHT TO DESIGN THE EVALUATION CRITERIA TO BE USED IN SELECTING THE LOWEST AND BEST BID FOR APPROVAL; AND
 - C- AWARD THE BID TO ONE BIDDER OR TO MULTIPLE BIDDERS IF THE COUNTY DETERMINES IT IS IN THE BEST INTEREST TO DO SO.
- 1- RESPOND TIME UPON CALL ON REGULAR BASIS: _____ HOURS
RESPOND TIME UPON CALL ON EMERGENCY BASIS: _____ HOURS
- 2- TRAVEL TIME FROM AREA: (HOW MANY TIMES WE WILL BE CHARGED TRAVEL EXPENSES UPON CALL) _____
- 3- WHAT WILL BE THE TRAVEL COST BY FEE ON HOURLY RATE: _____

VENDOR MUST BE ABLE TO RESPOND WITHIN REASONABLE TIME FOR ONSITE REPAIRS.
VENDOR MUST ALSO BE AVAILABLE FOR TROUBLE SHOOTING VIA TELEPHONE.
PLEASE SUBMIT A RESPOND:

TIME TO LOCATION _____

RESPOND TIME FOR TROUBLESHOOTING. _____

EXHIBIT "B"
VENDOR'S PROPOSAL

EXHIBIT "B"

HIDALGO COUNTY SHERIFF'S OFFICE "WATER SOFTENERS SYSTEM MAINTENANCE SERVICE"

~~RFQ No. 08-501-07-18-jmt~~
RFQ NO. 2008-325-00-00

BID PAGE

Repairs should be for an hourly / time repair rate with mark up rate for parts. Any and all additional fees should be included in bid price (Reference to Exhibit "A" Specifications).

I- HUDSON SA—600-3900-SYSTEM:

- A. Technician Hourly Rate \$65.00 Normal Business Hours 8:00 A.M. to 5:00 P.M.
- B. Technician Hourly Rate \$97.50 After Hours, Weekends & Holidays 8:00 A.M. to 5:00 P.M.
- C. Mark Up (%) Rate for PARTS: List price less 20%
- D. Mark Up (%) Rate for MATERIALS: Cost plus 30%

II- TROUBLE SHOOTING (PHONE) FEE PER HOUR: No charge

PLEASE SPECIFY WHAT TIME FEE STARTS FOR TECHNICIAN: Service call \$60.00 Hourly, Starts on arrival

PLEASE STATE ALL WARRANTIES: 30 days on Hydro Systems Labor
Manufacturers warranties on all parts

VENDOR / COMPANY NAME: Hydro Systems, Inc.

ADDRESS: 1501 N. 28th Street

CITY/STATE/ZIP CODE: Harlingen, TX 78550

PHONE NUMBER: 956-423-4932 FAX NUMBER: 956-423-4994

AUTHORIZED SIGNATURE: [Signature] PRINTED NAME: Don McChae

TITLE: VP-Sales DATE: 7-16-08

EXHIBIT "C"
INSURANCE REQUIREMENTS

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/14/2008

PRODUCER (956)399-1353 FAX (956)399-2185

Smith-Reagan Insurance Agency
P O Box 1009
148 N Sam Houston
San Benito, TX 78586

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: Assurance Company of America

19305

INSURER B: Northern Ins Co of New York

19372

INSURER C: Texas Mutual Insurance Company

0060

INSURER D:

INSURER E:

INSURED Hydro Systems, Inc.
1501 N 28th Street
Harlingen, TX 78550

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 ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A		GENERAL LIABILITY	PAS43167866	03/12/2008	03/12/2009	EACH OCCURRENCE	\$ 1,000,000
		<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10,000
		<input checked="" type="checkbox"/>				PERSONAL & ADV INJURY	\$ 1,000,000
		GEN'L AGGREGATE LIMIT APPLIES PER:			GENERAL AGGREGATE	\$ 2,000,000	
		<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			PRODUCTS - COMP/OP AGG	\$ 2,000,000	
B		AUTOMOBILE LIABILITY	SBS01482449	03/12/2008	03/12/2009	COMBINED SINGLE LIMIT (Ea accident)	\$ 500,000
		<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		<input type="checkbox"/> HIRED AUTOS					
		<input type="checkbox"/> NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC	\$
						AUTO ONLY: AGG	\$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	\$
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
		<input type="checkbox"/>					\$
		<input type="checkbox"/> DEDUCTIBLE					\$
		<input type="checkbox"/> RETENTION \$					\$
C		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	SBP0001036323	11/08/2007	11/08/2008	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS	OTH-ER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	\$ 1,000,000
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
		OTHER				E.L. DISEASE - POLICY LIMIT	\$ 1,000,000

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

CERTIFICATE HOLDER

Hidalgo County
2812 S Business 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 _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

David Smith/CL2

David Smith

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

Print the name of the
insurer or producer
and the policy number