

**CONTRACT
FOR
AUCTION SERVICES
BETWEEN
THE TEXAS FACILITIES COMMISSION
AND
LONE STAR AUCTIONEERS, INC.**

(RENEWAL OF CONTRACT NO. 16-047-000)

The Texas Facilities Commission (hereinafter referred to as "TFC"), a state agency located at 1711 San Jacinto Blvd., Austin, Texas 78701 and Lone Star Auctioneers, Inc. (hereinafter referred to as "Contractor"), located at 4929 Mark IV Parkway, Fort Worth, Texas 76106 enter into the following contract for live and internet auction services on an as-needed basis (hereinafter referred to as the "Contract") pursuant to Tex. Gov't Code Ann. Ch. 2165 (West 2016).

I. GENERAL STATEMENT OF WORK.

1.01. **GENERAL DESCRIPTION OF SERVICES.** Contractor agrees to provide live auction and internet auction services for the disposal of State surplus and salvage property on an as-needed basis during the term of this Contract. Surplus property may be in the possession of TFC or may be located with a State agency that has requested TFC to dispose of its salvage and surplus property (hereinafter referred to as "Client Agency").

(i.) TFC may, from time to time, schedule live auctions and will provide Contractor with all known information regarding each item to be sold in the subsequent auction approximately fifty (50) calendar days prior to the auction date.

(ii.) TFC may, from time to time and upon the availability of certain surplus property such as heavy equipment, vehicles and other property deemed necessary, request Contractor to dispose of such property through 24/7 internet auction. TFC or a designated Client Agency will provide Contractor with an e-mail outlining the items that are available for auction.

(iii.) Contractor understands and agrees that no guaranteed minimum number of auctions or amount of work will arise from this Contract. TFC cannot guarantee volume of sales items but Contractor should be prepared for high volume and dispersed locations for certain items.

1.02. **CONTRACT ADMINISTRATOR.** (a.) TFC shall designate a "Contract Administrator" for this Contract who will serve as the point of contact between TFC and the Contractor. The instructions of the Contract Administrator or his/her designated representative (hereinafter collectively referred to as "Contract Administrator") are to be strictly and promptly followed by Contractor at all times. The Contract Administrator is to have free access to the materials and the work at all times for measuring and inspecting the work, and Contractor is to afford the Contract Administrator all necessary facilities and assistance. The Contract Administrator will decide any and all questions that may arise as to the quality and acceptability of work performed and as to the manner of performance and rate of progress of the work. The Contract Administrator will

determine the amount of work performed and materials furnished that are to be paid under the Contract. Failure of the Contract Administrator during the progress of the Contract to discover or reject unacceptable work or work not performed in accordance with the Contract, or to exercise any remedies shall not be deemed an acceptance or a waiver of TFC's right to full performance of the Contract. However, the Contract Administrator does not have any express or implied authority to vary or amend the terms of the Contract or to waive strict performance of the terms or conditions of the Contract.

(b.) Contractor agrees to conduct all of its services under this Contract by and through appropriate communications with the Contract Administrator. No services shall be undertaken by Contractor except with the prior written direction of the Contract Administrator. Contractor understands and agrees that any service performed without the prior written direction of the Contract Administrator is work outside the scope of this Contract and shall be performed exclusively at Contractor's risk and own expense. Contractor agrees to employ competent personnel meeting the requirements outlined in the terms and conditions of this Contract, who shall be satisfactory to TFC. Personnel assigned to perform services under this Contract may not be reassigned without the prior written notification to, and approval from, the Contract Administrator.

1.03. **TERMS AND CONDITIONS OF SALES.** The sale by auction of all equipment through a live or internet auction under this Contract shall be "as is" and "where is". Neither Contractor nor TFC and the State of Texas shall be responsible for any representations or statements concerning any equipment, its prior use, condition, suitability for intended purpose, or suitability for the purpose to which it is customarily devoted. In addition, all purchases must be paid for on the day of the sale.

1.04. **CONTRACTOR ACCESS.** TFC will make all surplus property to be sold by Contractor available for review. When reviewing surplus property, access routes, entrance gates or doors, parking and storage areas, and other necessary Contractor access, along with any imposed time limitations shall be designated by the Contract Administrator. Contractor shall conduct operations in strict observation of the access routes and other areas established. Under no circumstances shall any of Contractor's personnel, vehicles, or equipment enter or move upon any area not authorized by the Contract Administrator for access by Contractor.

1.05. **SECURITY AND IDENTIFICATION.** Contractor shall abide by all procedures and rules as conveyed by the Contract Administrator regarding security requirements of the property where work is to be performed.

II. SCOPE OF WORK FOR LIVE AUCTIONS.

2.01. **SLIDE PRESENTATION.** (a.) Auctioned items are frequently sold off-site and presented to bidders via a slide presentation. Off-site items generally include those located state-wide, such as in the twenty-five (25) districts of the Texas Department of Transportation. Contractor shall prepare the slide presentation for all auctions at its sole expense.

(b.) Contractor shall coordinate photography sessions with the TFC Contract Administrator and the Client Agency and travel to each location to make at least two (2) pictures of each piece of equipment to be auctioned. Pictures must be shot from at least two (2) angles.

(c.) Contractor shall provide the TFC Contract Administrator and/or the Client Agency a copy of the pictures in a media agreed upon by both parties at least two (2) weeks before the auction to preview for acceptability.

(d.) Contractor shall retake any pictures that are deemed unacceptable by the Contract Administrator and/or the Client Agency at its own expense. Any disputes regarding this issue shall be resolved by TFC. Upon completion of the sale and/or at the end of the auction, all pictures become property of TFC. No duplication, reproduction, or use of these photographs shall be allowed other than to conduct business in accordance with the specifications set forth in this Contract.

2.02. **DIRECT MARKETING MATERIALS.** Contractor shall develop, produce and distribute all direct marketing materials associated with performing a successful live auction, including auction catalogs and brochures. All direct marketing materials shall be approved in writing by TFC prior to release to the public.

(a.) **CATALOGS.** Auction catalogs must include complete descriptions of each lot, including agency codes and inventory numbers, as provided by TFC. Contractor must include the terms and conditions of the sale in all catalogs. Contractor shall provide TFC and Client Agencies designated by TFC with no less than one hundred (100) copies of the catalog at least two (2) weeks prior to the auction date.

(b.) **BROCHURES.** Color brochures must include complete descriptions of all off-site items by address, point of contact, telephone number, lot number, and highway district (for Texas Department of Transportation property only). Contractor must include the terms and conditions of the sale in all brochures. Contractor shall provide TFC and Client Agencies designated by the Commission with no less than one hundred (100) copies each respectively of the brochure at least two (2) weeks prior to the auction date. A color brochure must meet the following minimum specifications:

- (i.) minimum size 8-1/2" x 11" (larger if necessary to include required information);
- (ii.) minimum 20-pound coated paper;
- (iii.) minimum of seven 4-color photographs;
- (iv.) majority of photos to highlight items in the current auction; and,
- (v.) printed 4-color on one side and 2-color on other side

TFC will consider variances to the required number and size of brochures if, for example, the auction has only a small number of lots. The Contractor must propose it at the time of the auction to the requirements in Section 2.02, depending on the size and scope of the auction. The Contractor must provide TFC with a written request for any proposed revisions to the requirements. The Commission will then approve or disapprove the request in writing within two (2) business days.

(c.) **NEWSPAPER ADVERTISEMENTS.** Contractor shall advertise each auction in newspapers in the following geographic areas:

- (i.) Austin;
- (ii.) Dallas/Fort Worth;
- (iii.) San Antonio;
- (iv.) Houston;
- (v.) Laredo;
- (vi.) Midland/Odessa;
- (vii.) Lubbock/Amarillo; and,
- (viii.) El Paso

Each advertisement shall be minimum 2 ½ inches x 3 inches and shall highlight items to be sold, location, date, time, and acceptable methods of payment. Contractor shall list its telephone number in all newspaper advertisements as the point of contact.

(d.) **WEBSITE.** Contractor shall provide website advertising, including an exclusive page for the State of Texas, with multiple color photographs, terms, conditions and other relevant information approved by TFC. In addition, Contractor shall provide a link to all State of Texas auctions on its website home page.

(e.) **TELEPHONE COMMUNICATIONS.** Contractor shall have a toll-free telephone number or accept collect calls. The telephone number must be included in all advertisements, and must indicate whether it is toll free or collect.

(f.) **ADDITIONAL MARKETING.** Contractor may place additional comprehensive advertisement nationally and internationally to attract buyers who are known to purchase the type items listed for specific auctions. All additional comprehensive advertising must be approved by TFC prior to publication.

2.03. **AUCTION SET UP.** Contractor shall perform the following services, and such reasonably related services as may be requested by TFC, on the day prior to the sale:

- (i.) set up the registration and payment area and all audio and visual equipment, including slide presentation and all on-site property for public viewing;
- (ii.) update auction lot information in computer to reflect corrections provided by Client Agencies; and

(iii.) register bidders from 12:00 noon to 4:00 p.m.

2.04. **ON-SITE PERSONNEL.** (a.) The day(s) of the sale, Contractor shall provide licensed auctioneers, bid spotters, clerks, cashiers, uniformed unarmed security guards, clerical staff, and other personnel required to perform a successful live auction. Contractor must be prepared to conduct simultaneous webcast selling during a portion of the auction if requested by TFC.

(b.) Contractor shall provide at least one (1) person on-site during the duration of the auction who speaks both English and Spanish fluently.

(c.) Contractor's staff is not permitted to purchase items at State auctions.

2.05. **AUCTION REQUIREMENTS.** The following services are required of Contractor when performing an auction under this Contract.

(a.) **REGISTRATION.** (i.) All prospective buyers shall be required to register with Contractor prior to bidding on any equipment.

(ii.) Contractor must hold registration on the afternoon prior to the auction day for a minimum of four (4) hours and for a minimum of two (2) hours prior to the start of the auction.

(iii.) Contractor shall collect the following information on the registration form:

(A.) bidder name;

(B.) address;

(C.) telephone number;

(D.) tax exemption information;

(E.) signature;

(F.) bidder number;

(G.) name and address in which titles are to be prepared; and,

(H.) any other information necessary to conduct the auction.

(iv.) Contractor shall be responsible for completeness, correctness, legibility, and authenticity of the registration.

(v.) Contractor shall provide each registered bidder with a catalog of all equipment to be sold listed by lot number sequence.

(vi.) TFC reserves the right to establish minimum dollar amounts that must be received before an item is sold. All sales are subject to the confirmation of TFC.

(b.) **AUDIO RECORDING.** No later than five (5) business days following an auction, Contractor shall provide TFC with an audio or audio and video recording of the auction in a media acceptable to TFC. Contractor shall label each recording with beginning and ending lot numbers.

(c.) **CLERK TICKETS, BUYER TAGS, AND INVOICES.** Contractor shall prepare all clerk tickets and buyer invoices. Bills of sale or title transfers will be executed during the auction by the Contractor or within three (3) business days after the auction. TFC or the Client Agency will provide buyer tags to Contractor for distribution to auction buyers.

(i.) When the bidder is present, the temporary tags are completed by auction staff and distributed to the buyer(s) on site immediately after payment. All titles, whether the buyer is present or not, are returned to TFC to be completed. Titles are mailed certified by TFC within five (5) days for bidders present at a live auction and eight (8) days for webcast buyers. If the buyer is not present at the live auction, and if the property sold is owned by TxDOT, TxDOT will take the temporary tags from the live auction. Once TFC receives payment from the buyer, TFC will provide TxDOT with a payment notification, and thereafter, TxDOT shall complete and distribute the temporary tags.

(ii.) If a participating state agency completes the title, the state agency will complete the temporary tags. If the participating state agency does not complete the title, the Contractor will also complete the dealer tags.

2.06. **REPORTING.** Contractor shall complete the following reporting requirements for all auctions conducted pursuant to this Contract. Examples of required reports are indicated in Exhibit B – Sample Reports attached hereto and incorporated herein by reference.

(a.) **REPORTS REQUIRED ON DAY OF AUCTION.** Upon completion of an auction, Contractor shall provide the Commission with the following reports, in a format approved by TFC:

(i.) an Auction Status Report including a sales summary, buyers summary, and profit and loss summary;

(ii.) a Lot Sales Report including lot number, first line of description, buyer number and winning bid price listed by lot number;

(iii.) an Unsold Lot Report including lot number, first line of description, bidder (if applicable), bid amount or copies of unpaid invoice;

(iv.) a Consignor Summary Report including consignor number, name, total sales, commission, and total;

(v.) a Seller Report including complete lot descriptions separated by agency and, if TxDOT property, with each TxDOT highway district listed separately; and,

(vi.) any other reports or documentation that may be determined by TFC.

(b.) **REPORTS REQUIRED AFTER AUCTION.** Within three (3) calendar days after an auction, Contractor shall provide TFC with copies of any of the reports set forth in subsection (a.) above that require revision. In addition, within thirty (30) calendar days after an auction, Contractor shall provide TFC with proof of the number of brochures mailed, clippings of all required newspaper ads, and all other supporting documentation of direct marketing efforts.

III. SCOPE OF WORK FOR INTERNET AUCTIONS.

3.01. **INTERNET BASED AUCTION SERVICES.** (a.) Contractor shall supply a fully functional internet auction service which includes the following:

- (i.) all hardware, software, servers and internet connections needed to provide the service;
- (ii.) operating software and applications needed for the auction site to function;
- (iii.) connectivity to the internet such that it is accessible to TFC and buyers through industry standard internet connections, web browsers and email;
- (iv.) clearly displayed date and time to the end of bidding;
- (v.) capability to set a reserve price;
- (vi.) capability to set a minimum opening bid price and a minimum bid increment;
- (vii.) to post standard sale closing requirements on the auction site;
- (viii.) a system which allows TFC to utilize the language from a prior auction (cut, paste and edit) for the description of a new auction, if possible, within Contractor's system;
- (ix.) an internal method of recording all bids and a method of identifying the winning bidder to TFC with the capability of identifying the second highest priced bidder if the winning bidder is unable to complete the sale;
- (x.) a simple method for TFC to withdraw and cancel an auction without penalty;
- (xi.) a system which is easy to use for posting auctions, and that allows for TFC control over the auction; and,
- (xii.) a record of bids that may be provided to TFC upon request.

3.02. **INDEPENDENT CONTRACTOR HOSTING OF THE AUCTION SYSTEM.** (a.) The auction service shall not interact with any State computer hardware, software or data base systems. Contractor is prohibited from utilizing or interfacing with any hardware, software, computer component, internet connection or database related to any State computer system. Contractor shall

only provide internet connections and email that use industry standard web browsers and email systems.

(b.) The system shall allow access from Windows based systems and Apple compatible systems. The system provided may not require the installation of special software on the computer systems of TFC or buyers.

3.03. **MAINTENANCE AND SUPPORT.** (a.) Contractor shall provide maintenance and support services which includes and meets the following requirements:

- (i.) email and telephone support needed to operate the auction site;
- (ii.) live customer service support must be available Monday – Friday between the hours of 8:00 A.M. and 5:00 P.M.; and,
- (iii.) maintenance and upgrades to the hardware and software that Contractor provides over the term of the Contract shall be made at no cost to TFC.

(b.) TFC will not pay the contractor for auction system upgrades over the term of the Contract.

3.04. **USE REQUIREMENTS.** The following is required of the system when conducting an auction under this Contract:

- (i.) simple and uniform methods for bidders to register, log-in, view photographs of bid items, view descriptions of bid items, and view technical specifications of bid items;
- (ii.) simple and uniform methods for bidders to submit bids and have the highest bid price to date posted on the bidding site for all bidders to see; and,
- (iii.) a method to notify a bidder if the bidder's bid has been rejected and identify the reason for such rejection. Acceptable reasons for rejecting a bid shall include, but are not limited to, failure to submit a minimum bid or a minimum opening bid.

3.05. **CONTRACTOR RESPONSIBILITIES.** (a.) Contractor shall implement all necessary security and anti-virus systems to prevent unauthorized access to bidder information and prevent the distribution of viruses and malware.

(b.) Contractor shall implement contingency plans to backup information and recover information.

(c.) Contractor shall have a disaster recovery plan that covers internet failure, electricity failure or system failures.

(d.) Contractor must maintain an electronic system for inventory, sales and related history to provide TFC with reporting and historical data. This information should be updated at

least on a weekly basis and accessible to TFC at all times. TFC has the right to audit and inventory the electronic inventory systems at any time deemed necessary.

(e.) Contractor must retain bid tabulations for a minimum of four (4) years.

3.06. **RECEIPT OF INFORMATION AND POSTING OF ONLINE AUCTION ITEMS.** (a.) Client Agencies, through TFC, shall be responsible for photography and description of property in place. The location of the property will be throughout the state of Texas. Client Agencies shall email photographs and accompanying descriptions to the Contractor through TFC.

(b.) Contractor shall begin the auction of surplus property items within one (1) calendar week after receipt of auction information.

(c.) Contractor shall provide a draft copy of the online auction website depicting the items to be sold to Client Agencies and TFC for review a minimum of two (2) business days prior to start of the auction.

(d.) Contractor shall post surplus property items for sale for a minimum of ten (10) calendar days.

(e.) Contractor shall advertise the sale of the surplus property items to potential customers to maximize sale prices.

3.07. **PAYMENT COLLECTION AND DISTRIBUTION.** (a.) Contractor shall collect all payments from buyers and make payment of all applicable taxes.

(b.) Contractor shall pay TFC within five (5) business days from the closing of the auction.

(c.) Contractor shall collect sales tax, Emissions Surcharge, and purchaser's fee, as applicable.

(d.) Contractor is required to send paid receipts (proof of payment) electronically to the Client Agency and TFC on the same day customer pays for item(s) so that the Client Agency will release the item(s) to customer.

(e.) Contractor shall provide sales reports and a bidder's list along with a listing in electronic format Excel (.xlsx) format for all items that include the name and address of buyer, the equipment and lot number to TFC and the Client Agency within five (5) business days.

3.08. **PROPERTY REMOVAL/ SHIPPING.** Winning bidders must remove all property from designated locations within five business days of auction close or make arrangements with Contractor for delivery. Shipping is the responsibility of the successful bidder. TFC shall not be responsible for shipping arrangements.

3.09. **REPORTS REQUIRED AFTER AUCTION.** Within seven (7) business days upon completion of an online auction under this Article III, Contractor shall provide TFC with copies of the following reports:

(i.) an Auction Status Report including a sales summary, buyers summary, and profit and loss summary;

(ii.) a Lot Sales Report including lot number, first line of description, buyer number and winning bid price listed by lot number;

(iii.) an Unsold Lot Report including lot number, first line of description, bidder (if applicable), bid amount or copies of unpaid invoice;

(iv.) a Consignor Summary Report including consignor number, name, total sales, commission, and total;

(v.) a Seller Report including complete lot descriptions separated by agency and, if TxDOT property, with each TxDOT highway district listed separately; and,

(vi.) any other reports or documentation that may be determined by TFC. Reports shall be provided in a format approved by TFC. Examples of required reports are attached as **Exhibit B – Sample Reports.**

IV. TERM.

4.01. **CONTRACT AWARD.** (a.) This Contract shall be effective as of September 1, 2017 and shall expire on August 31, 2019, unless extended by the parties by amendment to this Contract or terminated earlier, as provided in Section 4.02 set forth below.

(b.) Notwithstanding the termination or expiration of this Contract, the provisions of this Contract regarding confidentiality, indemnification, transition, records right to audit and independent audit, property rights, dispute resolution, invoice and fees verification, and default shall survive the termination or expiration dates of this Contract.

4.02. **TERMINATION.** (a.) Termination with Default. TFC may terminate this Contract immediately for default by providing written notice to Contractor of such termination if the Contractor fails to execute the work properly, performs work in an unsatisfactory manner, or fails to perform any provision of the Contract. In the event of abandonment or default, Contractor will be responsible for paying damages to TFC, including but not limited to, the cost to resolicit this Contract and any consequential damages to the State of Texas or TFC resulting from Contractor's non-performance. The defaulting Contractor will not be considered in the resolicitation and may not be considered in future solicitations for the same type of work, unless the scope of work is significantly changed.

(b.) Termination without Default. TFC may, at its sole option and discretion, terminate this Contract at any time, for any reason whatsoever, in whole or in part, by giving written notice (the "Notice of Termination") to Contractor at least thirty (30) days prior to the effective date of

termination or reduction in the scope of work. In the event of termination by TFC under this subsection, Contractor shall be governed by the terms and conditions, and shall perform the acts outlined in the following Section 4.02(c.)

(c.) **Implementation of Termination.** Contractor shall terminate all work under the Contract to the extent and on the date specified in the Notice of Termination and until such date shall, to the extent stated in the Notice of Termination, do such work as may be necessary and be compensated only for such work as may be necessary as determined by the Contract Administrator to preserve the work in progress and to protect materials, properties, and equipment. In the event of termination by TFC, TFC shall pay Contractor for all work satisfactorily performed up to the effective date of termination or reduction in the scope of work in accordance with the prices included in the scope of work.

(d.) **Termination by Contractor.** Contractor may terminate the Contract upon providing sixty (60) days written notice to TFC. In the event of termination by Contractor, Contractor shall be governed by the terms and conditions of this Contract, and shall perform the acts outlined in Section 4.02(c.) above. Contractor will be held responsible for additional cost incurred from the termination of this Contract.

4.03. **NO LIABILITY UPON TERMINATION.** If this Contract is terminated for any reason, TFC and the State of Texas shall not be liable to Contractor for any damages, claims, losses, or any other amounts arising from or related to any such termination absent an award of damages pursuant to Texas Government Code, Chapter 2260.

V. CONSIDERATION.

5.01. **CONTRACT LIMIT AND FEES AND EXPENSES.** The total amount of fees to be paid under this Contract shall be in accordance with Exhibit A – Compensation and Fees, attached hereto and incorporated herein for all purposes. Any changes to the fees set forth in Exhibit A – Compensation and Fees shall be submitted to TFC for review and shall be approved by amendment to this Contract.

5.02. **PAYMENTS.** (a.) For both live and internet auctions, Contractor shall collect and account for all payments from auction buyers and buyers shall make payment to the Contractor. Contractor shall be responsible for all payments returned or rejected for any reason, including insufficient funds. Shortages in funds due to entry or collection errors will be the responsibility of Contractor. Any overages due to these errors will be refunded to Contractor by TFC.

(b.) Contractor shall identify taxable items and shall collect Federal, State and local taxes, where applicable. Contractor shall calculate and assess a purchaser fee specified by TFC for each purchase. Contractor shall collect sales tax on the purchaser fee unless the item is tax exempt or the buyer claims a valid tax exemption.

(c.) Contractor shall transmit TFC's portion of the sale proceeds and all sales tax to TFC via wire transfer on the first business day following a live auction for items paid the day of the auction. For sales made through Internet auction, Contractor shall submit proceeds and all sales tax no later than five (5) business days after a sale. Contractor shall be responsible for

collecting the emissions reduction surcharge for off-road, heavy-duty diesel construction equipment and remitting it to the appropriate taxing authority. Contractor shall retain its compensation and fees as specified in this Contract.

VI. CONTRACTOR PERSONNEL.

6.01. **REQUIRED QUALIFICATIONS.** At all times during the term of the Contract, Contractor shall have available, under direct employment and supervision, the necessary qualified personnel, organization and facility to properly fulfill all the terms and conditions of this Contract.

6.02. **GENERAL AND CRIMINAL BACKGROUND CHECKS.** (a) Contractor represents and warrants that Contractor and Contractor's employees have not been convicted of a felony criminal offense, or that, if such a conviction has occurred, Contractor has fully advised TFC as to the facts and circumstances surrounding the conviction.

(b.) Contractor's employees and subcontractors that will complete any work on-site at a state-owned property may be subject to a criminal background check. Any expense associated with such criminal background check shall be borne by Contractor. If requested by TFC, a complete criminal background check shall be completed before any employee performs services at the site, and may be requested at any time thereafter. Criminal background checks must be accomplished by the Texas Department of Public Safety (hereinafter referred to as "DPS"), which includes fingerprint processing by an independent third-party company selected by DPS. Upon receipt of the fingerprints of Contractor's employees and/or subcontractors, DPS or TFC, will adjudicate the results of the criminal background searches in accordance with the criteria set forth in Exhibit D - Criminal Background Checks and Application Guidelines, attached hereto and incorporated herein for all purposes.

6.03. **REMOVAL OF PERSONNEL.** TFC may request that the Contractor replace unsatisfactory personnel, which request shall not be unreasonably denied.

6.04. **CONTRACTOR COOPERATION.** Contractor agrees to cooperate and coordinate its work with that of other contractors retained by TFC. Upon discovery of an apparent conflict in the sequencing of work with another contractor, Contractor shall report the concern to the Contract Administrator who will resolve the conflict.

6.05. **E-VERIFY.** (a.) By entering into this Contract, Contractor certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system, in accordance with the U.S. Department of Homeland Security's rules, to determine the eligibility of:

(i.) all persons employed to perform duties within the State of Texas, during the term of the Contract; and

(ii.) all persons (including subcontractors) assigned by the Contractor to perform work pursuant to the Contract, within the United States of America.

(b.) Contractor shall provide, upon request of TFC and if available, an electronic or hardcopy screenshot of the confirmation or tentative non-confirmation screen containing the E-Verify case verification number for attachment to the Form I-9 for the three (3) most recent hires that match the criteria above, by the Contractor, and Contractor's subcontractors, as proof that this provision is being followed. If this certification is falsely made, the Contract may be immediately terminated, at the discretion of TFC, and at no fault to TFC, with no prior notification. Contractor shall also be responsible for the costs of any re-solicitation that TFC must undertake to replace the terminated Contract.

VII. STATE FUNDING

7.01. **STATE FUNDING.** (a.) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or TFC in violation of TEX. CONST. art. III, § 49. In compliance with TEX. CONST. art. VIII, § 6, it is understood that all obligations of TFC hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, this Contract may be terminated. In that event, the parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests accrued up to the date of termination.

(b.) Furthermore, any damages due under this Contract should not exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the fiscal year budget in existence at the time of the breach; **provided, however, the foregoing shall not be construed as a waiver of sovereign immunity.**

VIII. RECORDS, AUDIT, PROPRIETARY INFORMATION, AND PUBLIC DISCLOSURE.

8.01. **SUPPORTING DOCUMENTS, RETENTION; RIGHT TO AUDIT; INDEPENDENT AUDITS.** (a.) Contractor shall maintain and retain supporting fiscal and any other documents relevant to showing that any payments under this Contract were expended in accordance with the laws and regulations of the State of Texas, including but not limited to, requirements of the Comptroller of the State of Texas and the State Auditor. Contractor shall maintain all such documents and other records relating to this Contract and the State's property for a period of seven (7) years after the date of submission of the final invoices or until a resolution of all billing questions, whichever is later. Contractor shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all documents and other information related to the Contract. Contractor and any subcontractors shall provide the State Auditor with any information that the State Auditor deems relevant to any investigation or audit. Contractor must retain all work and other supporting documents pertaining to this Contract, for purposes of inspecting, monitoring, auditing, or evaluating by TFC and any authorized agency of the State of Texas, including an investigation or audit by the State Auditor.

(b.) Contractor shall cooperate with any authorized agents of the State of Texas and shall provide them with prompt access to all of such State's work as requested. The acceptance of funds by Contractor or any other entity or person directly under this Contract, or indirectly through a subcontract under this Contract, shall constitute acceptance of the authority of the State Auditor to conduct an audit or investigation in connection with those funds. Contractor acknowledges and understands that the acceptance of funds under this Contract shall constitute consent to an audit by

the State Auditor, Comptroller or other agency of the State of Texas. Contractor shall ensure that this paragraph concerning the State's authority to audit funds received indirectly by subcontractors through Contractor and the requirement to cooperate is included in any subcontract it awards. Furthermore, under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit.

8.02. **CONFIDENTIALITY.** Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is:

- (i.) confidential by law;
- (ii.) marked or designated "confidential" (or words to that effect) by TFC; or
- (iii.) information that Contractor is otherwise required to keep confidential by this Contract.

8.03. **PUBLIC RECORDS.** Notwithstanding any provisions of this Contract to the contrary, Contractor understands that TFC will comply with the Texas Public Information Act, Texas Government Code, Chapter 552. If contacted by TFC, Contractor will cooperate with TFC in the production of documents responsive to the request. Contractor agrees to provide the documents responsive to the request in the format and within the time frame specified by TFC. Contractor may request that TFC seek an opinion from the Office of the Texas Attorney General. However, the final decision whether to seek a ruling from the Office of the Texas Attorney General will be made by TFC in its sole discretion to comply with the legal requirements of the Texas Public Information Act. Additionally, Contractor will notify TFC's general counsel within twenty-four (24) hours of receipt of any third-party requests for information written, produced, collected, assembled, or maintained in connection with this Contract and/or any amendment to this Contract. This Contract and/or any amendment to this Contract and all data and other information generated or otherwise obtained in its performance is subject to the Texas Public Information Act. Contractor agrees to maintain the confidentiality of information received from the State of Texas during the performance of this Contract, including information which discloses confidential personal information particularly, but not limited to, social security numbers. Furthermore, Contractor is required to make any information created or exchanged with the State pursuant to this Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public as specified by TFC at no additional charge to the State.

8.04. **PUBLIC DISCLOSURE.** No public disclosures or news releases pertaining to this Contract shall be made without prior written approval of TFC.

IX. CONTRACTOR'S RESPONSIBILITIES AND WARRANTIES.

9.01. **CONTRACTOR RESPONSIBILITIES.** Contractor shall be responsible for damage to TFC's equipment and or the workplace and its contents, by its works, its negligence in work, its personnel, or its equipment by Contractor's staff or subcontractors. Contractor shall be responsible and liable

for the safety, injury, and health of its working personnel while its employees are performing work for TFC.

9.02. **PERFORMANCE STANDARDS.** All work performed under this Contract shall be in accordance with applicable terms and conditions of this Contract and shall comply with all federal, state, and local laws.

9.03. **WARRANTY ON SAFETY AND HEALTH REQUIREMENTS.** Contractor shall procure, at Contractor's expense, all necessary and required licenses and permits necessary for the performance of this Contract. Contractor represents and warrants that the services provided under this Contract comply with all applicable federal health and safety standards, including but not limited to, the Occupational Safety and Health Administration (OSHA), and all Texas health and safety standards.

X. INSURANCE, BONDS, INDEMNIFICATION AND LEGAL OBLIGATIONS.

10.01. **INSURANCE.** Prior to the commencement of work under this Contract, Contractor agrees to carry and maintain insurance in the following types and amounts for the duration of this Contract, to furnish certificates of insurance, and make available, at no cost to TFC, copies of policy declaration pages and policy endorsements as evidence thereof:

(a.) Workers' Compensation and Employers' Liability coverage with minimum policy limits for employers' liability of \$100,000.00 bodily injury per accident, \$500,000.00 bodily injury disease policy limit and \$100,000.00 per disease, per employee. Workers' compensation insurance coverage must meet the statutory requirements of Texas Labor Code, Section 401.011(44).

(b.) Commercial General Liability with a combined single limit of \$500,000.00 per occurrence for coverage A and B including products/completed operations, where appropriate, with a separate aggregate of \$1,000,000.00. The policy shall contain the following provisions:

(i.) Blanket contractual liability coverage for liability assumed under the Contract;

(ii.) Independent contractors' coverage;

(iii.) State of Texas, TFC, its officials, directors, employees, representatives and volunteers must be listed as additional insureds;

(iv.) Thirty (30) day Notice of Cancellation in favor of TFC; and

(v.) Waiver of Transfer Right of Recovery Against Others in favor of TFC.

(c.) Business Automobile Liability Insurance for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000.00 per accident for bodily injury and property damage. Alternate acceptable limits are \$250,000.00 bodily injury per person, \$500,000.00 bodily injury per accident and at least \$100,000.00 property damage liability per accident. The policy shall contain the following endorsements in favor of TFC:

(i.) Waiver of Subrogation endorsement;

- (ii.) Thirty (30) day Notice of Cancellation endorsement; and
- (iii.) Additional Insured endorsement.

10.02. **GENERAL REQUIREMENTS FOR INSURANCE.** (a.) Contractor shall be responsible for deductibles and self-insured retention, if any, stated in policies. All deductibles or self-insured retention shall be disclosed on the certificate of insurance required above. If coverage is underwritten on a claims-made basis, the retroactive date shall be coincident with the date of this Contract and the certificate of insurance shall state that the coverage is claims made and the retroactive date.

(b.) Contractor shall maintain coverage for the duration of this Contract. Coverage, including any renewals, shall have the same retroactive date as the original policy applicable to the Contract. Contractor shall, on at least an annual basis, provide TFC with an insurance certificate as evidence of such insurance. The premium for this extended reporting period shall be paid by Contractor.

(c.) Contractor shall not commence work under this Contract until they have obtained the required insurance and until such insurance has been reviewed by TFC. Contractor shall not allow any subcontractors to commence work until the required insurance has been obtained and approved. Approval of insurance by TFC shall not relieve or decrease the liability of Contractor hereunder.

(d.) Insurance shall be written by a company licensed to do business in the State of Texas at the time the policy is issued and shall be written by a company with an A.M. Best rating of A- or better.

(e.) TFC shall be an additional insured as its interests may apply on the Commercial General Liability and Business Automobile Liability Policies.

(f.) Contractor shall produce endorsements upon TFC's request to each affected policy:

(i.) Naming TFC, P.O. Box 13047, Austin, Texas 78711 as additional insured (except Workers' Compensation and Employers' Liability);

(ii.) That obligates the insurance company to notify the TFC Contract Administrator, - P.O. Box 13047, Austin, Texas 78711, of any non-renewal, cancellations or material changes at least thirty (30) days prior to change or cancellation; and,

(iii.) That the "other" insurance clause shall not apply to the State where TFC is an additional insured shown on the policy. It is intended that policies required in this Contract, covering both TFC and Contractor, shall be considered primary coverage as applicable.

TFC shall be entitled, upon request and without expense, to receive copies of policies and endorsements thereto 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 regulations binding upon either of the parties hereto or the underwriter on any such policies and if such request for deletions, revisions, or modifications are commercially available.

(g.) Contractor shall not cause any insurance required under this Contract to cancel nor permit any insurance to lapse during the term of this Contract.

(h.) TFC reserves the right to review the insurance requirements of this section during the effective period of the Contract and to make reasonable adjustments to insurance coverage and their limits when deemed necessary and prudent by TFC based upon changes in statutory law, court decisions or the claims history of the industry as well as Contractor (such adjustments shall be commercially available to Contractor).

(i.) Contractor shall provide TFC thirty (30) days written notice of erosion of the aggregate limit.

(j.) Actual losses not covered by insurance as required by this Contract shall be paid by Contractor.

(k.) Contractor's insurance shall include a waiver of subrogation to TFC for the Workers' Compensation and Employers' Liability, Commercial General Liability, and Business Automobile Liability policies.

10.03. **BONDS.** (a.) Prior to commencement of work under this Contract, Contractor is required to tender an auctioneers bond to TFC in the amount of \$250,000.00.

(b.) The auctioneers bond shall be executed by a corporate surety authorized to do business in the State of Texas and acceptable to TFC, and in compliance with the relevant provisions of the Texas Insurance Code. If any bond is for more than ten (10) percent of the surety's capital and surplus, TFC may require certification that the company has reinsured the excess portion with one or more reinsurers authorized to do business in the State. A reinsurer may not reinsure for more than ten (10) percent of its capital and surplus. If a surety upon a bond loses its authority to do business in the State, Contractor shall, within thirty (30) days after such loss, furnish a replacement bond at no added cost to TFC.

(c.) The auctioneers bond shall be accompanied by a valid power of attorney (issued by the surety company and attached, signed and sealed with the corporate embossed seal, to the bond) authorizing the attorney in fact who signs the bond to commit the company to the terms of the bond, and stating any limit in the amount for which the attorney can issue a single bond.

(d.) Sureties shall be listed on the US Department of the Treasury's Listing Approved Sureties stating companies holding Certificates of Authority as acceptable sureties on Federal Bonds and acceptable reinsuring companies (Department Circular 570).

10.04. **INDEMNIFICATION.** CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS TFC AND THE STATE OF TEXAS, THEIR AGENTS AND EMPLOYEES, FROM ALL LIABILITY AND DAMAGES ACTIONS, CLAIMS, DEMANDS OR SUITS FOR ANY AND ALL INJURIES OR DAMAGES SUSTAINED BY ANY PERSON OR PROPERTY TO THE EXTENT CAUSED BY ANY NEGLIGENCE IN THE PERFORMANCE OF THE

SERVICES REFERENCED HEREIN AND FROM ANY CLAIMS OR AMOUNTS ARISING OR RECOVERABLE UNDER BOTH FEDERAL AND STATE WORKERS COMPENSATION LAWS, TEXAS TORT CLAIMS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE, CHAPTER 101), OR ANY OTHER SUCH LAWS. CONTRACTOR SHALL FURTHER SO INDEMNIFY AND BE RESPONSIBLE FOR ALL DAMAGES OR INJURY TO PROPERTY OF ANY CHARACTER TO THE EXTENT CAUSED BY ANY NEGLIGENT ACT, OMISSION OR MISCONDUCT OF CONTRACTOR, CONTRACTOR'S AGENTS OR EMPLOYEES, IN THE MANNER OR METHOD OF EXECUTION OF THE SERVICES HEREIN TO BE PERFORMED; OR FROM FAILURE TO PROPERLY PERFORM THE SERVICES TO THE REQUIRED STANDARD STATED HEREIN; OR FROM DEFECTIVE WORK OR MATERIALS; OR FROM BREACH OF ANY REPRESENTATION OR WARRANTY HEREIN. THESE REQUIREMENTS SHALL SURVIVE THE TERM OF THIS AGREEMENT UNTIL ALL CLAIMS HAVE BEEN SETTLED OR RESOLVED AND SUITABLE EVIDENCE TO THAT EFFECT HAS BEEN FURNISHED TO TFC. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TFC AND/OR THE STATE OF TEXAS ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.

10.05. **LEGAL OBLIGATIONS.** Contractor shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, insurance, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract.

XI. CONTRACTOR GENERAL AFFIRMATIONS.

11.01. **FINANCIAL INTERESTS/GIFTS.** (a.) Pursuant to Texas Government Code Sections 572.051 and 2255.001 and Texas Penal Code Section 36.09, Contractor has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract.

(b.) Pursuant to Texas Government Code Chapter 573 and Section 2254.032, if applicable, Contractor certifies that Contractor knows of no officer or employee of TFC, nor any relative within the second degree of consanguinity or affinity of an officer or employee of TFC, that has a financial interest in Contractor's company or corporation. Contractor further certifies that no partner, corporation, or unincorporated association which employs, retains or contracts with, or which may employ, retain, or contract with any of the above, has a financial interest in any entity with which Contractor will be dealing on behalf of TFC.

11.02. **PRIOR EMPLOYMENT.** Contractor certifies that Contractor shall comply with all applicable Texas and federal laws and regulations relating to the hiring of former state employees including "revolving door" provisions. Furthermore, Contractor certifies that if it employs any former employee of TFC, such employee will perform no work in connection with this Purchase Order during the twelve (12) month period immediately following the employee's last date of employment at TFC.

11.03. **ELIGIBILITY.** Pursuant to Texas Government Code Section 2155.004(b), Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive the specified Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

11.04. **FAMILY CODE.** Pursuant to the requirements of Texas Family Code Section 231.006, regarding delinquent child support, the undersigned signatory certifies that the individual or business entity named in this Contract is not ineligible to receive payment under this Contract and, if applicable, Contractor has provided the name and Social Security number of each person (sole proprietors, firm owners, partners, or shareholders) with at least 25% ownership of the business entity entering into this Contract prior to its execution. Contractor acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.

11.05. **DEBTS OR DELINQUENCIES TO STATE.** Pursuant to Texas Government Code Section 403.055, Contractor understands and agrees that any payment due under this Contract may be applied toward payment of any debt that is owed to the State of Texas including, but not limited to, delinquent taxes and child support.

11.06. **BUY TEXAS.** If Contractor is authorized to make purchases under this Contract, Contractor certifies that Contractor will buy Texas products, services, and materials when available at a comparable price and in a comparable period of time pursuant to Texas Government Code Ch. 2155.

11.07. **EQUAL OPPORTUNITY.** Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, sex, religion, age, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Contractor agrees to post in conspicuous places, available to employees or applicants for employment, notices to be provided setting forth the provisions of this non-discrimination article. Contractor shall include the above provisions in all subcontracts pertaining to the work.

11.08. **DECEPTIVE TRADE PRACTICE; UNFAIR BUSINESS PRACTICES.** Contractor represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under the Texas Business and Commerce Code, Chapter 17, or allegations of any unfair business practice in any administrative hearing or court suit and that Contractor has not been found to be liable for such practices in such proceedings. Contractor certifies that it has no officers who have served as officers of other entities who have been the subject allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit and that such officers have not been found to be liable for such practices in such proceedings.

11.09. **AGENCY EXECUTIVE HEAD.** Under Texas Government Code Section 669.003 relating to contracting with an executive of a state agency, Contractor represents that no person who, in the past four (4) years, served as an executive of TFC or any other state agency, was involved with or

has any interest in this Contract or any contract resulting from this Contractor. If Contractor employs or has used the services of a former executive head of TFC or any other state agency, then Contractor shall provide the following information : the name of the former executive, the name of the state agency, the date of separation from the state agency, the position held with Contractor, and the date of employment with Contractor.

11.10. **LIABILITY FOR TAXES.** Contractor represents and warrants that it shall pay all taxes or similar amounts resulting from this Contract, including, but not limited to, any federal, state, or local income, sales or excise taxes of Contractor or its employees. TFC shall not be liable for any taxes resulting from this Contract.

11.11. **NO CONFLICTS.** Contractor represents and warrants that Contractor has no actual or potential conflicts of interest in providing services to the State of Texas under this Contract and that Contractor's provision of services under this Contract would not reasonably create an appearance of impropriety.

11.12. **PROHIBITION ON CERTAIN BIDS AND CONTRACTS.** Under Texas Government Code, Section 2155.006, relating to the prohibition of certain bids and contracts, Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive the specified Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate. Contractor represents and warrants that during the five (5) year period preceding the date of this Contract, Contractor has not been: (i) convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Texas Utilities Code, Section 39.459, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or (ii) assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Texas Utilities Code, Section 39.459, Hurricane Katrina, or any other disaster occurring after September 24, 2005.

11.13. **IMMIGRATION REFORM.** The Immigration Reform and Control Act of 1986, as amended, requires that all employees hired since 1986 provide proof of identity and employment eligibility before they can work in the United States. TFC is committed to complying with all applicable immigration laws of the United States and requires compliance by its contractors and subcontractors. Contractor shall not place any employee of Contractor at a worksite, nor shall Contractor permit any employees, nor any employee of its subcontractor to perform any work on behalf of, or for the benefit of, TFC without first ensuring said employee's authorization to lawfully work in the United States.

11.14. **MINIMUM WAGE RATE REQUIREMENTS.** Notwithstanding any other provision of this Contract, Contractor hereby represents and warrants that the Contractor shall pay to each of its employees a wage not less than what is currently known as the "Federal Minimum Wage" and any increase or amendments thereto. Furthermore, Contractor shall produce proof of compliance with this provision by Contractor to TFC. TFC shall withhold payments due to Contractor until Contractor has complied with this provision. Prior to any payment being made for work satisfactorily completed and accepted, Contractor shall submit Wage Rate Affidavits with its billing documents affirming that all employees have been paid not less than the current "Federal Minimum Wage".

11.15. **PROHIBITION AGAINST BOYCOTTING ISRAEL.** In accordance with Section 2270.002 of the Texas Government Code, by signature hereon, Contractor certifies that it does not boycott Israel and will not boycott Israel during the term of this Contract.

XII. MISCELLANEOUS PROVISIONS.

12.01. **ASSIGNMENT AND SUBCONTRACTS.** (a.) Contractor shall neither assign, transfer, nor delegate any rights, obligations, or duties under this Contract without the prior written consent of TFC.

(b.) Notwithstanding this provision, it is mutually understood and agreed that Contractor may subcontract with others for some or all of the services to be performed. TFC shall approve all subcontractors. Subcontractors providing service under this Contract shall meet the same requirements and level of experience as required of the Contractor. No subcontract under the Contract shall relieve Contractor of responsibility for the service. If Contractor uses a subcontractor for any or all of the work required, the following conditions shall apply under the listed circumstances:

(i.) Contractors planning to subcontract all or a portion of the work to be performed under this Contract shall identify the proposed subcontractor on Exhibit C – HUB Subcontracting Plan, as further described in Section 12.02 below;

(ii.) Subcontracting shall be at the Contractor's expense;

(iii.) TFC retains the right to check any subcontractor's background and make the determination to approve or reject the use of submitted subcontractors; and,

(iv.) Contractor shall be the only contact for TFC and subcontractors. Contractor shall list a designated point of contact for all TFC and subcontractor inquiries.

12.02. **HISTORICALLY UNDERUTILIZED BUSINESSES (HUBS).** In accordance with State law, it is TFC's policy to assist HUBs, whether minority or women-owned, whenever possible, to participate in providing goods and services to the agency. TFC encourages those parties with whom it contracts for the provision of goods and services to adhere to this same philosophy in selecting subcontractors to assist in fulfilling Contractor's obligations with TFC. If Contractor subcontracts with others for some or all of the services to be performed under this Contract, Contractor shall comply with all HUB requirements pursuant to Texas Government Code, Chapter 2161 and file with TFC a HUB Subcontracting Plan. In addition to information required by Section 12.01 above, Contractor shall provide the Internal Procurement Division of TFC with pertinent details of any participation by a HUB in fulfilling the duties and obligations arising hereunder on the HUB Subcontracting Plan (HSP) Progress Assessment Report attached hereto and incorporated herein for all purposes as Exhibit C-1 – HSP Progress Assessment Report.

12.03. **FEDERAL, STATE, AND LOCAL REQUIREMENTS.** Contractor shall demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the

Revenue Act of 1978, dealing with issuance of Form W-2's to common law employees. Contractor is responsible for both federal and State unemployment insurance coverage and standard Worker's Compensation Insurance coverage. Contractor shall comply with all federal and State tax laws and withholding requirements. The State of Texas shall not be liable to Contractor or its employees for any unemployment or workers' compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the State of Texas and shall pay all costs, penalties, or losses resulting from Contractor's omission or breach of this Section.

12.04. PATENT, TRADEMARK, COPYRIGHT AND OTHER INFRINGEMENT CLAIMS. Contractor shall indemnify, save and hold harmless the State of Texas from and against claims of patent, trademark, copyright, trade secret or other proprietary rights, violations or infringements arising from the State's or Contractor's use of or acquisition of any services or other items provided to the State of Texas by Contractor or otherwise to which the State of Texas has access as a result of Contractor's performance under this Contract, provided that the State shall notify Contractor of any such claim within a reasonable time of the State's receiving notice of any such claim. If Contractor is notified of any claim subject to this section, Contractor shall notify TFC of such claim within five (5) business days of such notice. No settlement of any such claim shall be made by Contractor without TFC's prior written approval. Contractor shall reimburse the State of Texas for any claims, damages, losses, costs, expenses, judgments or any other amounts, including, but not limited to, attorneys' fees and court costs, arising from any such claim. Contractor shall pay all reasonable costs of the State's counsel and shall also pay costs of multiple counsel, if required to avoid conflicts of interest. Contractor represents that it has determined what licenses, patents and permits are required under this Contract and has acquired all such licenses, patents and permits.

12.05. ELECTRONIC AND INFORMATION RESOURCES ACCESSIBILITY STANDARDS.

(a.) Effective September 1, 2006, all state agencies and institutions of higher education shall procure products which comply with the State of Texas accessibility requirements for electronic and information resources specified in Title 1 of the Texas Administrative Code, Chapter 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation.

(b) If applicable, Contractor shall provide the Texas Department of Information Resources ("DIR") with the universal resource locator ("URL") to its Voluntary Product Accessibility Template ("VPAT") for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act), or indicate that the product/service accessibility information is available from the General Services Administration "Buy Accessible Wizard" (<https://app.buyaccessible.gov/baw/Main.jsp>). Contractors not listed with the "Buy Accessible Wizard" or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format. Additional information regarding the "Buy Accessible Wizard" or obtaining a copy of the VPAT is located at <http://www.section508.gov/>.

12.06. RELATIONSHIP OF THE PARTIES. Contractor is associated with TFC only for the purposes and to the extent specified in this Contract, and with respect to performance of the contracted services pursuant to this Contract, Contractor is and shall be an independent contractor. Subject only to the terms of this Contract, Contractor shall have the sole right to supervise, manage, operate, control,

For Contractor: Lone Star Auctioneers, Inc.
4929 Mark IV Parkway
Fort Worth, TX 76106
Attn: Marilyn Burgess
Phone: 817-569-6004
Email: Marilyn@lonestarauctioneers.com

Notice given in any other manner shall be deemed effective only if and when received by the party to be notified. Either party may change its address for notice by written notice to the other party as herein provided.

12.10. **NAME AND ORGANIZATIONAL CHANGES.** (a.) Contractor must provide TFC with written notification of all name changes and organizational changes relating to Contractor including, but not limited to, merger, acquisition or sale no later than ten (10) business days of such change. Contractor, in its notice, shall describe the circumstances of the name change or organizational change, state its new name, provide the new Tax Identification Number, and describe how the change will impact its ability to perform under the Contract. If the change entails personnel changes for personnel performing the responsibilities of the Contract for Contractor, Contractor shall identify the new personnel and provide resumes to TFC, if resumes were originally required by the solicitation. TFC may request other information about the change and its impact on the Contract and Contractor shall supply the requested information within five (5) working days of receipt of the request. All written notifications of organizational change must include a detailed statement specifying the change and supporting documentation evidencing continued right of Contractor or successor entity, as applicable, to maintain its status as a party to this Contract.

(b) TFC may terminate the Contract due to any change to Contractor that materially alters Contractor's ability to perform under the Contract.

12.11. **GOVERNING LAW AND VENUE.** This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. Contractor irrevocably waives any objection, including any objection to personal jurisdiction or proper venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the filing of any action or proceeding in such jurisdiction in respect of this Contract or any document related hereto. **Nothing in this section shall be construed as a waiver of sovereign immunity by TFC.**

12.12. **SEVERABILITY.** If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

12.13. **PROPER AUTHORITY.** The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. Contractor acknowledges Contract is effective for the period of time specified in the Contract. Any services performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor.

12.14. **FORCE MAJEURE.** Any delays in or failure of performance by either party, except in respect of the obligation of payments under this Contract, shall not constitute default hereunder if and to the extent such delays or failure of performance are caused by occurrence(s) beyond the reasonable control of the party affected, and which by the exercise of due diligence such party is unable to prevent, herein called “Force Majeure”, including acts of God or the public enemy, sabotage, war, mobilization, revolution, civil unrest, riots, strikes, lockouts, fires, accidents breakdowns, or floods, earthquakes, hurricanes or any other natural disaster or governmental actions. In any such event, the party claiming Force Majeure shall promptly notify the other party of the Force Majeure event in writing and, if possible, such notice shall set forth the extent and duration thereof. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and resume performance at the earliest possible date. However, if non-performance continues for more than thirty (30) days, TFC may terminate this Contract immediately upon written notification to Contractor.

12.15. **LABOR ACTIVITY.** If any strike, boycott, picketing, work stoppage, slowdown, or other labor activity is directed against the Contractor at TFC’s facility, which results in the curtailment or discontinuation of services performed herein, TFC shall have the right during said period to employ any means legally permissible to have the work performed.

12.16. **DISPUTE RESOLUTION.** The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used by the parties to attempt to resolve all disputes arising under this Contract.

12.17. **COUNTERPARTS.** This Contract may be executed in any number of counterparts, each of which shall be an original, and each such counterpart shall together constitute but one and the same agreement.

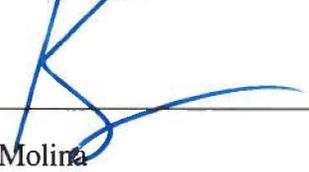
12.18. **NO WAIVER.** Nothing in this Contract shall be construed as a waiver of sovereign immunity by the State of Texas. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the State of Texas under this Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel. TFC does not waive any privileges, rights, defenses, or immunities available to TFC by entering into this Contract or by its conduct prior to or subsequent to entering into this Contract.

12.19. **FALSE STATEMENTS; BREACH OF REPRESENTATIONS.** By signature to this Contract, Contractor makes all the representations, warranties, guarantees, certifications and affirmations included in this Contract. If Contractor signs this Contract with a false statement or it is subsequently determined that Contractor has violated any of the representations, warranties, guarantees, certifications or affirmations included in this Contract, Contractor shall be in default under this Contract, and TFC may terminate or void this Contract for cause and pursue other remedies available to TFC under this Contract and applicable law.

12.20. **SURVIVAL OF TERMS.** Termination of the Purchase Order for any reason shall not release Vendor from any liability of obligation set forth in the Purchase Order that is expressly stated to survive any such termination or by its nature would be intended to be applicable following any such termination, including the provisions regarding confidentiality, indemnification, transition, records, audit, property rights, dispute resolution and invoice and verification.

12.21. **ENTIRE CONTRACT & MODIFICATION.** This Contract and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistently with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification, renewal, extension or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

TEXAS FACILITIES COMMISSION

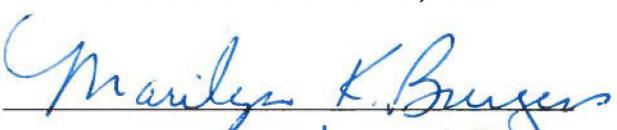


Kay Molina

General Counsel

Date of execution: 8/11/12

LONE STAR AUCTIONEERS, INC.



Printed Name: Marilyn K. Burgess

Title: CEO / Pres.

Date of execution: Aug 8, 2017

NRG G.C.

AE Dir.

____ D.E.D.

EXHIBIT A
TFC CONTRACT NO. 18-058-000
COMPENSATION AND FEES

Respondent Name: Lone Star Auctioneers, Inc.

COMPENSATION AND FEES

Pricing Example:

Winning Bid Example: Bulldozer	Purchaser Fee (Set by TFC) Example: 8%	Sales Tax Example: 8.25%	Emissions Surcharge Example: 2%	Bidder's Final Price
\$100,000.00	\$8000.00	\$8,910.00	\$2,160.00	\$119,070.00

Respondent shall state their fees for performing services as either a percentage of sales of winning bid, as a flat fee per each (as per title transfers) or as a range for each. The fees listed should include all costs associated with the performance of any contract resulting from this RFP. Except for the purchaser fee, the Respondent shall not assess any other costs or fees to auction participants, or charge TFC a 'no sale' charge for the rejection of any bids.

1) **Required Services Pricing – Internet Based Auction Sales**

- a) Internet Based Auction Sales: 7.75 % of winning bid
- b) Optional Services that TFC May Utilize:

Optional Service	Additional % of winning bid	Flat Fee Each	Range Each
Vehicle & Equipment Title Transfer Services for Internet Auctions			\$15-\$25
Inventory, Photo, Assign Lot Numbers	5.0		
Cleaning and Testing of Equipment	5.0		
Secure Storage	No Charge		
Property Release	No Charge		

2) **Required Services Pricing – Live Auction Services**

- a) Live Auction Services = 6.5 % of winning bid
- b) Optional Services that TFC May Utilize:

Optional Service	Additional % of winning bid	Flat Fee Each	Range Each
Vehicle & Equipment Title Transfer Services for Live Auctions			\$15-\$25
Inventory, Photo, Assign Lot Numbers	No Charge		

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Optional Service	Additional % of winning bid	Flat Fee Each	Range Each
Cleaning and Testing of Equipment	Service not available		
Secure Storage	No Charge		
Property Release	No Charge		

3) **Additional Services** - Respondent may propose pricing for optional services that would provide significant additional benefit to the state as part of any contract resulting from this RFP:

a) Description of Additional Service: FFL Services for the Sale Of Firearms and Other Armament

LSA and our long-time FFL holder will perform photography, description, evaluation, and secure transfer, storage, ownership transfer and release of firearms by a Texas FFL holder for legal online auctions by Lone Star Auctioneers. Lone Star has a long-standing relationship and agreement with David Noble of Military Gun Supply to perform these services for the TFC and other states' unclaimed property programs with whom Lone Star has contracts. Noble's FFL is included with this proposal.

i) Additional Service Applies to: Internet Based Auction Live Auctions

Pricing: \$10 per firearm*

\$5 per bow or other non-firearm weapon*

(*Lone Star will remit 100% of this fee from our proceeds to the FFL Dealer as compensation for travel and evaluation.)

b) Description of Additional Service: Preparation and Sale of Eight-Liner Gaming Machines

LSA will test, clean, lot, layout and tag with TFC ID tags and auction lot tags, sell, and collect funds for gaming machines. Lone Star commits to conduct an online auction restricted to holders of "a current Texas Coin-Operated Machine General Business License" or "other authorization to sell, lease, or otherwise provide gambling equipment to others or to operate gambling equipment issued by an agency in another state or in a foreign jurisdiction where it is lawful for the person to possess gambling equipment for the intended purpose." Lone Star commits to collecting said license or authorization prior to activating the bidder's account for the restricted auction.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: 7.25% plus the percentage commission proposed in a) for internet auctions services

c) Description of Additional Service: Management and Sales of High-Value Unclaimed Assets or Other Higher-Value Property valued at \$1,000 and more

LSA will be responsible for the secure receipt, inventory, securing an appraiser, storage, lotting, photography, sale and shipping for online auction(s) of higher value assets which may come into the possession of the State of Texas and require these services. Lone Star Auctioneers has a high security, 400 s.f. Class II bank vault in our solely owned and occupied office building at 4629 Mark IV Parkway, Fort Worth, with exterior and interior closed circuit TV surveillance, three layers of passive infra-red (PIR) motion and heat detectors, panic buttons for every employee, 24/7

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monitoring and immediate police response. The vault is on a separate classified alarm zone and can be opened only by authorized personnel assigned to high-value asset contracts for other states' unclaimed property. All high value assets are always under dual control so that no single employee has sole access or control of assets. Our vault is a dual-dial combination Class II steel door which requires two different authorized employees each to unlock one separate dial with different numerical combinations. We also have a secure appraisal and shipping room adjacent to the vault with contains audio and video recording devices to record all activity in the room while opening, inventorying, appraising, lotting, photography, and shipping of assets. All asset package openings, inventorying, appraisals, lotting, photography and shipping are performed under dual control of two authorized employees. A limited number of key employees each have a single combination to one of the vault's rotary locks, so it takes two employees each with a different combination to open the vault. Only these personnel have the unique code to disarm the vault alarm. When a non-authorized employee disarms the building alarm system, only the building zone is disarmed. The vault remains alarmed at all times unless assets are being removed or returned to the vault for processing or storage.

Storage in Lone Star's vault will be on a "space available" basis. These assets must be cleared for auction and sold within 90 days at the time of acceptance by Lone Star. Transportation costs from the state's point of origin to our vault will be at the state's expense.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: 10% plus the percentage commission proposed in a) for internet auction services

d) Description of Additional Service: Appraisal Services for High-Value Assets

LSA will provide independent appraisal services for high-value assets such as jewelry, gemstones, numismatic coins and currency, watches and other appropriate valuables to TFC on an as-needed basis.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: \$60 per appraisal hour by an accredited appraiser

e) Description of Additional Service: Sales and Management of Unclaimed or Other Lower-Value Assets (Non-Gaming) valued at \$999.99 and less

LSA will be responsible for the receipt, inventory, appraiser evaluation, storage, lotting, photography and sale in online auction(s) of lower value or larger assets which may come into the possession of the State of Texas and require these services. Lone Star Auctioneers has a high security, solely owned and occupied 37,500 s.f. warehouse with over an acre of security-fenced concrete storage yard at 5001 Northeast Parkway Northeast Parkway, Fort Worth, with a state-of-the-art exterior and interior closed circuit TV surveillance which records video clips of any activity during the "armed" state. These video clips of intrusions are transmitted to the 24/7 video monitoring station and recorded. The monitoring station determines the nature of the activity on the video and alerts the police immediately and notifies a member of our security team if the video indicates an intrusion on our property. In addition to the video cameras, the warehouse is protected by an array of (PIR) motion and heat detectors throughout the warehouse and securely fenced yard. The video and PIR systems are monitored 24/7 immediate police response and notification of our security team. A portion of the warehouse may be available on a temporary basis for the storage of low-value state property. These assets must be cleared for auction and sold within 90 days at the time of acceptance by Lone Star. Transportation costs from the state's point of origin to our vault will be at the state's expense.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: **10% plus the percentage commission proposed in a) for internet auction services

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**As our warehouse storage space is available. Our warehouse and yard are primarily used for the indoor storage of high value automobiles and pickups for the U.S. Marshals Service. Our available capacity varies with USMS, FBI, DEA and other agency activity.

f) Description of Additional Service: Webcast Auction Services:

Lone Star will pay the licensing and fees/commissions charged by the webcast provider. We will provide three experienced computer operators who have run all of our WebCast auctions to date. They are very proficient with our WebCast software and work individually and in tandem with one another. In addition, Lone Star will provide at least one experienced backup computer operator. Together they have partnered forty-two (42) WebCast auctions with this software. They have sold over \$16.4 million dollars to internet bidders during WebCasts they have conducted. This accounts for 33.8% of total sales for those forty-two (42) auctions. Our WebCast operators have been almost 100% accurate and our WebCast sales have been over 97% collected. The software provider is one of the industry leaders, and they were the first to become viable as a real-time internet bidders vs. live bidders venue. In our opinion they are still the best simulcast software on the market. Their response times are measured in milliseconds up and down. There has never been a system failure with their software during our twenty-three auctions with them. We will provide at least two portable computers to conduct the webcasts. We will provide three experienced webcast computer operators for each auction. We will provide at least two cellular data packages for two laptops so that we will have unlimited internet access for webcasting the auctions from a live auction site that may not have internet access. We will prepare title work for all agency vehicles with titles. We will mail the titles via certified mail to buyers promptly.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: \$2,500 per auction plus 2% of gross webcast sales plus the proposed commission percentage for live auctions

g) Description of Additional Service: Accelerated Registration and Detection of Buyers with a History of Non-Payment

Swiping the driver's license through our Magteck driver's license readers at registration stations will verify identification and will prompt the registrar to pull registration information from our mail history system if an individual has registered previously at any auction. A buyer's payment history along with any negative payment history is a vital part of the information which pops up in the computer when the driver's license is swiped. This process assures that any buyer who has not paid for items at an auction, or who has other negative payment information stored in our system will not be allowed to slip through the registration process unnoticed. If a driver's license magnetic strip is corrupted and will not swipe properly, the computer operator will see the buyer's information from history when the name is entered. Each banned bidder is coded in our interactive mail system with an XX. Once a banned bidder's name is entered by either technique, the system will automatically block them from being registered into the computer based on that coding. No banned bidder is permitted to register or participate in any Lone Star Auction. All Lone Star client sellers honor our "No pay, no return" policy.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: No Charge

h) Description of Additional Service: Additional Advertising

Lone Star will advertise each TFC auction significantly more than the contract requires concentrating on smaller districts having vehicles and heavy equipment in the auction and alternative outlets for special/interest or special-application items

i) Additional Service Applies to: Internet Based Auction Live Auctions

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ii) Pricing: No Charge

a) Description of Additional Service: **Uniforms and Apparel**

Lone Star staff members will wear shirts, name tags and other apparel and accessories which bear the Lone Star logo for ease of identification and high visibility. This enables us to respond quickly to bidders' needs.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: NC

b) Description of Additional Service: **QR Codes**

Lone Star will embed QR codes in print and larger display advertisements for auctions with vehicles and heavy equipment that warrant that advertising.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: NC

c) Description of Additional Service: **Purchase of Keyword Advertising on Major Search Engines for Specific Types of Vehicles or Heavy Equipment of Broader and Specialized Interest**

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: NC

d) Description of Additional Service: **Excellent Search Engine Results**

Lone Star Auctioneers maintains very high search engine position based on the high number of hits our sites reach. Our websites average 70-90 million hits per month which translates into more "eyes" seeing TFC auctions with our high placement. Preparing this proposal, we googled "TFC" and were the 5th non-paid result returned on the first page. For "state texas surplus property" we were 7th. "Texas surplus auction" found us in 6th and 7th. "Internet auctions" placed us in 3rd position. Our high traffic and high search engine rankings translate into more revenues for our sellers by bringing more buyers to our online and live auctions.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: NC

e) Description of Additional Service: **National Cooperative Purchasing Contacts**

Lone Star holds three national purchasing coop contracts: The National Purchasing Cooperative (TCPN), The Interlocal Purchasing System (TIPS) and BuyBoard. There are over 40,000 member agencies who are members of TCPN and TIPS. The contracts we hold under these agencies continue to bring new and increased traffic to our site to the benefit of all our sellers and buyers.

i) Additional Service Applies to: Internet Based Auction Live Auctions

ii) Pricing: NC

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Description of Additional Service: Links On government agency websites

Through our numerous government agency contracts, Many government sites have links to Lone Star Auctioneers and LoneStarOnline such as the U.S. Department of Justice "National Sellers List," Texas Facilities Commission, Texas A&M University System, the Cities of Dallas, Fort Worth and the states of West Virginia State Treasurer's Office, Utah's MyCash.Utah, and the state of Montana for unclaimed property.

- i) Additional Service Applies to: Internet Based Auction Live Auctions
ii) Pricing: NC

Description of Additional Service: Shortcuts to LoneStarAuctioneers.com and LoneStarOnline.com

LSA will provide two shortcut URLs for the public to access our website simply and easily. We believe LSA.cc and LSO.cc to be the shortest URL of any company. The simplicity of these shortcuts virtually eliminate typographical errors and misspellings which prevent or slow a bidder from reaching our sites.

- i) Additional Service Applies to: Internet Based Auction Live Auctions
ii) Pricing: NC

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EXHIBIT B

TFC CONTRACT NO. 18-058-000

SAMPLE REPORTS

LONE STAR AUCTIONEERS, INC.
4629 Mark IV Pkwy., Suite 300
FORT WORTH, TEXAS 76106-8573 USA
(817) 740-9400

Sales Tax Report for 072215 TFC-VEHICLES Closed On 7/22/2015

<i>State</i>	<i>Tax Rate</i>	<i>Taxable Amount</i>	<i>Tax Amount</i>
TX	8.25%	\$399.37	\$32.95
<i>Totals:</i>		\$399.37	\$32.95

SAMPLE

LONE STAR AUCTIONEERS, INC.
4629 Mark IV Pkwy., Suite 300
FORT WORTH, TEXAS 76106-8573 USA
(817) 740-9400

Consignor Summary Report for 072215 TFC-VEHICLES Closed On 7/22/2015

<i>Consignor #</i>	<i>Name</i>	<i>Total Sales</i>	<i>Commission</i>	<i>Appraisal</i>	<i>Cert. Fees</i>	<i>Other Expenses</i>	<i>Total</i>
968097349	TX FACILITIES	\$13,025.00	\$774.99	\$0.00	\$0.00	\$0.00	\$12,250.01
Report Totals:				Total Sales:	\$13,025.00		
				Less Commission:	\$774.99		
				Less All Expenses:	\$0.00		
				Total Amount Due:	\$12,250.01		

SAMPLE

LONE STAR AUCTIONEERS, INC.
4629 Mark IV Pkwy., Suite 300
FORT WORTH, TEXAS 76106-8573 USA
(817) 740-9400

Auction Status Report for 072215 TFC-VEHICLES Closed On 7/22/2015

Sales Summary

Total Sales		\$13,025.00
Sales Tax TX @ 8.25%		\$32.95
Total Sales Tax		\$32.95

Buyers Summary

Total Buyer Premium	\$846.61
Other Buyer Expenses	\$0.00
Total Buyer Expenses	\$846.61
Total Buyer Charges	\$13,904.56
Total Paid by Buyers	\$13,904.56
Net Due from Buyers	\$0.00

Consignors Summary

Total Consignor Sales	\$13,025.00
Commissions Earned	\$774.98
Consignor Expenses	\$0.00
Total Consignor Charges	\$774.98
Net Due to Consignors	\$12,250.02

Profit && Loss Summary

Total Amount Sold	\$13,025.00
Add Buyer Premium	\$846.61
Less Net Due Consignors	\$12,250.02
Profit / Loss on Sale	\$1,621.59

LONE STAR AUCTIONEERS, INC.
4629 Mark IV Pkwy., Suite 300
FORT WORTH, TEXAS 76106-8573 USA
(817) 740-9400

Active Buyers Report for 072215 TFC-VEHICLES Closed On 7/22/2015

Buyer #	Name/Address	AmountDue:	Email	User Name	Phone/Fax
117125	Arlyn L Hammett		arlyn.hammett@luminan	hammeal	512 430 0602
Tax ID	1138 Allday Street	\$1,464.37	t.com		512 446 4011
3-20250-5133-8	Rockdale, TX 76567 USA		Compan	Centex Marine & Composites	none
117126	Bobby L Allgood		vallgood16@gmail.com	Bob57	281-793-4762
Tax ID	25474 Spruce Ln	\$1,437.75			
	Cleveland, TX 77328 USA		Compan		
117127	Ernesto de la Pena		badmannesto@gmail.com		nesto52
Tax ID	8585 Steamline Cir	\$432.32			
512-897-3355	Austin, TX 78745 USA		Compan		
117128	Gayle Kiger		gaylekiger58@icloud.co	spivey	254-541-6000
Tax ID	9500 casa grande	\$6,017.25	m		2545416000
	woodway, TX 76712 USA		Compan		
117129	John G Hooker		j.g.hooker@live.com	jghooker	832-318-2753
Tax ID	23150 E. Hwy 105	\$1,411.12			832-318-2753
	Cleveland, TX 77328 USA		Compan		281-274-9854
117130	stanley budnik		stanjbud@aol.com	stanjbud	(979) 567-4156
Tax ID	po. box 754	\$2,609.25			
	caldwell, TX 77836 USA		Compan	none	none
117131	Val P Hoffman		val_hoffman@hotmail.c	mudmixer	409-370-9318
Tax ID	1563 Blue Water Dr	\$532.50	om		
	Freeport, TX 77541 USA		Compan		

Count of Active Buyers: 7 \$13,904.56

LONE STAR AUCTIONEERS, INC.
4629 Mark IV Pkwy., Suite 300
FORT WORTH, TEXAS 76106-8573 USA
(817) 740-9400

Lot Sales Report for 072215 TFC-VEHICLES Closed On 7/22/2015

Lot Number	Description	Buyer	Winning Bid
GLO	Lot: GLO-4 - Boat Trailer	117131	\$500.00
GLO	Lot: GLO-3 - 1999 Jenson Cargo Trailer	117130	\$2,450.00
GLO	Lot: GLO-7 - 2002 Polaris Trailboss 325 ATV Updated	117129	\$1,325.00
GLO	Lot: GLO-5 - 2007 Ford F350 Super Cab Truck	117128	\$5,650.00
GLO	Lot: GLO-2 - Motorized Jack	117127	\$100.00
GLO	Lot: GLO-8 - Raymondville Order Picker Forklift	117127	\$275.00
GLO	Lot: GLO-6 - Polaris Trail Boss 325 ATV	117126	\$1,350.00
GLO	Lot: GLO-1 - 23-ft Sea Ark Tandem Axle Boat Trailer	117125	\$1,375.00
Lot Count:	8	Bid Total:	\$13,025.00

LONE STAR AUCTIONEERS, INC.
4629 Mark IV Pkwy., Suite 300
FORT WORTH, TEXAS 76106-8573 USA
(817) 740-9400

Buyer Payment Report for 072215 TFC-VEHICLES Closed On 7/22/2015

<i>Buyer #</i>	<i>Name</i>	<i>Company</i>	<i>Payment Amount</i>	<i>Payment Type</i>	<i>Invoice #</i>
117125	Arlyn L Hammett	Centex Marine & Composites	\$1,464.37	Wire Transfer	7348-117125
117126	Bobby L Allgood		\$1,437.75	Check	7348-117126
117127	Ernesto de la Pena		\$432.32	Check	7348-117127
117128	Gayle Kiger		\$6,017.25	Cashier Check	7348-117128
117129	John G Hooker		\$1,411.12	Cashier Check	7348-117129
117130	stanley budnik	none	\$2,609.25	Cashier Check	7348-117130
117131	Val P Hoffman		\$532.50	Check	7348-117131

Total Payments: \$13,904.56

<i>PaymentType</i>	<i>Payment Amount</i>
Cashier Check	\$10,037.62
Check	\$2,402.57
Wire Transfer	\$1,464.37

SAMPLE

LONE STAR AUCTIONEERS, INC.
4629 Mark IV Pkwy., Suite 300
FORT WORTH, TEXAS 76106-8573 USA
(817) 740-9400

Consignor Final Statement Report for 072215 TFC-VEHICLES Closed On 7/22/2015

968097349 TX FACILITIES

Phone:
Fax:

Lot #	Buyer #/Name/Address/Company	Phone/Fax	Winning Bid	Tax	Surcharge or Shipping	Total
GLO 117125	Arlyn L Hammett Centex Marine & Composites Rockdale TX	512 430 0602	\$1,375.00	\$0.00	\$89.37	\$1,464.37
<i>Tax ID</i>	1138 Allday Street 3-20250-5133-8	512 446 4011 76567	Appraisal Fee: \$0.00 none Certification Fee: \$0.00			
GLO 117126	Bobby L Allgood TX 77328	281-793-4762	\$1,350.00	\$0.00	\$87.75	\$1,437.75
<i>Tax ID</i>	25474 Spruce Ln Cleveland		Appraisal Fee: \$0.00 Certification Fee: \$0.00			
GLO 117127	Ernesto de la Pena TX 78745	512-897-3355	\$275.00	\$24.16	\$17.87	\$317.03
<i>Tax ID</i>	8585 Steamline Cir Austin		Appraisal Fee: \$0.00 Certification Fee: \$0.00			
GLO 117127	Ernesto de la Pena TX 78745	512-897-3355	\$100.00	\$8.79	\$6.50	\$115.29
<i>Tax ID</i>	8585 Steamline Cir Austin		Appraisal Fee: \$0.00 Certification Fee: \$0.00			
GLO 117128	Gayle Kiger TX 76712	254-541-6000	\$5,650.00	\$0.00	\$367.25	\$6,017.25
<i>Tax ID</i>	9500 casa grande woodway	2545416000	Appraisal Fee: \$0.00 Certification Fee: \$0.00			
GLO 117129	John G Hooker TX 77328	832-318-2753	\$1,325.00	\$0.00	\$86.12	\$1,411.12
<i>Tax ID</i>	23150 E. Hwy 105 Cleveland	832-318-2753 281-274-9854	Appraisal Fee: \$0.00 Certification Fee: \$0.00			
GLO 117130	stanley budnik TX 77836	(979) 567-4156	\$2,450.00	\$0.00	\$159.25	\$2,609.25
<i>Tax ID</i>	po. box 754 caldwell	none	Appraisal Fee: \$0.00 Certification Fee: \$0.00			
GLO 117131	Val P Hoffman TX 77541	409-370-9318	\$500.00	\$0.00	\$32.50	\$532.50
<i>Tax ID</i>	1563 Blue Water Dr Freeport		Appraisal Fee: \$0.00 Certification Fee: \$0.00			

8 Lots Sold

Total Sales: \$13,025.00
Less Commission: \$774.99
Less All Expenses: \$0.00
TOTAL: \$12,250.01
Sales Tax Collected: \$32.95

EXHIBIT C

TFC CONTRACT NO. 18-058-000

HUB SUBCONTRACTING PLAN



HUB Subcontracting Plan (HSP) QUICK CHECKLIST

While this HSP Quick Checklist is being provided to merely assist you in readily identifying the sections of the HSP form that you will need to complete, it is very important that you adhere to the instructions in the HSP form and instructions provided by the contracting agency.

- If you will be awarding all of the subcontracting work you have to offer under the contract to only Texas certified HUB vendors, complete:
 - Section 1 - Respondent and Requisition Information
 - Section 2 a. - Yes, I will be subcontracting portions of the contract.
 - Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors.
 - Section 2 c. - Yes
 - Section 4 - Affirmation
 - GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you do not have a continuous contract in place for more than five (5) years meets or exceeds the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:
 - Section 1 - Respondent and Requisition Information
 - Section 2 a. - Yes, I will be subcontracting portions of the contract.
 - Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors.
 - Section 2 c. - No
 - Section 2 d. - Yes
 - Section 4 - Affirmation
 - GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors or only to Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you do not have a continuous contract in place for more than five (5) years does not meet or exceed the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:
 - Section 1 - Respondent and Requisition Information
 - Section 2 a. - Yes, I will be subcontracting portions of the contract.
 - Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors.
 - Section 2 c. - No
 - Section 2 d. - No
 - Section 4 - Affirmation
 - GFE Method B (Attachment B) - Complete an Attachment B for each of the subcontracting opportunities you listed in Section 2 b.
- If you will not be subcontracting any portion of the contract and will be fulfilling the entire contract with your own resources (i.e., employees, supplies, materials and/or equipment), complete:
 - Section 1 - Respondent and Requisition Information
 - Section 2 a. - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources.
 - Section 3 - Self Performing Justification
 - Section 4 - Affirmation

***Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service, to include under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.



HUB Subcontracting Plan (HSP)

In accordance with Texas Gov't Code §2161.252, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, all respondents, including State of Texas certified Historically Underutilized Businesses (HUBs) must complete and submit this State of Texas HUB Subcontracting Plan (HSP) with their response to the bid requisition (solicitation).

NOTE: Responses that do not include a completed HSP shall be rejected pursuant to Texas Gov't Code §2161.252(b).

The HUB Program promotes equal business opportunities for economically disadvantaged persons to contract with the State of Texas in accordance with the goals specified in the 2009 State of Texas Disparity Study. The statewide HUB goals defined in 34 Texas Administrative Code (TAC) §20.284 are:

- **11.2 percent for heavy construction other than building contracts,**
- **21.1 percent for all building construction, including general contractors and operative builders' contracts,**
- **32.9 percent for all special trade construction contracts,**
- **23.7 percent for professional services contracts,**
- **26.0 percent for all other services contracts, and**
- **21.1 percent for commodities contracts.**

- - Agency Special Instructions/Additional Requirements - -

*In accordance with 34 TAC §20.285(d)(1)(D)(iii), a respondent (prime contractor) may demonstrate good faith effort to utilize Texas certified HUBs for its subcontracting opportunities if the total value of the respondent's subcontracts with Texas certified HUBs meets or exceeds the statewide HUB goal or the agency specific HUB goal, whichever is higher. When a respondent uses this method to demonstrate good faith effort, the respondent must identify the HUBs with which it will subcontract. If using existing contracts with Texas certified HUBs to satisfy this requirement, only the aggregate percentage of the contracts expected to be subcontracted to HUBs with which the respondent **does not** have a **continuous contract*** in place for **more than five (5) years** shall qualify for meeting the HUB goal. This limitation is designed to encourage vendor rotation as recommended by the 2009 Texas Disparity Study.*

SECTION 1: RESPONDENT AND REQUISITION INFORMATION

- a. Respondent (Company) Name: _____ State of Texas VID #: _____
 Point of Contact: _____ Phone #: _____
 E-mail Address: _____ Fax #: _____
- b. Is your company a State of Texas certified HUB? - Yes - No
- c. Requisition #: _____ Bid Open Date: _____

(mm/dd/yyyy)

Enter your company's name here: _____ Requisition #: _____

SECTION 2: RESPONDENT'S SUBCONTRACTING INTENTIONS

After dividing the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, and taking into consideration the scope of work to be performed under the proposed contract, including all potential subcontracting opportunities, the respondent must determine what portions of work, **including contracted staffing, goods and services will be subcontracted**. Note: In accordance with 34 TAC §20.282, a "Subcontractor" means a person who contracts with a prime contractor to work, to supply commodities, or to contribute toward completing work for a governmental entity.

a. Check the appropriate box (Yes or No) that identifies your subcontracting intentions:

- **Yes**, I will be subcontracting portions of the contract. (If **Yes**, complete Item b of this SECTION and continue to Item c of this SECTION.)
- **No**, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources, including employees, goods and services. (If **No**, continue to SECTION 3 and SECTION 4.)

b. List all the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

Item #	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you <u>do not</u> have a continuous contract* in place for more than five (5) years .	Percentage of the contract expected to be subcontracted to HUBs with which you have a continuous contract* in place for more than five (5) years .	Percentage of the contract expected to be subcontracted to non-HUBs.
1		%	%	%
2		%	%	%
3		%	%	%
4		%	%	%
5		%	%	%
6		%	%	%
7		%	%	%
8		%	%	%
9		%	%	%
10		%	%	%
11		%	%	%
12		%	%	%
13		%	%	%
14		%	%	%
15		%	%	%
Aggregate percentages of the contract expected to be subcontracted:		%	%	%

(Note: If you have more than fifteen subcontracting opportunities, a continuation sheet is available online at <https://www.comptroller.texas.gov/purchasing/vendor/hub/forms.php>.)

c. Check the appropriate box (Yes or No) that indicates whether you will be using **only** Texas certified HUBs to perform **all** of the subcontracting opportunities you listed in SECTION 2, Item b.

- **Yes** (If **Yes**, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for **each** of the subcontracting opportunities you listed.)
- **No** (If **No**, continue to Item d, of this SECTION.)

d. Check the appropriate box (Yes or No) that indicates whether the aggregate expected percentage of the contract you will subcontract **with Texas certified HUBs** with which you **do not** have a **continuous contract*** in place with for **more than five (5) years**, **meets or exceeds** the HUB goal the contracting agency identified on page 1 in the "Agency Special Instructions/Additional Requirements."

- **Yes** (If **Yes**, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for **each** of the subcontracting opportunities you listed.)
- **No** (If **No**, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method B (Attachment B)" for **each** of the subcontracting opportunities you listed.)

***Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.

Enter your company's name here: _____ Requisition #: _____

SECTION 2: RESPONDENT'S SUBCONTRACTING INTENTIONS (CONTINUATION SHEET)

This page can be used as a continuation sheet to the HSP Form's page 2, Section 2, Item b. Continue listing the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

Item #	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you <u>do not</u> have a <u>continuous contract*</u> in place for <u>more than five (5) years</u> .	Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for <u>more than five (5) years</u> .	Percentage of the contract expected to be subcontracted to non-HUBs.
16		%	%	%
17		%	%	%
18		%	%	%
19		%	%	%
20		%	%	%
21		%	%	%
22		%	%	%
23		%	%	%
24		%	%	%
25		%	%	%
26		%	%	%
27		%	%	%
28		%	%	%
29		%	%	%
30		%	%	%
31		%	%	%
32		%	%	%
33		%	%	%
34		%	%	%
35		%	%	%
36		%	%	%
37		%	%	%
38		%	%	%
39		%	%	%
40		%	%	%
41		%	%	%
42		%	%	%
43		%	%	%
Aggregate percentages of the contract expected to be subcontracted:		%	%	%

***Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.

Enter your company's name here: _____ Requisition #: _____

SECTION 3: SELF PERFORMING JUSTIFICATION (If you responded "No" to SECTION 2, Item a, you must complete this SECTION and continue to SECTION 4.) If you responded "No" to SECTION 2, Item a, in the space provided below explain how your company will perform the entire contract with its own employees, supplies, materials and/or equipment.

SECTION 4: AFFIRMATION

As evidenced by my signature below, I affirm that I am an authorized representative of the respondent listed in SECTION 1, and that the information and supporting documentation submitted with the HSP is true and correct. Respondent understands and agrees that, if awarded any portion of the requisition:

- The respondent will provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor for the awarded contract. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity they (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.
- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report – PAR) to the contracting agency, verifying its compliance with the HSP, including the use of and expenditures made to its subcontractors (HUBs and Non-HUBs). (The PAR is available at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/ProgressAssessmentReportForm.xls>).
- The respondent must seek approval from the contracting agency prior to making any modifications to its HSP, including the hiring of additional or different subcontractors and the termination of a subcontractor the respondent identified in its HSP. If the HSP is modified without the contracting agency's prior approval, respondent may be subject to any and all enforcement remedies available under the contract or otherwise available by law, up to and including debarment from all state contracting.
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work-site where services are being performed and must provide documentation regarding staffing and other resources.

Signature	Printed Name	Title	Date <small>(mm/dd/yyyy)</small>
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Reminder:

- If you responded "Yes" to SECTION 2, Items c or d, you must complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.
- If you responded "No" SECTION 2, Items c and d, you must complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.

HSP Good Faith Effort - Method B (Attachment B)

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Enter your company's name here: _____	Requisition #: _____
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IMPORTANT: If you responded "No" to **SECTION 2, Items c and d** of the completed HSP form, you must submit a completed "HSP Good Faith Effort - Method B (Attachment B)" for **each** of the subcontracting opportunities you listed in **SECTION 2, Item b** of the completed HSP form. You may photo-copy this page or download the form at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/hub-sbcont-plan-gfe-achm-b.pdf>.

SECTION B-1: SUBCONTRACTING OPPORTUNITY

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing the attachment.

Item Number: _____ Description: _____

SECTION B-2: MENTOR PROTÉGÉ PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting its Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the subcontracting opportunity listed in **SECTION B-1**, constitutes a good faith effort to subcontract with a Texas certified HUB towards that **specific** portion of work.

Check the appropriate box (Yes or No) that indicates whether you will be subcontracting the portion of work you listed in SECTION B-1 to your Protégé.

- Yes (If *Yes*, continue to SECTION B-4.)
- No / Not Applicable (If *No* or *Not Applicable*, continue to SECTION B-3 and SECTION B-4.)

SECTION B-3: NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

When completing this section you **MUST** comply with items **a, b, c and d**, thereby demonstrating your Good Faith Effort of having notified Texas certified HUBs **and** trade organizations or development centers about the subcontracting opportunity you listed in SECTION B-1. Your notice should include the scope of work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. When sending notice of your subcontracting opportunity, you are encouraged to use the attached HUB Subcontracting Opportunity Notice form, which is also available online at <https://www.comptroller.texas.gov/purchasing/docs/hub-forms/HUBSubcontractingOpportunityNotificationForm.pdf>.

Retain supporting documentation (i.e., certified letter, fax, e-mail) demonstrating evidence of your good faith effort to notify the Texas certified HUBs **and** trade organizations or development centers. Also, be mindful that a working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs **and** to the trade organizations or development centers is considered to be "day zero" and does not count as one of the seven (7) working days.

- a.** Provide written notification of the subcontracting opportunity you listed in SECTION B-1, to three (3) or more Texas certified HUBs. Unless the contracting agency specified a different time period, you must allow the HUBs **at least seven (7) working days** to respond to the notice prior to you submitting your bid response to the contracting agency. When searching for Texas certified HUBs and verifying their HUB status, ensure that you use the State of Texas' Centralized Master Bidders List (CMBL) - Historically Underutilized Business (HUB) Directory Search located at <http://mycpa.cpa.state.tx.us/tpasscmbsearch/index.jsp>. HUB status code "A" signifies that the company is a Texas certified HUB.
- b.** List the **three (3) Texas certified HUBs** you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the company's Texas Vendor Identification (VID) Number, the date you sent notice to that company, and indicate whether it was responsive or non-responsive to your subcontracting opportunity notice.

Company Name	Texas VID <small>(Do not enter Social Security Numbers)</small>	Date Notice Sent <small>(mm/dd/yyyy)</small>	Did the HUB Respond?
			<input type="checkbox"/> - Yes <input type="checkbox"/> - No
			<input type="checkbox"/> - Yes <input type="checkbox"/> - No
			<input type="checkbox"/> - Yes <input type="checkbox"/> - No

- c.** Provide written notification of the subcontracting opportunity you listed in SECTION B-1 to **two (2)** or more trade organizations or development centers **in Texas** to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. Unless the contracting agency specified a different time period, you must provide your subcontracting opportunity notice to trade organizations or development centers **at least seven (7) working days** prior to submitting your bid response to the contracting agency. A list of trade organizations and development centers that have expressed an interest in receiving notices of subcontracting opportunities is available on the Statewide HUB Program's webpage at <https://www.comptroller.texas.gov/purchasing/vendor/hub/resources.php>.

- d.** List **two (2) trade organizations or development centers** you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the date when you sent notice to it and indicate if it accepted or rejected your notice.

Trade Organizations or Development Centers	Date Notice Sent <small>(mm/dd/yyyy)</small>	Was the Notice Accepted?
		<input type="checkbox"/> - Yes <input type="checkbox"/> - No
		<input type="checkbox"/> - Yes <input type="checkbox"/> - No

HSP Good Faith Effort - Method B (Attachment B) Cont.

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Enter your company's name here: _____ Requisition #: _____

SECTION B-4: SUBCONTRACTOR SELECTION

Enter the item number and description of the subcontracting opportunity you listed in **SECTION 2, Item b**, of the completed HSP form for which you are completing the attachment.

a. Enter the item number and description of the subcontracting opportunity for which you are completing this Attachment B continuation page.

Item Number: _____ Description: _____

b. List the subcontractor(s) you selected to perform the subcontracting opportunity you listed in **SECTION B-1**. Also identify whether they are a Texas certified HUB and their Texas Vendor Identification (VID) Number or federal Employer Identification Number (EIN), the approximate dollar value of the work to be subcontracted, and the expected percentage of work to be subcontracted. When searching for Texas certified HUBs and verifying their HUB status, ensure that you use the State of Texas' Centralized Master Bidders List (CMBL) - Historically Underutilized Business (HUB) Directory Search located at <http://mycpa.cpa.state.tx.us/passcmbsearch/index.jsp>. HUB status code "A" signifies that the company is a Texas certified HUB.

Company Name	Texas certified HUB	Texas VID or federal EIN <small>Do not enter Social Security Numbers If you do not know their VID / EIN, leave their VID / EIN field blank</small>	Approximate Dollar Amount	Expected Percentage of Contract
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%

c. If any of the subcontractors you have selected to perform the subcontracting opportunity you listed in **SECTION B-1** is not a Texas certified HUB, provide written justification for your selection process (attach additional page if necessary):

REMINDER: As specified in SECTION 4 of the completed HSP form, if you (respondent) are awarded any portion of the requisition, you are required to provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity it (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.



HUB Subcontracting Opportunity Notification Form

In accordance with Texas Gov't Code, Chapter 2161, each state agency that considers entering into a contract with an expected value of \$100,000 or more shall, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract. The state agency I have identified below in **Section B** has determined that subcontracting opportunities are probable under the requisition to which my company will be responding.

34 Texas Administrative Code, §20.285 requires all respondents (prime contractors) bidding on the contract to provide notice of each of their subcontracting opportunities to at least three (3) Texas certified HUBs (who work within the respective industry applicable to the subcontracting opportunity), and allow the HUBs at least seven (7) working days to respond to the notice prior to the respondent submitting its bid response to the contracting agency. In addition, at least seven (7) working days prior to submitting its bid response to the contracting agency, the respondent must provide notice of each of its subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code §20.282(19)(C).

We respectfully request that vendors interested in bidding on the subcontracting opportunity scope of work identified in **Section C, Item 2**, reply no later than the date and time identified in **Section C, Item 1**. Submit your response to the point-of-contact referenced in **Section A**.

SECTION A: PRIME CONTRACTOR'S INFORMATION	
Company Name: _____	State of Texas VID #: _____
Point-of-Contact: _____	Phone #: _____
E-mail Address: _____	Fax #: _____
SECTION B: CONTRACTING STATE AGENCY AND REQUISITION INFORMATION	
Agency Name: _____	
Point-of-Contact: _____	Phone #: _____
Requisition #: _____	Bid Open Date: _____ <small>(mm/dd/yyyy)</small>
SECTION C: SUBCONTRACTING OPPORTUNITY RESPONSE DUE DATE, DESCRIPTION, REQUIREMENTS AND RELATED INFORMATION	
1. Potential Subcontractor's Bid Response Due Date:	
If you would like for our company to consider your company's bid for the subcontracting opportunity identified below in Item 2, we must receive your bid response no later than _____ on _____ . <div style="display: flex; justify-content: space-around; width: 100%; font-size: small;"> Central Time Date (mm/dd/yyyy) </div>	
<p><i>In accordance with 34 TAC §20.285, each notice of subcontracting opportunity shall be provided to at least three (3) Texas certified HUBs, and allow the HUBs at least seven (7) working days to respond to the notice prior to submitting our bid response to the contracting agency. In addition, at least seven (7) working days prior to us submitting our bid response to the contracting agency, we must provide notice of each of our subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code, §20.282(19)(C).</i></p> <p><i>(A working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be "day zero" and does not count as one of the seven (7) working days.)</i></p>	
2. Subcontracting Opportunity Scope of Work:	
3. Required Qualifications: <input type="checkbox"/> - Not Applicable	
4. Bonding/Insurance Requirements: <input type="checkbox"/> - Not Applicable	
5. Location to review plans/specifications: <input type="checkbox"/> - Not Applicable	

EXHIBIT C-1

TFC CONTRACT NO. 18-058-000

HSP PROGRESS ASSESSMENT REPORT

