

REQUIREMENTS AGREEMENT

C-08-016-04-08

THIS AGREEMENT (the "Agreement") is entered into effective as of **April 8, 2008** by and between **Legget & Platt, Incorporated dba Hanes Geo Component**, a Corporation ("Seller") and **Hidalgo County** ("Buyer").

WHEREAS, Buyer has solicited proposals for the supply of its requirements of "**Geo-Grid Reinforcement Material**", for Precinct No. 2 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 "**Geo-Grid Reinforcement Material for Precinct No. 2**" in the areas of Hidalgo County Precinct No. 2 projects for a period of one year from March 31, 2008 to March 31, 2009 and may be extended with the County's discretion for an additional year 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.

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
Attn: County Judge
100 E. Cano, 2nd Floor
Edinburg, Texas 78539

If to Seller: Legget & Platt, Incorporated
dba Hanes Geo Component
Attn: Joey Gonzalez
4101 S. Industrial, Ste. 100
Austin, Texas 78744

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.

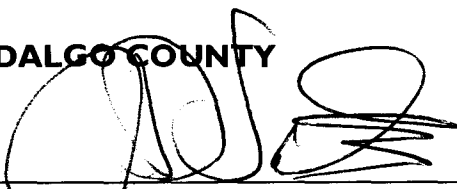
APPROVED BY COMMISSIONERS COURT ON, April 8, 2008.

APPROVED AS TO FORM:

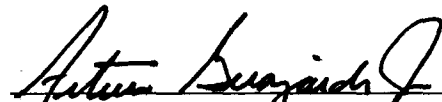
Atlas & Hall, L.L.P

By  _____

HIDALGO COUNTY

By:  _____
Juan D. Salinas, County Judge

ATTEST:

 _____
Arturo Guajardo, Jr., County Clerk

COMPANY:

**Legget & Platt, Incorporated
dba Hanes Geo Component**


By:  _____
Printed Name: Lauren Alasiz
Title: Inside Sales Representative

EXHIBIT “A”

Specification

**HIDALGO COUNTY PRECINCT #2
 "GEO-GRID REINFORCEMENT MATERIAL"
 BID NO. 2008-016-03-19-ROL**

SPECIFICATIONS

DESCRIPTION: This item consists of furnishing geo-grid reinforcement material.

MATERIALS: The geo-grid shall be single layer grid structure formed by a regular network of integrally connected polymeric tensile elements with apertures designed to interlock with the surrounding fill material. The structure shall be capable of maintaining dimensional stability during placement and under normal construction traffic. The geo-grid shall be resistant to damage during construction, including ultraviolet degradation, and shall have long-term resistance to chemical and biological degradation caused by the material being reinforced. No multiple layered grids are acceptable.

The geo-grid shall also conform to the properties specified below.

STRUCTURAL GEO-GRID PROPERTIES

TABLE A

PROPERTY	TEST METHOD	UNITS	TYPE 1	TYPE 2
Aperture Stability Modulus at 20 cm-kg	Kinney-01	cm-kg/deg	3.2	6.5
Rib Shape	Observation	N/A	Rectangular or Square	Rectangular or Square
Rib Thickness	Calipered	In	0.03	0.05
		(mm)	(0.76)	(1.27)
Aperture Size	I.D. Calipered	In	0.9 to 1.5	0.9 to 1.5
		(mm)	(25 to 33)	(25 to 33)
Junction Efficiency	GRI-GG2-87	%	90	90
Flexural Rigidity	ASTM D1388-96	mg-cm	250,000	750,000
Minimum True Initial Modulus in Use	ASTM D6637-01			
-MD		lb/ft	15,170	32,890
		(kN/m)	(226)	(360)
-CMD		lb/ft	24,685	44,725
		(Kn/m)	(481)	(652)

MATERIALS
CONT.:

Alternate geo-grid material will be considered. Such materials must be pre-approved in writing by the Engineer prior to bid date. Alternate material packages must be submitted to the Engineer a minimum of 15 days prior to bid date. Submittal packages must include, as a minimum, the following:

1. Full-scale laboratory testing and in-ground testing of pavement structures reinforced with the specific geo-grid, which quantifies the structural contribution of the geo-grid to the pavement structure. The increase in structural layer coefficient of the base course must meet or exceed that of the design geo-grid.
2. Independent certified tests results stating that the alternate geo-grid has a secant aperture stability modulus at 20 cm-kg, when tested in accordance with the "Grid Aperture Stability by In-Plane Rotation" test of 3.2 or greater.
3. A list of 5 comparable projects, in terms of size and applications, in the United States, where the results of the specific alternate geo-grids use can be verified after a minimum of 1 year of service.
4. A sample of the geo-grid and certified specification sheets.

MANUFACTURER'S
REPRESENTATIVE

A qualified and experienced representative from the geo-grid manufacturer available on an as needed basis during the construction and or installation of the product. The representative shall visit the site for consultation at least once during the construction and or installation of the product.

PACKING:

The geo-grid shall be packaged in rolls with length between 200 feet and 250 feet and widths of 12 to 15 feet and 8 to 10 feet.

Each roll shall be one continuous piece packaged in a suitable sheath, wrapper or container to protect the geo-grid from damage due to ultraviolet light, moisture, and normal storage and handling.

PRODUCT:

Geo-grid shall be TENSAR BX1100 for type 1 and TENSAR BX1200 for Type 2 or approved equal meeting the material requirements stated herein on Table A.

BID AWARD:

Bid commencing upon termination of current contract expires and continuing for a period of one (1) year and may be extended at the sole discretion of County for an additional one (1) year term, unless this Contract is terminated pursuant to the provisions herein, whichever occurs first.

All costs and expenses associated with the preparation and submission of bid shall be the responsibility of the submitter and no reimbursements for such charges or expenses shall be passed on to the County.

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:

- 1) **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.
- 2) **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.
- 3) **Timeframe 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.

- 4) **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.
- 5) **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.

ADDITIONAL INFORMATION:

Further information required for this project can be addressed through the Hidalgo County Purchasing Department through Rolando "Roli" Flores. Hidalgo County is also requesting that any and all questions, inquiries and clarifications regarding quotes, bids, proposal or statement of qualifications be addressed to Martha L. Salazar, CPPB/Purchasing Agent at Physical: 2802 S. Business Hwy. 281, Postal/Mailing: 2812 S. Business Hwy. 281, New Administration Building, Edinburg, Texas 78539. TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.

All written inquiries will be accepted via facsimile no later than, **Wednesday, March 12, 2008, at 5:00 p.m.**, at (956) 318-2629. Responses to said inquiries will be sent to all applicants via facsimile by no later than **5:00 p.m., March 14, 2008.**

EXHIBIT “B”
VENDOR’S BID PRICE

EXHIBIT B

**Hidalgo County Precinct No. 2
"GEO-GRID REINFORCEMENT MATERIAL"
Bid No. 2008-016-03-19-ROL**

BID PAGE

DESCRIPTION:	UNIT PRICE:
TYPE 1 GEO GRID AS PER SPECIFICATIONS	\$ <u>2.10</u> SY
ADDITIONAL CHARGES:	\$ <u>N/A</u>
TYPE 2 GEO GRID AS PER SPECIFICATIONS	\$ <u>3.47</u> SY
ADDITIONAL CHARGES:	\$ <u>N/A</u>

BIDDER'S NAME: Hanes Geo Components
ADDRESS: 4101 S. Industrial Dr, Ste. 100
CITY/STATE/ZIP CODE: Austin, TX 78744
PHONE NUMBER: 512-670-2050
FAX NUMBER: 512-670-2035
AUTHORIZED SIGNATURE: Jey Gonzalez
PRINTED NAME: Jey Gonzalez
TITLE: Field Sales
DATE: N/A
TOTAL BID PRICE: N/A

EXHIBIT “C” INSURANCE REQUIREMENTS

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID EQ
LEGG-3

DATE (MM/DD/YYYY)
04/11/08

PRODUCER Hays Companies of Kansas City 920 Main Street, Suite 2100 Kansas City MO 64105 Phone: 816-474-3535 Fax: 816-842-5795	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.												
INSURED Leggett & Platt, Incorporated Hanes Geo Components 1 Leggett Road PO Box 757 Carthage MO 64836-0757	<table border="1"> <tr> <th>INSURERS AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A: Discover Property & Casualty</td> <td></td> </tr> <tr> <td>INSURER B: Discover Specialty Ins. Co.</td> <td></td> </tr> <tr> <td>INSURER C: Fidelity and Guaranty Ins. Co.</td> <td>35386</td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> </table>	INSURERS AFFORDING COVERAGE	NAIC #	INSURER A: Discover Property & Casualty		INSURER B: Discover Specialty Ins. Co.		INSURER C: Fidelity and Guaranty Ins. Co.	35386	INSURER D:		INSURER E:	
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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.

INSTR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	X	GENERAL LIABILITY	D002L00330	11/30/07	11/30/08	EACH OCCURRENCE	\$ 2,000,000
		<input checked="" 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
						PERSONAL & ADV INJURY	\$ 2,000,000
						GENERAL AGGREGATE	\$ 4,000,000
						PRODUCTS - COMP/OP AGG	\$ 4,000,000
						GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	
A A B		AUTOMOBILE LIABILITY	D002A00576 (AOS) D002A00577 (MA) D002A00578 (TX)	11/30/07 11/30/07 11/30/07	11/30/08 11/30/08 11/30/08	COMBINED SINGLE LIMIT (Ea accident)	\$ 5,000,000
		<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 checked="" type="checkbox"/> HIRED AUTOS					
		<input checked="" type="checkbox"/> NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY	EA ACC \$ AGG \$
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE	\$
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$
		<input type="checkbox"/> DEDUCTIBLE					\$
		<input type="checkbox"/> RETENTION \$					\$
C A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	D002W00637 (AOS) D002W00638 (NJ/NV)	11/30/07 11/30/07	11/30/08 11/30/08	<input checked="" type="checkbox"/> WC STATUTORY LIMITS	OTHER
		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
						E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
C		OTHER				Limits	See Above
		Work Comp	D002W00639 (OR/WI)	11/30/07	11/30/08		

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

As respects General Liability and Automobile Liability coverage, Hidalgo County is included as additional insured per written contract.


CERTIFICATE HOLDER

HIDALGO

Hidalgo County
 Purchasing Dept
 Rolando Flores
 2812 S business 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




PURCHASING DEPARTMENT
County Of Hidalgo

May 19, 2008

Joey Gonzalez, Field Sales
Legget & Platt, Incorporated
Db a Hanes Geo Component
4101 S. Industrial, Ste. 100
Austin, Texas 78744

Re: C-08-016-04-08 Geo-Grid Reinforcement Material for Precinct No. 2

Dear Mr. Gonzalez:

Pursuant to Hidalgo County Commissioners' Court action of, April 8, 2008 the above-referenced project was awarded to your firm.

In connection with the award of the contract, enclosed please find the original contract in order to formalize the said agreement. Please review the agreement, and if all appears to be in order, please have it executed by the person authorized to do on behalf of your company and return original to the undersigned for execution by Hidalgo County.

We respectfully wish to extend our gratitude for your attention in this matter and if you have any questions or concerns in reference to this matter do not hesitate to contact me at (956) 318-2626.

Sincerely,

Rocio Villarreal
Hidalgo County Contracts Manager

