



## Agreement for Construction Services

This Agreement ("Agreement") between Williamson County, Texas, a political subdivision of the State of Texas ("Owner") and Lone Star Paving Company ("Contractor") is entered into in accordance with the following terms and conditions:

**ARTICLE 1 SCOPE OF WORK:** The Owner desires to retain Contractor to provide the construction services described herein. The Contractor shall have the overall responsibility for and shall provide complete construction services and furnish all materials, equipment, tools and labor as necessary or reasonably inferable to complete the following described construction services, or any phase of such services, in accordance with the Owner's requirements and the terms of this Agreement (hereinafter collectively referred to as the "Work"):

**As described in the IFB Solicitation # T1498, Shell Road and Shell Spur Milling and Overlay; including the specifications set forth therein, which is incorporated herein as if copied in full.**

**ARTICLE 2 CONTRACT PRICE:** Owner agrees to pay to the Contractor, for the satisfactory performance of the Work, the not-to-exceed amount of Six Hundred Fifty Eight Thousand Six Hundred Four Dollars and Forty Seven Cents (\$658,604.47) in accordance with the terms and conditions of this Agreement.

**ARTICLE 3 PLANS AND SPECIFICATIONS:** The Work shall be performed pursuant to and in accordance with the following described plans and specifications, as well as any revisions made thereto:

**As described in the IFB Solicitation # T1498, including the specifications set forth therein, which is incorporated herein as if copied in full.**

**Additional Work:** Should Owner choose to add additional work, such additional work shall be described in a separate written amendment to this Agreement wherein the additional work shall be described and the parties shall set forth the amount of compensation to be paid by Owner for the additional work. Contractor shall not begin any additional work and Owner shall not be obligated to pay for any additional work unless a written amendment to this Agreement has been signed by both parties.

**ARTICLE 4 SUBSTANTIAL AND FINAL COMPLETION:**

**4.1 Commencement of Work.** Contractor shall commence the Work upon instruction to do so from the Owner and Construction shall be deemed to have commenced on the date of such instruction.

**4.2 Substantial Completion.** “Substantial Completion” means the stage in the progress of the Work when the Work, or designated portions thereof, may still require minor modifications or adjustments but, in the Owner’s opinion, the Work has progressed to the point such that all parts of the Work under consideration are fully operational and usable for intended purposes, as evidenced by a Certificate of Substantial Completion approved by the Owner. If a Certificate of Occupancy is required by public authorities having jurisdiction over the Work, said certificate shall be issued before the Work or any portion thereof is considered substantially complete. When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall notify Owner’s Designated Representative (sometimes referred to as the “ODR”) and request a determination as to whether the Work or designated portion thereof is substantially complete. If the ODR does not consider the Work substantially complete, the ODR will notify the Contractor giving reasons therefore. Failure on the Owner’s part to list a reason does not alter the responsibility of the Contractor to complete all Work in accordance with the terms of this Agreement. After satisfactorily completing items identified by Owner’s Designated Representative, the Contractor shall then submit another request for the ODR to determine Substantial Completion. If The ODR considers the Work substantially complete, The ODR will prepare and deliver a certificate of Substantial Completion which shall establish the date of Substantial Completion, shall include a punch list of items to be completed or corrected before final completion and final payment, shall establish the time within which the Contractor shall finish the punch list, and shall establish responsibilities of the Owner and the Contractor for security, maintenance, heat, utilities, damage to the Work, warranty and insurance. Failure to include an item on the punch list does not alter the responsibility of the Contractor to complete all Work in accordance with the terms and conditions of this Agreement. The certificate of Substantial Completion shall be signed by the Owner and the Contractor to evidence acceptance of the responsibilities assigned to them in such certificate.

Substantial Completion (as defined in this agreement) for all stages of the Work shall be achieved on or before the following Substantial Completion date:

DATE FOR SUBSTANTIAL COMPLETION: TBD

Under no circumstances will the time for Substantial Completion exceed this date without a written amendment to this Agreement. **THE TIMES SET FORTH IN THE CONSTRUCTION DOCUMENTS ARE AN ESSENTIAL ELEMENT OF THE AGREEMENT. TIME LIMITS STATED IN THE CONTRACT DOCUMENTS ARE OF THE ESSENCE OF THIS AGREEMENT.**

**4.3 Final Completion.** The Work shall be fully and finally completed **on or before TBD**; provided, however, Owner may extend said time period in the event bad weather affects the progress of the Work. Owner shall, at its sole discretion, determine when the Work has been fully and finally completed to its satisfaction.

**4.4 Liquidated Damages.** For each consecutive calendar day after the date of Substantial Completion that the Work is not Substantially Complete, the Owner may deduct the amount of **Two Hundred Dollars per day (\$200/day)** from any money due or that becomes due the Contractor, not as a penalty but as liquidated damages representing the parties' estimate at the time of contract execution of the damages that the Owner will sustain for late completion. The parties stipulate and agree that calculating Owner’s actual damages for late completion of the Work would be impractical, unduly burdensome, and cause unnecessary delay and that the amount of daily liquidated damages set forth is reasonable.

## ARTICLE 5 PAYMENT:

Contractor shall have a duty to submit to the ODR by the end of each month a statement showing the total value of the Work performed during such month. The statement shall also include the value of all sound materials delivered on the Work site and to be included in the Work and all partially completed Work, whether bid as a lump sum or a unit item, which in the opinion of the ODR is acceptable. The ODR shall examine and approve or modify and approve such statement. The Owner shall then pay the Contractor pursuant to Chapter 2251 of the Texas Government Code ("Texas Prompt Payment Act"), as set forth in Article 11.1 of this Agreement, the total amount of the approved statement less all previous payments and all further sums that may be retained by the Owner under the terms of this Agreement or under the law. **Statements are not considered "received" until reviewed by the ODR and an approved statement is submitted to the Williamson County Auditor's Office; therefore, Contractor must ensure timely delivery of statements for review and processing.**

At any time following the completion of all Work, including all punch list items, cleanup, and the delivery of record documents, the Contractor shall submit a certified application for final payment, including all sums held as retainage if any, to the ODR for its review and approval. Contractor shall submit, prior to or with the application for final payment, final copies of all close out documents, including maintenance and operating instructions, guarantees and warranties, certificates, and all other items required by this Agreement. Contractor shall also submit consent of surety to final payment, an affidavit that all payrolls, bills for materials and equipment, subcontracted work and other indebtedness connected with the Work, except as specifically noted, have been paid or will be paid or otherwise satisfied within the period of time required by Chapter 2251, Texas Government Code. Contractor shall furnish documentation establishing payment or satisfaction of all such obligations, such as receipts, releases and waivers of claims arising out of the Agreement. Owner is entitled to rely upon this affidavit and the Contractor may not submit a claim on behalf of a subcontractor or vendor if that claim has not been noted as an exception in the affidavit.

Owner may deduct from the final payment all sums due from Contractor for any reason, Liquidated Damages and all other deductions authorized by this Agreement.

Final payment shall constitute a waiver of all claims by the Contractor except those specifically identified in writing and submitted to the ODR prior to the application for final payment. Provided, however, that the Work shall not be deemed fully performed by the Contractor and closed until the expiration of all warranty periods.

## ARTICLE 6 CONTRACTOR'S GENERAL RESPONSIBILITIES AND COVENANTS:

**6.1** Contractor shall perform all services specifically allocated to it hereunder, as well as those services reasonably inferable and necessary for completion of the Work. The Contractor shall keep the Owner informed of the progress and quality of the Work. Contractor agrees and acknowledges that Owner is entering into this Agreement in reliance on Contractor's represented expertise and ability to provide the Work described in this Agreement. Contractor agrees to use its best efforts, skill, judgment, and abilities to perform its obligations in accordance with the highest standards used in the profession and to further the interests of Owner in accordance with Owner's requirements and procedures.

**6.2** Contractor's duties as set forth herein shall at no time be in any way diminished by reason of any approval by the Owner nor shall the Contractor be released from any liability by reason of such approval by the Owner, it being understood that the Owner at all times is ultimately relying upon the Contractor's skill and knowledge in performing the services required hereunder.

**6.3** Contractor is responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. The safety program shall comply with all applicable requirements of the current federal Occupational Safety and Health Act and all other applicable federal, state and local laws and regulations.

**6.4** Contractor shall be an independent contractor under this Agreement and shall assume all of the rights, obligations, liabilities, applicable to it as such independent contractor hereunder and any provisions in this agreement which may appear to give Owner the right to direct Contractor as to details of doing the Work herein covered or to exercise a measure of control over the Work shall be deemed to mean that Contractor shall follow the desires of Owner in the results of the Work only. Owner shall not retain or have the right to control the Contractor's means, methods or details pertaining to the Contractor's performance of the Work described herein, nor shall Owner have the power to direct the order in which Contractor's Work is performed under this agreement. Owner and Contractor hereby agree and declare that Contractor is an Independent Contractor and as such meets the qualifications of an Independent Contractor under Texas Worker's Compensation Act, Texas Labor Code, Section 406.141, that the Contractor is not an employee of Owner for purposes of this Agreement, and that the Contractor and its employees, agents and sub-subcontractors shall not be entitled to worker's compensation coverage or any other type of insurance coverage held by Owner.

**6.5** As part of Contractor obligation to coordinate the Work, Contract shall:

- a. cooperate with the ODR and endeavor to further the interests of the Owner and the Work;
- b. provide an on-site, full-time superintendent for the duration of the Work;
- c. visit the Work site and inspect the existing facilities, systems and conditions to insure an accurate understanding of the existing conditions as required;
- d. at Owner's request, attend public meetings and hearings concerning the development of the Work;
- e. review all drawings, specifications, and other plans as they are developed by the Owner and/or its architect and advise Owner of any error, inconsistency or omission discovered in the drawings, specifications, and other plans;
- f. review the drawings, specifications, and other plans for compliance with all applicable laws and code requirements;
- g. advise Owner of any tests that should be performed;
- h. organize and maintain a competent, full-time staff at the Work site with clearly defined lines of authority and communication as necessary to coordinate construction activities, monitor and direct progress of the Work;
- i. attend Owner's regularly scheduled Work progress meetings and fully advise the ODR of the Work status including schedule, costs, quality and changes;
- j. assist Owner in obtaining building permits and obtain special permits for permanent improvements as required by law; and
- k. shall coordinate, monitor and inspect the Work of subcontractors to ensure conformance with the drawings, specifications, other plans and with the terms of this Agreement.

**6.6** Contractor shall identify every subcontractor it intends to use for the Work to the Owner in writing at least ten (10) days before entering into any subcontract. Contractor shall not use any subcontractor to which Owner has a reasonable objection. If Owner does not object to a particular subcontractor with said ten (10) days, such subcontract may be considered acceptable to Owner. Following Owner's acceptance of a subcontractor, that subcontractor shall not be changed without Owner's written consent, which shall not be unreasonably withheld.

**6.7** Contractor's designated representative, which is set forth below Contractor's signature herein below, shall be responsible for the day-to-day management of the Work on behalf of Contractor. The designated representative shall be the Owner's primary contact during the Work and shall be available as required for the benefit of the Work and the Owner. The contractor's designated representative shall be authorized to act on behalf of and bind the Contractor in all matters related to the Work including, but not limited to, execution of Change Orders.

**6.8 NO ALTERATIONS OR CHANGES SHALL BE MADE, HOWEVER, EXCEPT UPON THE WRITTEN ORDER OF THE OWNER, OR THE ODR.**

**6.9** Contractor shall promptly correct any defective Work at Contractor's sole expense, unless the Owner specifically agrees, in writing, to accept the Work.

**6.10** Contractor shall maintain and deliver the close out documents that describe changes or deviations from the original drawings, specifications and plans that occurred during construction and that reflect the actual "As Built" conditions of the completed Work.

#### **COMMISSIONING AND WARRANTY RESPONSIBILITIES**

**6.11** Contractor shall provide commissioning, starting and check-out services for the systems installed as a part of the Work prior to completion and acceptance. Operation manuals and instructions will be provided to the Owner, the systems will be demonstrated and training provided to Williamson County's operators upon completion and prior to acceptance.

**6.12** Contractor hereby warrants that the materials and equipment provided for the Work will be of good quality and new unless otherwise required or permitted by the Owner; that the construction will be free from faults and defects; and that the construction will conform with the requirements of the plans, specifications, drawings and the terms of this Agreement.

**6.13** Contractor shall provide warranty services for the Work for a full **12 months** (30 months for Work involving mechanical services, if any) following Final Completion and final payment. Just before the warranty period expires, Contractor shall attend an on-site meeting with the Owner to ensure that all warranty issues have been identified and properly remedied.

#### **ARTICLE 7 OWNER'S RESPONSIBILITIES**

**7.1** The Owner shall:

- a. provide the general schedule for the Work provided Owner is of the opinion such schedule is necessary. The general schedule will set forth the Owner's plan for milestone dates and completion of the Work;
- b. identify a person as its ODR who is authorized to act in the Owner's behalf with respect to the Work. The ODR shall examine the documents submitted by the Contractor and shall render decisions on behalf of the Owner to the extent allowed by Texas law;

- c. at Owner's cost, will secure the services of surveyors, soils engineers, existing facility surveys, testing and balancing, environmental surveys or other special consultants to develop such additional information as may be necessary for the design or construction of the Work;
- d. furnish required information and services and shall render approvals and decisions as expeditiously as is consistent with reasonable skill and care and the orderly progress of the Contractor's services and of the Work;
- e. shall have the right to reject any defective Work. Should Contractor refuse or neglect to correct any such Work within a reasonable time after notice, Owner may have the Work corrected and recover all expenses incurred from Contractor on demand; and
- f. Owner shall furnish to the Contractor a sufficient number of plans, drawings and specifications sets.

## ARTICLE 8 INSURANCE AND INDEMNITY

**8.1 Insurance.** The Contractor shall carry insurance in the types and amounts indicated below for the duration of the Agreement, which shall include items owned by Owner in the care, custody and control of Contractor prior to and during construction. Contractor must also complete and file the declaration pages from the insurance policies with Owner whenever a previously identified policy period expires during the term of the Agreement, as proof of continuing coverage. Contractor shall update all expired policies prior to submission of any payment requests hereunder. Failure to update policies shall be reason for payment to be withheld until evidence for renewal is provided to the Owner.

**8.1.1** The Contractor shall provide and maintain, until the Work covered in this Agreement is completed and accepted by the Owner, the minimum insurance coverage in the minimum amounts as described below. Coverage shall be written on an occurrence basis by companies authorized and admitted to do business in the State of Texas and rated A- or better by A.M. Best Company or otherwise acceptable to Owner.

Type of Coverage		Limits of Liability
a. Worker's Compensation		Statutory
b. Employer's Liability		
Bodily Injury by Accident		\$500,000 Ea. Accident
Bodily Injury by Disease		\$500,000 Ea. Employee
Bodily Injury by Disease		\$500,000 Policy Limit
c. Comprehensive general liability including completed operations and contractual liability insurance for bodily injury, death, or property damages in the following amounts:		
COVERAGE	PER PERSON	PER OCCURRENCE
Comprehensive General Liability (including premises, completed operations and contractual)	\$ 1,000,000	\$ 1,000,000
Aggregate policy limits:		\$1,000,000

- d. Comprehensive automobile and auto liability insurance (covering owned, hired, leased and non-owned vehicles):

COVERAGE	PER PERSON	PER OCCURRENCE
Bodily injury (including death)	\$1,000,000	\$1,000,000
Property damage	\$1,000,000	\$1,000,000
Aggregate policy limits	No aggregate limit	

- e. Builder's Risk Insurance  
(*all risks*)

An all risks policy shall be in the amount equal at all times to 100% of the Contract Sum. The policy shall include coverage for loss or damage caused by certified acts of terrorism as defined in the Terrorism Risk Insurance Act. The policy shall be issued in the name of the Contractor and shall name his Subcontractors as additional insureds. The Owner shall be named as a loss payee on the policy. The builders risk policy shall have endorsements as follow:

1. This insurance shall be specific as to coverage and not considered as contributing insurance with any permanent insurance maintained on the present premises. If off-site storage is permitted, coverage shall include transit and storage in an amount sufficient to protect property being transported or stored.
2. For renovation projects and or portions of work contained within an existing structure, the Owner waives subrogation for damage by fire to existing building structure(s), if the Builder's Risk Policy has been endorsed to include coverage for existing building structure(s) in the amount described in the Special Conditions. However, Contractor shall not be required to obtain such an endorsement unless specifically required by the Special Conditions., in this Agreement. The aforementioned waiver of subrogation shall not be effective unless such endorsement is obtained.

- f. Umbrella coverage in the amount of not less than \$1,000,000.

**8.1.2** The above insurance requirements are not intended to be compounded with the Contractor's standing insurance policies. If the Contractor already has in force insurance policies which provide the required coverage, there is no need to purchase duplicate coverage for this Work.

**8.1.3**      Policies must include the following clauses, as applicable.

- a. "This insurance shall not be canceled, limited in scope or coverage, or non-renewed until after thirty (30) days prior written notice, or ten (10) days for non-payment of premium, has been given to Williamson County."
- b. "It is agreed that the Contractor's insurance shall be deemed primary with respect to any insurance or self insurance carried by Williamson County for liability arising out of operations under the Agreement with Williamson County."
- c. "Williamson County, its officials, directors, employees, representatives, and volunteers are added as additional insured as respects operations and activities of, or on behalf of the named insured performed under Agreement with the Owner." This is not applicable to the workers' compensation policy.
- d. "The workers' compensation and employers' liability policy will provide a waiver of subrogation in favor of Williamson County."

**8.1.4**      Workers' Compensation Insurance Coverage:

In the event that Contractor employs any individual to perform any portion of the Work, Contractor shall comply with Texas Labor Code, §406.096, which requires workers' compensation insurance coverage for all employees providing services on a building or construction project for a governmental entity.

a.      Definitions:

- (1) Certificate of Coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self-insure issued by the Texas Workers' Compensation Commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the Duration of the Work.
- (2) Duration of the Work - includes the time from the beginning of the Work until the Work has been completed and accepted by the Owner.
- (3) Coverage – Workers' compensation insurance meeting the statutory requirements of the Texas Labor Code, §401.011(44).
- (4) Persons providing services relating to the Work ("subcontractor") - includes all persons or entities performing all or part of the services the Contractor has undertaken to perform the Work, regardless of whether that person contracted directly with the Contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services in relation to the Work. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the Work, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

b.      The Contractor shall provide Coverage, based on proper reporting of classification codes and payroll amounts and filing of any Coverage agreements, which meets the statutory requirements of Texas labor Code, §401.011(44) for all employees of the Contractor providing services in relation to the Work, for the Duration of the Work.

c.      The Contractor must provide a Certificate of Coverage to the Owner prior to or contemporaneously with the execution of this Agreement.



- d. If the Coverage period shown on the Contractor's current Certificate of Coverage ends during the Duration of the Work, the Contractor must, prior to the end of the Coverage period, file a new Certificate of Coverage with the Owner showing that Coverage has been extended.
- e. The Contractor shall obtain from each person providing services in relation to the Work, and provide to the Owner:
  - (1) a Certificate of Coverage, prior to that person beginning any of the Work, so the Owner will have on file Certificates of Coverage showing Coverage for all persons providing services in relation to the Work; and
  - (2) no later than seven days after receipt by the Contractor, a new Certificate of Coverage showing extension of Coverage, if the Coverage period shown on the current Certificate of Coverage ends during the Duration of the Work.
- f. The Contractor shall retain all required Certificates of Coverage for the Duration of the Work and for one year thereafter.
- g. The Contractor shall notify the Owner in writing by certified mail or personal delivery, within 10 days after the Contractor knew or should have known, of any change that materially affects the provision of Coverage of any person providing services in relation to the Work.
- h. The Contractor shall post on the Work site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services in relation to the Work that they are required to be covered, and stating how a person may verify Coverage and report lack of Coverage.
- i. By signing this Agreement or providing or causing to be provided a Certificate of Coverage, the Contractor is representing to the Owner that all employees of the Contractor who will provide services in relation to the Work and all persons providing services in relation to the Work will be covered by workers' compensation coverage for the Duration of the Work, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.
- j. The Contractor's failure to comply with any of these provisions is a breach of Agreement by the Contractor which entitles the Owner to declare the Agreement void if the Contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the Owner.

**8.1.5** The furnishing of the above listed insurance coverage must be tendered prior to execution of the Agreement, and in no event later than ten (10) calendar days from Notice of Award. Failure to provide the insurance in a timely fashion may result in loss of Contractor's bid bond.

**8.1.6** The Contractor shall not cause or allow any of its required insurance to be canceled, nor permit any insurance to lapse during the term of the Agreement or as required in the Agreement. If the Contractor fails to obtain, maintain or renew any insurance required by this Agreement, the Owner may, among other remedies available hereunder or at law, obtain insurance coverage directly and recover the cost of that insurance from the Contractor or declare this Agreement void if the Contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the Owner.

**8.1.7** The Owner reserves the right to review the insurance requirements set forth in this Article during the effective period of the Agreement and to make reasonable adjustments to the insurance coverage and their limits when deemed necessary and prudent by the Owner based upon changes in statutory law, court decisions, or the claims history of the industry as well as the Contractor.

**8.1.8** The Owner shall be entitled, upon request, and without expense, to receive complete copies of the policies with all endorsements and may make any reasonable requests for deletion, or revision or modification of particular policy terms, conditions, limitations, or exclusions, except where policy provisions are established by law or regulation binding upon the Parties or the underwriter of any of such policies. Damages caused by the Contractor and not covered by insurance shall be paid by the Contractor.

**8.1.9** Contractor shall be responsible for payment of premiums for all of the insurance coverages required under this Agreement. Contractor further agrees that for each claim, suit or action made against insurance provided hereunder, with respect to all matters for which the Contractor is responsible hereunder, Contractor shall be solely responsible for all deductibles and self-insured retentions. **Any deductibles or self-insured retentions over \$50,000 in the Contractor's insurance must be declared and approved in writing by Owner in advance.**

**8.1.10** The Contractor shall contractually require each person or entity with whom it contracts to provide services in relation to the Work, to comply with each and every insurance requirement that Contractor must comply with hereunder. More specifically, each person or entity with whom Contractor contracts to provide services on the in relation to the Work must comply with each insurance requirement under this Article 8 just as if such person or entity was the Contractor. Thus, every reference to Contractor under each insurance requirement of this Article 8 shall mean and include each person or entity with whom Contractor contracts to provide services in relation to the Work. If any such person or entity with whom Contractor contracts to provide services in relation to the Work fails to obtain, maintain or renew any insurance required by this Agreement, the Owner may, among other remedies available hereunder or at law, obtain insurance coverage directly and recover the cost of that insurance from the Contractor or declare this Agreement void if the Contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the Owner.

## **8.2 INDEMNITY.**

**8.2.1 INDEMNIFICATION - EMPLOYEE PERSONAL INJURY CLAIMS.** TO THE FULLEST EXTENT PERMITTED BY LAW, THE CONTRACTOR SHALL INDEMNIFY, DEFEND (WITH COUNSEL OF OWNER'S CHOOSING), AND HOLD HARMLESS OWNER, AND OWNER'S EMPLOYEES, AGENTS, REPRESENTATIVES, PARTNERS, OFFICERS, AND DIRECTORS (COLLECTIVELY, THE "INDEMNITEES") AND SHALL ASSUME ENTIRE RESPONSIBILITY AND LIABILITY (OTHER THAN AS A RESULT OF INDEMNITEES' GROSS NEGLIGENCE) FOR ANY CLAIM OR ACTION BASED ON OR ARISING OUT OF THE PERSONAL INJURY, OR DEATH, OF ANY EMPLOYEE OF THE CONTRACTOR, OR OF ANY SUBCONTRACTOR, OR OF ANY OTHER ENTITY FOR WHOSE ACTS THEY MAY BE LIABLE, WHICH OCCURRED OR WAS ALLEGED TO HAVE OCCURRED ON THE WORK SITE OR IN CONNECTION WITH THE PERFORMANCE OF THE WORK. CONTRACTOR HEREBY INDEMNIFIES THE INDEMNITEES EVEN TO THE EXTENT THAT SUCH PERSONAL INJURY WAS CAUSED OR ALLEGED TO HAVE BEEN CAUSED BY THE SOLE, COMPARATIVE OR CONCURRENT NEGLIGENCE OF THE STRICT LIABILITY OF ANY INDEMNIFIED PARTY. THIS INDEMNIFICATION SHALL NOT BE LIMITED TO DAMAGES, COMPENSATION, OR BENEFITS PAYABLE UNDER INSURANCE POLICIES, WORKERS COMPENSATION ACTS, DISABILITY BENEFITS ACTS, OR OTHER EMPLOYEES BENEFIT ACTS.

**8.2.2 INDEMNIFICATION - OTHER THAN EMPLOYEE PERSONAL INJURY CLAIMS.** TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR SHALL INDEMNIFY, DEFEND (WITH COUNSEL OF OWNER'S CHOOSING), AND HOLD HARMLESS OWNER, AND OWNER'S EMPLOYEES, AGENTS, REPRESENTATIVES, PARTNERS, OFFICERS, AND DIRECTORS (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, ARISING OUT OF OR ALLEGED TO BE RESULTING FROM THE PERFORMANCE OF THIS AGREEMENT OR THE WORK DESCRIBED HEREIN, TO THE EXTENT CAUSED BY THE NEGLIGENCE, ACTS, ERRORS, OR OMISSIONS OF CONTRACTOR OR ITS SUBCONTRACTORS, ANYONE EMPLOYED BY THEM OR ANYONE FOR WHOSE ACTS THEY MAY BE LIABLE, REGARDLESS OF WHETHER OR NOT SUCH CLAIM, DAMAGE, LOSS OR EXPENSE IS CAUSED IN WHOLE OR IN PART BY A PARTY INDEMNIFIED HEREUNDER.

**8.3** Except for the obligation of Owner to pay Contractor the Contract Price pursuant to the terms of this Agreement, and to perform certain other obligations pursuant to the terms and conditions explicitly set forth herein, Owner shall have no liability to Contractor or to anyone claiming through or under Contractor by reason of the execution or performance of this Agreement. Notwithstanding any obligation or liability of Owner to Contractor, no present or future partner or affiliate of Owner or any agent, officer, director, or employee of Owner, Williamson County, or of the various departments comprising Williamson County, or anyone claiming under Owner has or shall have any personal liability to Contractor or to anyone claiming through or under Contractor by reason of the execution or performance of this Agreement.

## **ARTICLE 9 BONDS**

**9.1 Performance Bond.** Upon execution of this Agreement, Contractor shall provide a Performance Bond in the amount of 100% of the Contract Price. The surety for a Performance Bond shall meet the requirements of Texas law.

**9.2 Payment Bond.** Upon execution of this Agreement, Contractor shall provide a Payment Bond in the amount of 100% of the Contract Price, as security for the true and faithful payment in full of all subcontractors and persons performing labor, services, materials, machinery, and fixtures in connection with the Work. The surety for a Payment Bond shall meet the requirements of Texas law.

**9.3 Warranty Bond.** Upon execution of this Agreement, Contractor shall provide a Warranty Bond in the amount of 20% of the Contract Price, as security for the true and faithful performance of all warranties set forth in Bid Documents and this Agreement.

## **ARTICLE 10 TERMINATION**

**10.1 Termination for Cause.** If either party commits an Event of Breach (a breach of any of the covenants, terms and/or conditions of this Agreement), the non-breaching party shall deliver written notice of such Event of Breach to the breaching party. Such notice must specify the nature of the Event of Breach and inform the breaching party that unless the Event of Breach is cured within three (3) business days of receipt of the notice, additional steps may be taken to terminate this Agreement. If the breaching party begins a good faith attempt to cure the Event of Breach within three (3) business days, then and in that instance, the three (3) business day period may be extended by the non-breaching party, so long as the breaching party continues to prosecute a cure diligently to completion and continues to make a good faith attempt to cure the Event of Breach. If, in the opinion of the non-breaching party, the breaching party does not cure the breach within three (3) business days or otherwise fails to make any diligent attempt to correct the Event of Breach, the breaching party shall be deemed to be in breach and the non-breaching party may, in addition to seeking the remedies available hereunder and under the law, terminate this Agreement.

**10.2 Termination for Convenience.** The Owner may terminate this Agreement for convenience and without cause or further liability upon thirty (30) days written notice to Contractor. In the event of such termination, it is understood and agreed that only the amounts due to Contractor for goods, commodities and/or services provided and expenses incurred to and including the date of termination, will be due and payable. No penalty will be assessed for Owner's termination of this Agreement for convenience.

## **ARTICLE 11 MISCELLANEOUS PROVISIONS**

**11.1 Interest and Late Payments.** Except as otherwise specifically set forth herein, Owner's payment for goods and services shall be governed by Chapter 2251 of the Texas Government Code. Interest charges for any overdue payments shall be paid by Owner in accordance with Texas Government Code Section 2251.025. More specifically, the rate of interest that shall accrue on a late payment is the rate in effect on September 1 of Owner's fiscal year in which the payment becomes due. The said rate in effect on September 1 shall be equal to the sum of one percent (1%); and (2) the prime rate published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday.

In the event that an error appears in an invoice/application for payment submitted by Contractor, Owner shall notify Contractor of the error not later than the twenty first (21<sup>st</sup>) day after the date Owner receives the invoice/application for payment. If the error is resolved in favor of Contractor, Contractor shall be entitled to receive interest on the unpaid balance of the invoice/application for payment submitted by Contractor beginning on the date that the payment for the invoice/application for payment became overdue. If the error is resolved in favor of the Owner, Contractor shall submit a corrected invoice/application for payment that must be paid in accordance within the time set forth above. The unpaid balance accrues interest as provided by Chapter 2251 of the Texas Government Code if the corrected invoice/application for payment is not paid by the appropriate date.

**11.2 Assignment; Successors and Assigns.** This Agreement is a personal service contract for the services of Contractor, and Contractor's interest in this Agreement, duties hereunder and/or fees due hereunder may not be assigned or delegated to a third party. This Agreement shall be binding upon and inure to the benefit of parties hereto and their respective successors and assigns.

**11.3 Captions.** The captions of paragraphs in this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

**11.4 Governing Law and Venue.** This Agreement and all of the rights and obligations of the parties and all of the terms and conditions shall be construed, interpreted and applied in accordance with and governed by and enforced under the laws of the State of Texas without reference to its conflicts of law provisions. Williamson County where the Work site is located shall be the sole place of venue for any legal action arising from or related to this Agreement or the project in which the Owner is a party.

**11.5 Waivers.** No delay or omission by either party in exercising any right or power arising from non-compliance or failure of performance by the other party with any of the provisions of this Agreement shall impair or constitute a waiver of any such right or power. A waiver by either party of any covenant or condition of this Agreement shall not be construed as a waiver of any subsequent breach of that or of any other covenant or condition of the Agreement.

**11.6 Interpretation.** In the event of any dispute over the meaning or application of any provision of the Contract Documents, the Contract Documents shall be interpreted fairly and reasonably, and neither more strongly for or against any party, regardless of the actual drafter of the Contract Documents.

**11.7 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted assigns and successors.

**11.8 Appointment.** Owner hereby expressly reserves the right from time to time to designate by notice to Contractor a representative(s) to act partially or wholly for Owner in connection with the performance of Owner's obligations. Contractor shall act only upon instructions from the designated representative(s) unless otherwise specifically notified to the contrary.

**11.9 Audits.** Contractor agrees that Owner or its duly authorized representatives shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine and photocopy any and all books, documents, papers and records of Contractor which are directly pertinent to the services to be performed under this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. Contractor agrees that Owner shall have access during normal working hours to all necessary Contractor facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. Owner shall give Contractor reasonable advance notice of intended audits.

**11.10 Severability.** Should any term or provision of this Agreement be held invalid or unenforceable in any respect, the remaining terms and provisions shall not be affected and this Agreement shall be construed as if the invalid or unenforceable term or provision had never been included.

**11.11 No Waiver of Immunities.** Nothing in this Agreement shall be deemed to waive, modify or amend any legal defense available at law or in equity to Owner, its past or present officers, employees, or agents, nor to create any legal rights or claim on behalf of any third party. Owner does not waive, modify, or alter to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.

**11.12 Current Revenues.** Under Texas law, a contract with a governmental entity that contains a claim against future revenues is void; therefore, each party paying for the performance of governmental functions or services must make those payments from current revenues available to the paying party.

**11.13 Compliance with Laws.** Contractor shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement, including, without limitation, Worker's Compensation laws, minimum and maximum salary and wage statutes and regulations, licensing laws and regulations. When required, Contractor shall furnish the County with certification of compliance with said laws, statutes, ordinances, rules, regulations, orders, and decrees above specified.

**11.14 Sales and Use Tax Exemption.** Owner is a body corporate and politic under the laws of the State of Texas and claims exemption from sales and use taxes under Texas Tax Code Ann. § 151.309, as amended.

**11.15 Texas Public Information Act.** To the extent, if any, that any provision in this Agreement is in conflict with Tex. Gov't Code 552.001 *et seq.*, as amended (the "Public Information Act"), the same shall be of no force or effect. Furthermore, it is expressly understood and agreed that Owner, its officers and employees may request advice, decisions and opinions of the Attorney General of the State of Texas in regard to the application of the Public Information Act to any information or data furnished to Owner whether or not the same are available to the public. It is further understood that Owner, its officers and employees shall have the right to rely on the advice, decisions and opinions of the Attorney General, and that Owner, its officers and employees shall have no liability or obligation to Contractor for the disclosure to the public, or to any person or persons, of any software or a part thereof, or other items or data furnished to Owner by Contractor in reliance of any advice, decision or opinion of the Attorney General of the State of Texas.

**11.16 Force Majeure.** If the party obligated to perform is prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of said party, the other party shall grant such party relief from the performance of this Agreement. The burden of proof for the need of such relief shall rest upon the party obligated to perform. To obtain release based on force majeure, the party obligated to perform shall file a written request with the other party.

**11.17 Equal Opportunity in Employment.** The parties to this Agreement agree that during the performance of the services under this Agreement they will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The parties to this Agreement will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; termination; rates of pay or other forms of compensation, and selection for training, including apprenticeship.

**11.18 Reports of Accidents.** Within 24 hours after Contractor becomes aware of the occurrence of any accident or other event which results in, or might result in, injury to the person or property of any third person (other than an employee of the Contractor), whether or not it results from or involves any action or failure to act by the Contractor or any employee or agent of the Contractor and which arises in any manner from the performance of this Agreement, the Contractor shall send a written report of such accident or other event to the County, setting forth a full and concise statement of the facts pertaining thereto. The Contractor shall also immediately send the County a copy of any summons, subpoena, notice, or other documents served upon the Contractor, its agents, employees, or representatives, or received by it or them, in connection with any matter before any court arising in any manner from the Contractor's performance of work under this Agreement.

**11.19 Relationship of the Parties.** Each party to this Agreement, in the performance of this Agreement, shall act in an individual capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purposes whatsoever.

**11.20 Appropriation of Funds by Owner.** Owner believes it has sufficient funds currently available and authorized for expenditure to finance the costs of this Agreement. Contractor understands and agrees that the Owner's payment of amounts under this Agreement is contingent on the Owner receiving appropriations or other expenditure authority sufficient to allow the Owner, in the exercise of reasonable administrative discretion, to continue to make payments under this Agreement.

**11.21 Execution in Counterparts.** This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be deemed to be an original and all of which together shall constitute one and the same document.

**11.22 Entire Agreement.** This Agreement represents the entire and integrated agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either oral or written. This Agreement may be amended only by written instrument signed by each party to this Agreement. NO OFFICIAL, EMPLOYEE, AGENT, OR REPRESENTATIVE OF THE OWNER HAS ANY AUTHORITY, EITHER EXPRESS OR IMPLIED, TO AMEND THIS AGREEMENT, EXCEPT PURSUANT TO SUCH EXPRESS AUTHORITY AS MAY BE GRANTED BY THE WILLIAMSON COUNTY COMMISSIONERS COURT.

BY SIGNING BELOW, the Parties have executed and bound themselves to this Agreement to be effective as of the date of the last party's execution hereof (Effective Date).

**OWNER:**

WILLIAMSON COUNTY, TEXAS,  
a political subdivision of the state of Texas

By: *Judge Bill Gravell Jr.*  
Judge Bill Gravell Jr. (Sep 29, 2020 17:22 CDT)

Printed Name: Judge Bill Gravell Jr.

Title: County Judge

Date: Sep 29, 2020

**Party Representatives**

Owner's Designated Representative ("ODR"):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone \_\_\_\_\_  
Fax \_\_\_\_\_

**CONTRACTOR:**

Lone Star Paving Company

By: 

Printed Name: Duane M. Gatlin, Sr.

Title: Senior Project Manager

Date: 9/10/2020

Contractor's Designated Representative:

Michael Crum  
Project Manager  
\_\_\_\_\_

Phone (512) 993-9079  
Fax N/A











# Agenda Item #84 09.29.2020 Shell Road and Shell Spur Lonestar Paving Company

Final Audit Report

2020-09-29

Created:	2020-09-29
By:	Kerstin Hancock (khancock@wilco.org)
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