

**REQUIREMENTS AGREEMENT**  
**C-10-109-09-21**

THIS AGREEMENT (the "Agreement") is entered into effective as of **September 21, 2010** and between **International Roadbond Service Company Ltd, DBA Roadbond Service Company** ("Seller") and **HIDALGO COUNTY** ("Buyer").

WHEREAS, Buyer has solicited proposals for the supply of its requirements of Hidalgo County "**EN-1 Road Stabilizer Material** (commodity)," as further described in Exhibit "A" which is attached hereto and incorporated herein by reference for all purposes (the "RFB Packet") for a period one (1) 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 "**EN-1 Road Stabilizer Material-Hidalgo County**" in the areas of **HIDALGO COUNTY** projects for a period of one(1) year on an "**As Needed Basis**" from **September 21, 2010 to September 20, 2011** with the option to renew for an additional one (1) year under the same rates, terms, and conditions, and /or sixty (60) day grace period extension at the end of the contract for unforeseen delays on subsequent contract, 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 Seller through a third party transporter (shipper) at the expense of seller, 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" (the "Vendor's Bid"). 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. Any contract award to a successful bidder will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered,

or (c) terminated by County with thirty (30) day's written notice prior to cancellation.

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: International Roadbond Service Company Ltd.,  
DBA Roadbond Service Company  
Attention: Steven Merritt, President

PO Box 5065  
Granbury, Texas 76048

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. **Termination.** County may terminate this Agreement at any time for any reason or no reason at all upon giving thirty (30) day written notice.

g. **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.

h. **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.

i. **Assignment.** This Agreement shall not be assignable.

j. **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.

k. **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

l. **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.

m. **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).

n. **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.

o. **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, 9-21-10.

APPROVED AS TO FORM:  
ATLAS & HALL L.L.P.

By: 

Date: 9-23-10

HIDALGO COUNTY

By:   
Rene A. Ramirez, County Judge

ATTEST:

  
Arturo Guajardo, Jr., County Clerk

Vendor: Roadbond Svc. Company

By: Col. Roy R. Alvarez Jr (CR-Rt)

Printed Name: Col. Roy R. Alvarez Jr. (CR-Rt)

Title: Consultant / Co. Representative

## EXHIBIT "A"

HIDALGO COUNTY  
"EN-1 ROAD STABILIZER MATERIAL"  
BID NO.: 2010-109-08-25-CGV

### SPECIFICATIONS/REQUIRMENTS

#### I. DESCRIPTION:

These specifications shall govern for any liquid stabilizer equal or approved equal to patented EN-1 intended primarily as a material stabilizer for mixing and compacting material in accordance with specifications governing base and/or subgrade courses. The approved stabilizer must be able to enhance the compressive strength, increase load bearing capacity of soil, increase flexural strength, reduce swelling, shrinkage and permeability, insure proper compaction an reduce maintenance upkeep through reduction of potential failures.

Purchases of **EN-1 Soil Stabilizer** will be on an "As Needed Basis" only by Hidalgo County including all funding sources, Departments, Programs and Entities (i.e. CIP, CAP and R&B).

Any brand name mentioned in this request for bids is for description only and is not intended to exclude any products of equal quality or compatibility. Bidders desiring to substitute items may do so provided that brand names and specifications are indicated in the bid and that items fully meet herein specifications.

#### II. MATERIALS:

Roadbond (EN-1) Soil Stabilizer is a sulfonated D-limonene bioensyme which contains a strong oxidizer, a powerful solvent and natural dispersant that interacts with natural road materials. The interaction of these components activates the naturally occurring mineral cements in the soil and bonds the soil grains together to form a material analogous to most sedimentary rocks and alluvial soils. This stabilizing solvent acts to scrub the soil and allows the oxidizer access to a wider array of mineral ions evenly throughout the mixture, thereby increasing particle attraction (bonding), greatly decreasing voids in the road strata. In clay soils, it attacks they clay lattice of the soil, which will alter the ionic charge in the clay, and it creates a chemical bond between clay particles. This material is a corrosive in its concentrated state, once mixed with required volume of water; it becomes a non-corrosive, which has been approved by EPA.

#### III. BID AWARD:

- Any contract awarded to a successful bidder will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered, or (c) terminated by County with thirty (30) days written notice prior to

cancellation.

- Award of contract will be contingent on availability of Hidalgo County funds.
- Hidalgo County reserves the right to reject any or all bids, to waive any or all formalities, or to accept the bid considered the lowest, best, and most advantageous to the County, including compliance to bid specifications.
- Hidalgo County reserves the right to hold the bids for a period of (90) ninety days without taking action hereon.
- Hidalgo County reserves the right to award to one or more bidder(s) whichever is in the best interest of the County.

#### IV. TERMS AND CONDITIONS:

- The contract will be in effect for a period of one (1) year with the County's option to extend for an additional one (1) year term based on performance evaluation and contingent upon cost remaining unchanged, and/or sixty (60) day grace period extension at the end of the contract for any unforeseen delays on subsequent contract. Bid Price must remain firm during the contract period.
- It is intended that the amount of "**EN-1 Road Stabilizer Material**" required by Hidalgo County will be purchased on an "**As Needed Basis**".
- This contract shall remain in effect until contract expires, delivery/completion of services ordered or terminated by either party with a (30) thirty day written notice prior to any cancellation. The successful bidder must state therein the reasons for such cancellation.
- Hidalgo County reserves the right to award canceled contract to next lowest bidder as it deems to be in the best interest of the County.
- Insurance certificates as per "**Exhibit C**" must be submitted to the Purchasing Department prior to any services being performed by the awarded bidder.
- Hidalgo County reserves the right to utilize state contracts from its membership with their existing or new cooperatives whenever it is in the best interest to do so.

#### V. REQUIREMENTS:

1. Roadbond liquid stabilizer shall be stored and handled in closed, five (5) gallon weatherproof containers until immediate distribution on the road.
2. Roadbond materials must be stored in covered storage and well ventilated with adequate protection from flooding or damage.

3. For mixing ease and safety, round off to the nearest 5-Gallon increments (i.e. 72-Gallons up to 75-Gallons).

ROAD WIDTH IN FT.	6" IN DEPTH * .0056 GA/SY	8" IN DEPTH * .0075 GA/SY	10" IN DEPTH * .0089 GA/SY
20' Wide Road	66 Gallons Per Mile	88 Gallons Per Mile	104 Gallons Per Mile
22' Wide Road	73 Gallons Per Mile	97 Gallons Per Mile	120 Gallons Per Mile
24' Wide Road	80 Gallons Per Mile	106 Gallons Per Mile	132 Gallons Per Mile
26' Wide Road	86 Gallons Per Mile	115 Gallons Per Mile	143 Gallons Per Mile
28' Wide Road	93 Gallons Per Mile	124 Gallons Per Mile	154 Gallons Per Mile
30' Wide Road	99 Gallons Per Mile	132 Gallons Per Mile	165 Gallons Per Mile
Square Yards treated/gallon	180 Square Yards	135 Square Yards	108 Square Yards
Square Yards treated/gallon (when using CTB)	171 Square Yards	128 Square Yards	103 Square Yards

4. The following concentrated quantities are to be mixed with 300 gallons of water to each gallon of EN-1. Strict application instructions.

\*\*Use 5" more EN-1 Road Stabilizer than the chart calls for when treating Cement Treated Base;

(Calculate 28.5 cubic yards per Gallon)

\*\*\* Application rate per square yard = Length (feet) x Width (feet) X Appl. Rate \* 9 SF

5. **EN-1 Road Stabilizer Material** shall conform to Texas Department of Transportation (TX DOT), Standard Specifications for Construction of Highways, Streets and Bridges.
6. Product must be registered with the U.S. Patent and Trademark Office as a soil stabilizer.
7. Vendor must furnish test results and documentation from independent sources as the effectiveness of the stabilizer. These test reports must include CBR, Triaxial Compression Test, Falling Weight Deflectometer, Resilient Modulus or other relevant test to determine strength. Reduction in swelling of clay soils must be verified by relevant test performed by a reputable lab.
8. The product must be easily applied by personnel with equipment commonly used by road construction and maintenance crews.
9. A material safety data sheet (MSDS) on the EN-1 Road Stabilizer product being bid must be submitted with the bid.

10. When requested, samples shall be furnished free of expense to Hidalgo County.
11. Random sampling/Testing may be performed at the request of Hidalgo County anytime during the length of the contract through an independent testing laboratory.
12. Continuing non-performance of the bidder in terms of specifications shall be basis for the termination of the contract by the County.
13. The County shall not pay for work, equipment, or supplies which are unsatisfactory. Vendors will be given a reasonable opportunity before termination to correct the deficiencies.
14. In the event the material furnished does not meet all the above requirements (regardless of weather, test's acceptability, method of repair or other conditions), the County reserves the option to require the material supplier to replace or to reimburse the County for the unused portion of material found to be unsatisfactory.

**VI. ADDITIONAL INFORMATION:**

- All costs and expenses associated with the preparation and submission of (bids, proposals and/or quotes) shall be the responsibility of the bidder and no reimbursements for such charges or expenses shall be passed onto Hidalgo County.
- Hidalgo County is requesting that any and all questions, inquiries and clarifications regarding quotes, bids, proposals or statements of qualifications be addressed to, Martha L. Salazar, CPPB, Purchasing Agent, 2802 So. Business Hwy 281, New Administration Building, Edinburg, Texas 78539. **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**
- **ALL WRITTEN INQUIRIES WILL BE ACCEPTED VIA FACSIMILE TO: [cris.villarreal@co.hidalgo.tx.us](mailto:cris.villarreal@co.hidalgo.tx.us) , BY NO LATER THAN, Wednesday, August 18, 2010 by 5:00 P.M.** Responses to said inquiries will be sent to all applicants via facsimile by no later than, Friday, August 20, 2010 by 5:00 P.M.

<b>Contact Personnel for County Precincts</b>	
Hidalgo County Precinct No. 1 Domingo Morin, Accountant 1902 Joe Stephens Weslaco, Texas 78593 956-968-8733	Hidalgo County Precinct No. 2 Mr. Ricardo Cuellar, Field Operations Foreman 301 E. State Pharr, Texas 78577 956-787-1891
Hidalgo County Precinct No. 3 Saul Ramirez, Field Operations Foreman 400 W. 13 <sup>th</sup> Mission, Texas 78572 956-585-4509	Hidalgo County Precinct No. 4 Mr. Juan Carranza, Chief Administrator 1102 N. Doolittle Edinburg, Texas 78539 956-383-3112

### **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. 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.
  - b. 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.
  - c. The County Purchasing Agent retains the right to determine whether or not such proposed price changes are in the best interest of the County.
  - d. No price escalation will be authorized in excess of the amount of the increase referred to in the supplier's notice.
  - e. 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) **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.

- 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.

**DISCLOSURE OF CONFLICT OF INTEREST:** Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County ("the County") to disclose in the Conflict of Interest Questionnaire ("the CIQ") attached as **Exhibit D**, the vendor, person, consultant or contractor's affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk's Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contracts or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful participant fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please Submit completed CIQ forms to the Hidalgo County Clerk's Office located at 100 N. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse. **COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE PARTICIPANT.**

**EXHIBIT "B"**  
**VENDORS BID PAGE**

**EXHIBIT "B"**  
**HIDALGO COUNTY**  
**"EN-1 ROAD STABILIZER MATERIAL"**  
**BID NO.: 2010-109-08-25-CGV**

**BID PAGE**

MATERIAL DESCRIPTION	BID PRICE
EN-1 ROAD STABILIZER (5 gal containers)	\$ 375.00 (See Attached)

**BIDDER'S INFORMATION:**

BIDDER/COMPANY NAME:	International Roadbond Ltd., DBA Roadbond Service Company
ADDRESS:	P. O. Box 549
CITY/STATE/ZIP CODE:	Tolar, Texas 76476
PHONE & FAX NO.'S:	Prim. (956) 490-7528, FAX (956) 412-0061 Sec. (254) 835-4507, FAX (254) 835-5297
CELLULAR & BEEPER NO.'S:	NO. BEEPERS Prim. (956) 490-7528, Sec. (817) 223-0354
AUTHORIZED SIGNATURE:	<i>Col. Roy R. Alvarez Jr.</i>
PRINTED NAME:	Col. Roy R. Alvarez Jr. (CE-Ret)
TITLE:	Consultant and Authorized Representative
EMAIL ADDRESS: (IF AVAILABLE)	Prim. ralva.1954@aol.com Sec. rbusa.charter@net.com

**OPENED**

*9:39am*

*8/25/200*

**Witnessed**

*[Signature]*

August 18, 2010

To: Bid Coordinator,

Our price on Roadbond EN-1 (Liquid Stab.) is based on Bid Quote of \$75.00 per gallon and no freight cost, which is a saving of \$13.75-\$28.00 per gallon (based on quantities ordered) by the County. Current price savings is based on increase in transportation cost only. Our product is selling for \$80/gal for existing established clients and to new clients for \$85-\$95/gallon plus freight depending on quantity ordered. As you well know our leading green product is the most cost effective priced patented stabilizer on the market in comparison to other major stabilizers such as lime, cement and tiyash. It is a Green Patented product also approved by TxDOT, GSA and EPA. This price will go into effect upon your approval. Cost to stabilize 6" depth equals .435¢/sq.

Thank You.



Col. Roy R. Alvarez, Jr. (CE-Ret.)