

TRANSPORTATION SERVICES AGREEMENT

STATE OF TEXAS § BETWEEN THE SAN ANTONIO EARLY
§ CHILDHOOD EDUCATION MUNICIPAL
§ DEVELOPMENT CORPORATION AND
COUNTY OF BEXAR § STAR SHUTTLE, INC.

This Agreement is entered into by and between the San Antonio, a Texas Municipal Development Corporation (hereinafter referred to as the “CORPORATION”), and Star Shuttle, Inc. (hereinafter referred to as “CONTRACTOR”), both of which may be referred to herein collectively as the “Parties”.

The Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

I.
DEFINITIONS

As used in this Agreement, the following terms shall have meanings as set out below:

“CORPORATION” is defined in the preamble of this Agreement and includes its successors and assigns.

“CONTRACTOR” is defined in the preamble of this Agreement and includes its successors.

“CEO” shall mean the Chief Executive Officer, or designee, for the CORPORATION.

“Pre-K 4 SA” is a program that utilizes a 1/8th cent sales tax, approved by the voters of the City, to be used to provide pre-kindergarten education to 4 year olds.

“Pre-K Staff” shall mean those persons assigned to the Pre-K 4 SA program.

“Project” shall mean the general scope of services of this Agreement as well as the overall objectives and goals of the Pre-K 4 SA program.

II.
TERM

2.1 Unless sooner terminated in accordance with the provisions of this Agreement, the term of this Agreement shall commence on June 1, 2018 and terminate on May 31, 2021.

2.2 CORPORATION shall have the option to renew for two additional one-year terms. Each option to renew shall be exercised at least six (6) months prior to the expiration of the current term.

2.3 CONTRACTOR agrees and understands that the CORPORATION expects to pay all obligations of this Agreement from a 1/8th cent sales tax approved by the voters of the City of San Antonio. Accordingly, if funding is not received by CORPORATION in a sufficient amount to pay any of its obligations under the terms of this Agreement, or if the collection of sales tax is terminated, then this Agreement will terminate and neither CORPORATION nor CONTRACTOR will have any further obligations hereunder. Lack of funding is not and will not be considered a breach of this Agreement; provided however, that lack of funding will not excuse payment for services rendered.

III. **SCOPE OF SERVICES**

3.1 CONTRACTOR agrees to provide the services described in this Article III entitled Scope of Services, and further detailed in Attachments I and II, in exchange for the compensation described in Article IV Compensation.

3.2 The CONTRACTOR will:

3.2.1 **General Requirements.**

- (a) Be properly licensed and bonded to provide student/pupil transportation services in the State of Texas for Pre-K/early childhood education designated students for a public, charter, private school and child-care center.
- (b) Supply and maintain school buses, or other agreed upon modes of transport (“Vehicles”), in sufficient quantity and capacity, to fulfill the CORPORATION’s needs for transportation services. All Vehicles supplied by CONTRACTOR to provide the services set out in this Agreement must meet or exceed the standards established by state and federal laws and regulations, including, but not limited to the following: Texas Transportation Code Title 7, Chapter 547.7015; Texas Education Code Title 2 Subtitle F Chapter 34; Texas Administrative Code, Title 37, Part 1, Chapter 14; Texas Administrative Code Title 37, Part 1, Chapter 23, Subchapter C, Rule 23.42; Texas Human Resources Code Title 2, Subtitle D, Chapter 42; Texas Administrative Code, Title 40, Part 19, Chapter 745 Subchapter F; Texas Administrative Code, Title 40, Part 19, Chapter 746; Texas Administrative Code Title 37, Part 1, Chapter 14, Subchapter D §14.52.

3.2.2 **Fleet.**

- (a) Require that the age and condition of the proposed fleet meet with all applicable statutory requirements for the safe transportation of

Pre-K aged children. The fleet should, at a minimum have air conditioning available to accommodate the unique South Texas conditions and provide a safe environment for the transportation of Pre-K aged children who are four (4) to five (5). The contingency plan should address spare Vehicle ratio / availability with regard to proposed fleet. The CORPORATION requires that the CONTRACTOR's list of fleet must include the following criteria: Definition of a school bus as defined in 37 TAC §14.52(a) and all relevant sections of TEC Title 2 Subtitle F Chapter 34; vehicle size; capacity; presence of climate control; vehicle color; fuel type; push to talk or radio communications; on-board communications / entertainment; video recording / streaming ability; positioning or location systems with tracking and reporting capabilities; integrated car seats or compliance with child safety restraint systems as listed in Texas Administrative Code, Title 40, Part 19, Chapter 746, Subchapter X, §746.5607; availability of ADA compliant features; safety features including but not limited to: flashing stop arms, safety crossing control gates, child check mate or equivalent system.

- (b) Utilize Vehicles that meet the transportation guidelines for transporting special needs students. Special Education Vehicles shall feature all necessary lifts and track placements for motorized or hand driven wheeled apparatus. The exact number of Special Education Vehicles is not defined however shall have adequate Vehicles on hand to be readily available upon request.
- (c) As required in Texas Administrative Code, Title 40, Part 19, Chapter 746, Subchapter X, §746.5617, the CONTRACTOR must have the following, as modified for model centers, in each Vehicle utilized to transport children: A list of the children being transported; emergency medical transport and treatment authorization forms for each child being transported; the child-care center's name, child-care center director or permit holder's name, and child-care center telephone number in the glove compartment or clearly visible inside the passenger compartment, or the child-care center's name and telephone number must be clearly visible on the outside of the Vehicle; Parent's names and telephone numbers and emergency telephone numbers for each child being transported; A fire extinguisher approved by the local or state fire marshal, secured in the passenger compartment and accessible to the adult occupants; and a first-aid kit as specified in §746.4003 of this title.
- (d) Be responsible for properly displaying and making visible, signs provided by the CORPORATION for the proper identification of the routes and the Vehicles. All other existing fleet decals must be in good taste and must appropriately identify the CONTRACTOR.

- (e) Make the selected proposed fleet subject to inspection and approval by a designated representative of the CORPORATION prior to commencing services for this contract. Vehicle safety reports and maintenance records shall be readily available upon request.

3.2.3 **Fleet Facility.**

- (a) Have a secure and dedicated fleet facility to accommodate this transportation solution. Currently there are four (4) Education Centers which are located within the limits of the City of San Antonio. The CORPORATION highly desires a fleet facility that is located within the City of San Antonio or Bexar County boundaries.
- (b) Have a dedicated fleet facility which must house a maintenance garage, administrative offices, communications infrastructure or demonstrable proof of operational push-to-talk communications, fleet repair inventory and warehousing, accommodation for parking of Pre-K 4 SA staff in close proximity. The CONTRACTOR shall have full responsibility for equipping and maintaining the facility in good repair and appearance and in compliance with all applicable laws and requirements including but not limited to environmental requirements.
- (c) Have available a service/dispatch center for communication at least (1) one hour prior to the departure of the first Vehicle in a.m. and for one (1) hour after the arrival of the final Vehicle in the p.m. hours to address any questions regarding transportation questions or concerns. The CONTRACTOR shall provide a CORPORATION (Pre-K 4 SA) dedicated telephone line for parents or Pre-K 4 SA staff, to be utilized solely for Pre K 4 SA transportation questions or concerns. The CONTRACTOR must provide a list of contacts with operational phone numbers for any situations deemed to be an emergency by the CORPORATION.
- (d) Have the facility be the sole responsibility of the CONTRACTOR. Direct facility costs must not incorporated into the contract or passed along to the CORPORATION. The CONTRACTOR agrees that the fleet facility is subject to inspection by a representative of the CORPORATION. Site safety inspection reports shall be readily available upon request.

3.2.4 **Staffing.**

- (a) Be responsible for the hiring, discipline, training supervision and retention of Vehicle operators. The CORPORATION highly desires

minimal turnover of Vehicle operators in order to promote consistency and a safe environment for the children served. The CONTRACTOR shall conduct diligent and comprehensive background verification that is FBI-level in accordance with all required statutes, including but not limited, to character, criminal and driving records, fingerprinting and verification through the appropriate clearinghouse for the Texas Department of Public Safety, and all other required agencies, as identified by the Texas Education Agency for employment as a bus operator.

- (b) Ensure that Vehicle operators or other persons that may come in contact with the children must meet or exceed criteria as required by Texas Transportation Code, Sec. 521.022 (e), (i) and Texas Administrative Code, Title 37 Part 1, Chapter 14 through the program administered by the Texas Department of Public Safety and all relevant sections of Texas Education Code with regard to eligibility for employment as a school bus operator. The CONTRACTOR must address employee background screening with special attention to the requirements provided for interaction with Pre-K age students as applicable to the position in accordance with Human Resources Code Title 2, Subtitle D, Chapter 42 and Texas Administrative Code, Title 40, Part 19, Chapter 745 Subchapter F.
- (c) Ensure that all Vehicle operators or other persons that may come in contact with the children must at a minimum be eighteen (18) years of age, have a high school diploma or high school equivalent or high school certificate or coursework completion as defined in Texas Education Code §28.025(d).
- (d) Maintain current records of tuberculosis examination with results indicating that all Vehicle operators or other persons that may come in contact with the children are free of contagious TB.
- (e) Maintain complete notarized Licensing Affidavits for Applicant for Employment forms as specified in Human Resources Code, §42.059 and that all Vehicle operators or other persons that may come in contact with the children complete orientation with the CORPORATION as summarized below:
 - 1) Supplementary professional development may be provided by the CORPORATION and shall be at no cost to the CONTRACTOR.
 - 2) Vehicle operators will be required to attend up to eight (8) hours of professional development training. Professional development

would include, but not be limited to, training the drivers on the values of the Pre-K 4 SA organization, expectations of the drivers and the students, and how to carry over the principles established in the classrooms to the bus experience for the children as well.

- 3) Details regarding this required staff development will be made available to the CONTRACTOR.
- f) Have a substitute driver program. It is at the sole discretion of the CORPORATION to request to replace a driver for poor performance and/or unsafe driving practices.
- (g) Make available all current and existing Vehicle driver safety and performance records, background investigation, Breathalyzer and substance abuse testing results within its possession to CORPORATION as requested, as allowable by law. The CONTRACTOR shall also facilitate the acquisition of releases or other necessary documentation necessary to provide the requested information, as applicable. Hiring and disciplinary action reports shall be readily available upon request as allowable by law.

3.2.5 **Routing.**

- (a) As part of the transportation solution, the CONTRACTOR must provide a comprehensive routing solution that will address all required regular attendance route trips.
- (b) The CORPORATION will coordinate with the City of San Antonio for the use of public and private facilities as depots/bus stops for student pickup and drop off. It is highly desired that routes should be no longer than 45 minutes in duration from the time that the first student group has boarded the bus. A student should not be on the bus longer than forty five (45) minutes at a time. The forty five (45) minute maximum can include a bus going to multiple depots as part of an approved route adjustment.
- (c) Each July, upon selection of the depot location by the CORPORATION, the CONTRACTOR shall be responsible for developing a proposed routing schedule which identifies any traffic or depot selection concerns and submit it as part of the integration process, within 10 business days of notification of the depot locations from the CORPORATION. The CORPORATION will reserve the ability to review proposed routes for any safety concerns and the use of City or high traffic, high speed thoroughfares and make recommended adjustments to the proposed route. As part of

the route process, the CONTRACTOR shall participate in at least three (3) practice or dry runs of developed routes to minimize any unexpected occurrences or traffic delays. The CONTRACTOR must work with the CORPORATION to resolve any concerns and make adjustments as necessary.

- (d) Address the methods and software programs utilized for testing of routes developed. Testing shall occur when the scheduled route would take place in the morning trip from the depot to the school and in the afternoon from the school to the depot. Any costs incurred for testing will be at the sole expense of the CONTRACTOR and cannot be billed to the CORPORATION.
- (e) The CORPORATION reserves the right to approve all proposed routes. The CONTRACTOR shall make available a dedicated route person to address any route concerns or adjustments of the designed route as needed. The CORPORATION anticipates transportation needs will increase throughout the school year. The CONTRACTOR shall develop flexible routes to accommodate additional students while observing passenger limitations and staff ratios.

3.2.6 **Safety Program.**

- (a) Be responsible to ensure a safe experience for both students and drivers. The CONTRACTOR shall also be responsible to define and communicate safety guidelines to students, parents and Pre-K 4 SA staff. The CONTRACTOR is responsible for meeting with each Center Director, and any other necessary personnel to discuss best safety practices at each center for the upcoming year.
- (b) Confirm all requested Bus Depot are safety compliant and are able to be used for the upcoming school year.
- (c) Provide parents and Pre-K 4 SA staff a detailed summary of the safety processes used to promote a safe environment for students and Vehicle operations, including special processes for operating in inclement weather. The CONTRACTOR shall also be responsible to clearly communicate, to parents and Pre-K 4 SA staff a well-defined contingency plan for accidents and unplanned events.
- (d) Make available all safety records, vehicle inspection records, training attendance records and all relevant safety criteria at the request of a designated representative of the CORPORATION. A CORPORATION designated representative shall reserve the right

to perform scheduled and unscheduled testing of all Vehicle and communication functions in a simulated or real-time setting.

- (e) Be in compliance with all safety codes as listed in this contract.

3.2.7 **Student Discipline.**

- (a) The ultimate responsibility and authority to suspend or expel any student from transportation services shall rest with the CORPORATION. CONTRACTOR's drivers are responsible only for such discipline as is required to properly and safely operate CONTRACTOR's Vehicles;
- (b) Each driver shall handle all disciplinary matters in strict accordance with CORPORATION policy and shall defer to CORPORATION monitors riding on each Vehicle;
- (c) In no case shall a driver eject a student from a Vehicle for misbehavior;
- (d) All discipline problems shall be reported in writing by the next school day following completion of the route;
- (e) The CORPORATION and the CONTRACTOR will, in the event the CONTRACTOR determines that a student poses a danger to himself/herself or other passengers, cooperate to provide a safe transportation environment prior to the CONTRACTOR being required to transport such student;
- (f) Further procedures and policies for the administration of discipline shall be established in coordination between the parties.

3.2.8 **Parental and Community Outreach Program.**

- (a) The CONTRACTOR is required to be in a partnering comprehensive advertisement campaign focused on increasing the ridership of all four (4) quadrants of the City. This partnership will include CORPORATION led by Communications Director, the CONTRACTOR, and Pre-K 4 SA marketing contractor.
- (b) Design methods for addressing public information requests to include but not limited to, a press release, as it pertains to the roll out of a Pre-K 4 SA program transportation solution. The CONTRACTOR should have a dedicated public relations person that understands the high public interest of this program and the

importance of maintaining a positive relationship with the parents of the students served, as well as the community.

- (c) Pre-K 4 SA is dedicated to offer the community after hour and weekend events. The participation of the CONTRACTOR to be present to demonstrate the method of transporting the students is needed.
- (d) The CONTRACTOR will be expected to present their transportation plan/transportation solution to the Executive Members of the CORPORATION as well as the CORPORATION's stake holders.

3.2.9 **Apparel and Identification.**

Require and make available standardized uniforms for the Vehicle drivers. The CONTRACTOR shall also ensure Vehicle drivers display visible forms of identification for parents, student and Pre-K 4 SA staff at all times.

3.2.10 **Field Trips and Non-School Day Trips.**

- (a) The contract shall also be used and include a per occurrence use for student transportation to pre-designated field trips. The rates for field trips will remain consistent with per use or block rates, as specified in the price schedule, with consideration for additional hours in excess of block rates.
- (b) Have the ability to accommodate transportation for special trips on non-school days as may be required. Regular facility requirements will apply. Special trips will be coordinated with the CONTRACTOR.

3.2.11 **Accident Protocol.**

- (a) Meet the following minimum requirements in the case of an accident:
 - 1) If the case of any accident or non-operational bus, CONTRACTOR will send sufficient staff as needed for the incident;
 - 2) If Vehicle is non-operational and students need to be moved from one Vehicle to another, the CONTRACTOR will ensure that the San Antonio Police Department lead the transfer of Pre-K 4 SA students;

- 3) CONTRACTOR will provide immediate notification to the Center Director or, designated representative, of the CORPORATION immediately after the accident (or other incident) has occurred (within 20 minutes of the occurrence);
 - 4) CONTRACTOR will deliver a report that includes the number students and Pre-K 4 SA staff onboard at the time of the accident, listing the names and seat designations within one (1) hour of the occurrence;
 - 5) CONTRACTOR will provide a report of any injury, and a completed accident report within eight (8) hours of the occurrence; and
 - 6) CONTRACTOR will further address any additional requirements as delineated in the accident readiness plan provided to the CONTRACTOR.
- (b) In accordance with Texas Administrative Code, Title 40, Part 19, Chapter 746, Subchapter X, §746.5619 the CORPORATION will provide clear instructions in handling emergency breakdowns and accidents, including Vehicle evacuation procedures, supervision of the children, and contacting emergency help. The director or designee in charge of the child-care center must know what action to take in responding to a transportation emergency call. The CONTRACTOR shall be responsible for ensuring that the established procedures / instructions provided by the CORPORATION are performed in full accordance.

3.2.12 **Daily Bus Reports.**

Ensure the timely processing and delivery of a daily Vehicle Activity Report. Reports shall be archived by the facility / transportation manager and provided to the CORPORATION's designated representative upon request. The Vehicle operator must complete a report detailing at a minimum, appropriate date, driver ID, Vehicle identification, route designation, hours in operation, odometer readings at each designated start and destination location including depots, number of students riding. Daily report shall also include the name of the CORPORATION aide and must be signed by the driver and verified for accuracy and completeness by the firm's operating / transportation manager for the fleet facility.

3.3 All work performed by CONTRACTOR hereunder shall be performed to the satisfaction of the CEO. The determination made by the CEO shall be final, binding and conclusive on all Parties hereto. CORPORATION shall be under no obligation to pay for

any work performed by CONTRACTOR, which is not satisfactory to CEO. CORPORATION shall have the right to terminate this Agreement, in accordance with Article VII. Termination, in whole or in part, should CONTRACTOR's work not be satisfactory to CEO; however, CORPORATION shall have no obligation to terminate and may withhold payment for any unsatisfactory work, as stated herein, even should CORPORATION elect not to terminate.

IV.

COMPENSATION TO CONTRACTOR

4.1 In consideration of the CONTRACTOR's performance in a satisfactory and efficient manner, as determined solely by CEO, of all services and activities set forth in this Agreement, CORPORATION agrees to pay CONTRACTOR an amount not to exceed FOUR MILLION SIXTY TWO THOUSAND NINE HUNDRED SEVENTY SIX AND NO/100THS DOLLARS (\$4,062,976.00) as total compensation over three years and two option years, which is budgeted for such payment, as set forth and incorporated herein in the budget which is attached hereto as Attachment I, and as set out below:

4.1.1 Annual amounts may NOT EXCEED:

- a. Contract Year 1 / Academic year 2018-2019 - \$803,145
- b. Contract Year 2 / Academic year 2019-2020 - \$803,145
- c. Contract Year 3 / Academic year 2020-2021 - \$818,148
- d. Contract Year 4 / Academic year 2021-2022 - \$818,968
- e. Contract Year 5 / Academic year 2022-2023 - \$819,570
- f. Contract Total - \$4,062,976.00

4.2 CORPORATION shall pay CONTRACTOR an averaged amount based on block pricing and actual school attendance days at the beginning of each month for services to be provided that month (inclusive of regular routes, field trips, etc.). CONTRACTOR shall present a statement at the end of each month detailing the actual services and expenses (but not less than a guaranteed nine (9) four hour routes for each school day that is in session and transportation services are provided to students during the period, and as otherwise allowed in Article III) for the month and present same to CORPORATION for reconciliation in the following month's payment.

4.3 Liquidated Damages: Liquidated damages will be assessed for only those incidents within the reasonable control of CONTRACTOR. CORPORATION must bill for such damages within 31 days of assessment. Failure by the CORPORATION to either timely notify or bill CONTRACTOR for such damages shall relieve CONTRACTOR of its obligation to pay liquidated damages for the particular event. The CORPORATION may assess liquidated damages in the following circumstances:

- a) Late Arrival. A Vehicle arriving at a Center more than 15 minutes after its scheduled arrival time in either the morning, afternoon or in connection with a scheduled special transportation event. If the delay is directly the fault of the

DRAFT – Subject to Revision

CONTRACTOR, the CORPORATION may assess damages of \$25.00 for each 15 minutes, or portions thereof, that the Vehicle is late, with a maximum of \$100.00 as assessed damages for each instance.

- b) "No Show" for a designated route. The CORPORATION may assess damages of \$250.00 for each occurrence.
- c) Doubling a route. The CORPORATION will cover any additional time of the route but will not be assessed any additional fee for combining routes for Education Centers.

4.4 (a) In the event of unusual circumstances such as changes in State or Federal fees or taxes which causes any of the CONTRACTOR'S operating costs to increase at a rate deemed to be excessive by both parties, then the parties shall determine a reasonable and just amount to cover such an increase.

(b) Fuel adjustments will be considered on a monthly basis after the first term of the contract. The base fuel rate at the time of submittal will be addressed by the CONTRACTOR within the Price Schedule. This rate will serve as the base rate for the term of the contract and should be used in determining block pricing. Any considerations for a base fuel price increase will be in accordance with the invoices submitted to the CORPORATION. Adjustments will be made +/- 10% of the base fuel price. If the average monthly cost of fuel is in excess of +10%; the CORPORATION will compensate the CONTRACTOR accordingly. If the average monthly cost of fuel is -10% of the base fuel rate; the CONTRACTOR will refund the difference.

4.5 Except as set out in the Attachments hereto, no additional fees or expenses of CONTRACTOR shall be charged by CONTRACTOR nor be payable by CORPORATION. The parties hereby agree that all compensable expenses of CONTRACTOR have been provided for in the total payment to CONTRACTOR as specified in section 4.1 above. Total payments to CONTRACTOR cannot exceed that amount set forth in section 4.1 above, without prior approval and agreement of all parties, evidenced in writing and approved by the Board for the CORPORATION.

4.6 Final acceptance of services require written approval by CORPORATION. The approval official shall be the CEO. Payment will be made to CONTRACTOR following written approval of services by the CEO. CORPORATION will not be liable for any payment under this Agreement for services which are unsatisfactory and which have not been approved by CORPORATION. CORPORATION shall not be obligated or liable under this Agreement to any party, other than CONTRACTOR, for the payment of any monies or the provision of any goods or services.

**V.
RECORDS**

5.1 In accordance with Texas law, CONTRACTOR acknowledges and agrees that all

local government records as defined in Chapter 201, Section 201.003 (8) of the Texas Local Government Code created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, CONTRACTOR agrees that no such local government records produced by or on the behalf of CONTRACTOR pursuant to this Contract shall be the subject of any copyright or proprietary claim by CONTRACTOR.

CONTRACTOR acknowledges and agrees that all local government records, as described herein, produced in the course of the work required by this Contract, shall belong to and be the property of CORPORATION and shall be made available to the CORPORATION at any time. CONTRACTOR further agrees to turn over to CORPORATION all such records upon termination of this Contract. CONTRACTOR agrees that it shall not, under any circumstances, release any records created during the course of performance of the Contract to any entity without the written permission of the CEO, unless required to do so by a court of competent jurisdiction. CONTRACTOR agrees that the CORPORATION shall be notified of such request(s) as set forth in Article VIII, Section 8.14 of this Contract.

VI.

REQUESTS FOR and RETENTION of RECORDS

6.1 CONTRACTOR and its subcontractors, if any, shall properly, accurately and completely maintain all documents, papers, and records, and other evidence pertaining to the services rendered hereunder (hereafter referred to as “documents”), and shall make such materials available to the CORPORATION at their respective offices, at all reasonable times and as often as CORPORATION may deem necessary during the Agreement period, including any extension or renewal hereof, and the record retention period established herein, for purposes of audit, inspection, examination, and making excerpts or copies of same by CORPORATION and any of its authorized representatives.

6.2 CONTRACTOR shall retain any and all documents produced as a result of services provided hereunder for a period of four (4) years (hereafter referred to as “retention period”) from the date of termination of the Agreement. If, at the end of the retention period, there is litigation or other questions arising from, involving or concerning this documentation or the services provided hereunder, CONTRACTOR shall retain the records until the resolution of such litigation or other such questions. CONTRACTOR acknowledges and agrees that CORPORATION shall have access to any and all such documents at any and all times, as deemed necessary by CORPORATION, during said retention period. CORPORATION may, at its election, require CONTRACTOR to return said documents to CORPORATION prior to or at the conclusion of said retention.

6.3 The Public Information Act, Government Code Section 552.021, requires the CORPORATION to make public information available to the public. Under Government Code Section 552.002(a), public information means information that is collected, assembled or maintained under a law or ordinance or in connection with the transaction of

official business: 1) by a governmental body; or 2) for a governmental body and the governmental body owns the information or has a right of access to it. Therefore, if CONTRACTOR receives inquiries regarding documents within its possession pursuant to this Contract, CONTRACTOR shall within twenty-four (24) hours of receiving the requests forward such requests to CORPORATION for disposition. If the requested information is confidential pursuant to state or federal law, the CONTRACTOR shall submit to CORPORATION the list of specific statutory authority mandating confidentiality no later than three (3) business days of CONTRACTOR's receipt of such request. For the purposes of communicating and coordinating with regard to public information requests, all communications shall be made to the designated public information liaison for each Party. Each Party shall designate in writing to the other Party the public information liaison for its organization and notice of a change in the designated liaison shall be made promptly to the other Party.

VII. **TERMINATION**

7.1 For purposes of this Agreement, "termination" of this Agreement shall mean termination by expiration of the Agreement term as stated in Article II Term, or earlier termination pursuant to any of the provisions hereof.

7.2 Termination Without Cause. This Agreement may be terminated by CORPORATION upon 30 calendar days written notice, which notice shall be provided in accordance with Article VIII Notice.

7.3 Termination For Cause. Upon written notice, which notice shall be provided in accordance with Article VIII. Notice, CORPORATION may terminate this Agreement as of the date provided in the notice, in whole or in part, upon the occurrence of one (1) or more of the following events, each of which shall constitute an Event for Cause under this Agreement:

7.3.1 The sale, transfer, pledge, conveyance or assignment of this Agreement without prior approval, as provided in Article XII. Assignment and Subcontracting.

7.3.2 Notification of any investigation, claim or charge by a local, state or federal agency involving fraud, theft or the commission of a felony.

7.4 Defaults With Opportunity for Cure. Should CONTRACTOR default in the performance of this Agreement in a manner stated in this section 7.4 below, same shall be considered an event of default. CORPORATION shall deliver written notice of said default specifying such matter(s) in default. CONTRACTOR shall have ten (10) business days after receipt of the written notice, in accordance with Article VIII. Notice, to cure such default. If CONTRACTOR fails to cure the default within such ten-day cure period, CORPORATION shall have the right, without further notice, to terminate this Agreement in whole or in part as CORPORATION deems appropriate, and to contract with another

contractor to complete the work required in this Agreement. CORPORATION shall also have the right to offset the cost of said new Agreement with a new contractor against CONTRACTOR's future or unpaid invoice(s), subject to the duty on the part of CORPORATION to mitigate its losses to the extent required by law.

- 7.4.1 Bankruptcy or selling substantially all of company's assets
- 7.4.2 Failing to perform or failing to comply with any covenant herein required
- 7.4.3 Performing unsatisfactorily

7.5 Termination By Law. If any state or federal law or regulation is enacted or promulgated which prohibits the performance of any of the duties herein, or, if any law is interpreted to prohibit such performance, this Agreement shall automatically terminate as of the effective date of such prohibition.

7.6 Regardless of how this Agreement is terminated, CONTRACTOR shall affect an orderly transfer to CORPORATION or to such person(s) or firm(s) as the CORPORATION may designate, at no additional cost to CORPORATION, all completed or partially completed documents, papers, records, charts, reports, and any other materials or information produced as a result of or pertaining to the services rendered by CONTRACTOR, or provided to CONTRACTOR, hereunder, regardless of storage medium, if so requested by CORPORATION, or shall otherwise be retained by CONTRACTOR in accordance with Article VI. Records Retention. Any record transfer shall be completed within thirty (30) calendar days of a written request by CORPORATION and shall be completed at CONTRACTOR's sole cost and expense. Payment of compensation due or to become due to CONTRACTOR is conditioned upon delivery of all such documents, if requested.

7.7 Within thirty (30) calendar days of the effective date of completion, or termination or expiration of this Agreement, CONTRACTOR shall submit to CORPORATION its claims, in detail, for the monies owed by CORPORATION for services performed under this Agreement through the effective date of termination. Failure by CONTRACTOR to submit its claims within said thirty (30) calendar days shall negate any liability on the part of CORPORATION and constitute a **Waiver** by CONTRACTOR of any and all right or claims to collect moneys that CONTRACTOR may rightfully be otherwise entitled to for services performed pursuant to this Agreement.

7.8 Upon the effective date of expiration or termination of this Agreement, CONTRACTOR shall cease all operations of work being performed by CONTRACTOR or any of its subcontractors pursuant to this Agreement.

7.9 Termination not sole remedy. In no event shall CORPORATION's action of terminating this Agreement, whether for cause or otherwise, be deemed an election of CORPORATION's remedies, nor shall such termination limit, in any way, at law or at equity, CORPORATION's right to seek damages from or otherwise pursue CONTRACTOR for any default hereunder or other action.

**VIII.
NOTICE**

8.1 Except where the terms of this Agreement expressly provide otherwise, any election, notice or communication required or permitted to be given under this Agreement shall be in writing and deemed to have been duly given if and when delivered personally (with receipt acknowledged), or three (3) days after depositing same in the U.S. mail, first class, with proper postage prepaid, or upon receipt if sending the same by certified mail, return receipt requested, or upon receipt when sent by a commercial courier service (such as Federal Express or DHL Worldwide Express) for expedited delivery to be confirmed in writing by such courier, at the addresses set forth below or to such other address as either party may from time to time designate in writing.

If intended for CORPORATION, to:

Sarah Baray
Pre-K 4 SA
P.O. Box 839966
San Antonio, Texas 78283-3966

If intended for CONTRACTOR, to:

Star Shuttle, Inc.
1343 Hallmark
San Antonio, TX 78216
Mr. John P. Walker, President/CEO

**IX.
PROHIBITION ON CONTRACTS WITH COMPANIES
BOYCOTTING ISRAEL**

9.1 Texas Government Code §2270.002 provides that a governmental entity may not enter into a contract with a company for goods or services, unless the contract contains a written verification from the company that it:

- (1) does not boycott Israel; and
- (2) will not boycott Israel during the term of the contract.

"Boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

"Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

By submitting an offer to or executing contract documents with the City of San Antonio, Company hereby verifies that it does not boycott Israel, and will not boycott Israel during the term of the contract. City's hereby relies on Company's verification. If found to be false, City may terminate the contract for material breach.

X.

AUDIT

10.1 The CORPORATION reserves the right to conduct, or cause to be conducted an audit or review of all funds received under this Agreement at any and all times deemed necessary by CORPORATION, not to exceed two times per 12 month period. The CORPORATION may engage a Certified Public Accounting (CPA) firm, or other personnel as designated by the CORPORATION, to perform such audit(s) or reviews. The CORPORATION reserves the right to determine the scope of every audit. In accordance herewith, CONTRACTOR agrees to make available to CORPORATION all accounting and Project records. CONTRACTOR acknowledges that this provision shall not limit the CORPORATION from additional follow-up to audits or reviews, as necessary, or from investigating items of concern that may be brought to the CORPORATION's attention which are other than routine.

10.2 CONTRACTOR shall during normal business hours, and not to exceed two times per twelve month period by CORPORATION and/or the applicable state or federal governing agency or any other auditing entity, make available the books, records, documents, reports, and evidence with respect to all matters covered by this Agreement and shall continue to be so available for a minimum period of three (3) years or whatever period is determined necessary based on the Records Retention guidelines, established by applicable law for this Agreement. Said records shall be maintained for the required period beginning immediately after Agreement termination, save and except there is litigation or if the audit report covering such agreement has not been accepted, then the CONTRACTOR shall retain the records until the resolution of such issues has satisfactorily occurred. The auditing entity shall have the authority to audit, examine and make excerpts, transcripts, and copies from all such books, records, documents and evidence, including all books and records used by CONTRACTOR in accounting for expenses incurred under this Agreement, all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this Agreement.

10.3 The CORPORATION may, in its sole and absolute discretion, require the CONTRACTOR to use any and all of the CORPORATION's accounting or administrative procedures used in the planning, controlling, monitoring and reporting of all fiscal matters relating to this Agreement, and the CONTRACTOR shall abide by such requirements.

10.4 When an audit or examination determines that the CONTRACTOR has expended funds or incurred costs which are questioned by the CORPORATION and/or any applicable state or federal agency, the CONTRACTOR shall be notified and provided an opportunity to address the questioned expenditure or costs.

10.5 Should any expense or charge that has been reimbursed be subsequently disapproved or disallowed as a result of any site review or audit, the CONTRACTOR will immediately refund such amount to the CORPORATION no later than twenty (20) business days from the date of notification of such disapproval or disallowance by the CORPORATION. At its sole option, the CORPORATION may instead deduct such claims from subsequent reimbursements; however, in the absence of prior notice by CORPORATION of the exercise of such option, CONTRACTOR shall provide to CORPORATION a full refund of such amount no later than twenty (20) business days from the date of notification of such disapproval or disallowance by the CORPORATION. If CONTRACTOR is obligated under the provision hereof to refund a disapproved or disallowed cost incurred, such refund shall be required and be made to CORPORATION by check, cashier's check or money order. Should the CORPORATION, at its sole discretion, deduct such claims from subsequent reimbursements, the CONTRACTOR is forbidden from reducing Project expenditures and CONTRACTOR must use its own funds to maintain the Project.

10.6 CONTRACTOR agrees and understands that all expenses, fees, fines and penalties associated with the collection of delinquent debts owed by CONTRACTOR shall be the sole responsibility of the CONTRACTOR and shall not be paid from any Project funds received by the CONTRACTOR under this Agreement. Delinquent debts that would otherwise be identified as allowable costs may be paid with Project funds with approval of the SAMHD.

10.7 If the CORPORATION determines, in its sole discretion, that CONTRACTOR is in violation of the above requirements, the CORPORATION shall have the right to dispatch auditors of its choosing to conduct the required audit and to have the CONTRACTOR pay for such audit from non-CORPORATION resources.

XI.

ADMINISTRATION OF AGREEMENT and RESTRICTIONS ON USE OF FUNDS

11.1 CONTRACTOR shall maintain financial records, supporting documents, statistical records, and all other books, documents, papers or other records pertinent to this Agreement or the grant in accordance with the official records retention schedules established within the Local Government Records Act of 1989 and any amendments thereto, or for such period as may be specifically required by 45 C.F.R §74.53 or 45 C.F.R. §92.42, as applicable, whichever is longer. Notwithstanding the foregoing, CONTRACTOR shall maintain all Agreement and grant related documents for no less than four (4) years from the date of City's submission of the annual financial report covering the funds awarded hereunder. If an audit, litigation, or other action involving the records has been initiated

before the end of the four (4) year period, CONTRACTOR agrees to maintain the records until the end of the four (4) year period or until the audit, litigation, or other action is completed, whichever is later.

11.2 Unless disclosure is authorized by the City, CONTRACTOR agrees to maintain in confidence all information pertaining to the Project or other information and materials prepared for, provided by, or obtained from City including, without limitation, reports, information, project evaluation, project designs, data, other related information (collectively, the “Confidential Information”) and to use the Confidential Information for the sole purpose of performing its obligations pursuant to this Agreement. CONTRACTOR shall protect the Confidential Information and shall take all reasonable steps to prevent the unauthorized disclosure, dissemination, or publication of the Confidential Information. If disclosure is required (i) by law or (ii) by order of a governmental agency or court of competent jurisdiction, CONTRACTOR shall give the CORPORATION prior written notice that such disclosure is required with a full and complete description regarding such requirement. CONTRACTOR shall establish specific procedures designed to meet the obligations of this Article, including, but not limited to execution of confidential disclosure agreements, regarding the Confidential Information with CONTRACTOR’s employees and subcontractors prior to any disclosure of the Confidential Information. This Article shall not be construed to limit the CORPORATION’s or its authorized representatives’ right to obtain copies, review and audit records or other information, confidential or otherwise, under this Agreement. Upon termination or expiration of this Agreement, CONTRACTOR shall return to City all copies of materials related to the Project, including the Confidential Information. All confidential obligations contained herein (including those pertaining to information transmitted orally) shall survive the termination of this Agreement. The Parties shall ensure that their respective employees, agents, and contractors are aware of and shall comply with the aforementioned obligations.

11.3 Prohibited Political Activity. CONTRACTOR agrees that no funds provided from or through the CORPORATION shall be contributed or used to conduct political activities for the benefit of any candidate for elective public office, political party, organization or cause, whether partisan or non-partisan, nor shall the personnel involved in the administration of the Project provided for in this Agreement be assigned to work for or on behalf of any partisan or non-partisan political activity.

11.4 CONTRACTOR agrees that no funds provided under this Agreement may be used in any way to attempt to influence, in any manner, a member of Congress or any other State or local elected or appointed official.

11.5 The prohibitions set forth in Sections 11.3 and 11.4 above include, but are not limited to, the following:

(A) an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation;

(B) working or directing other personnel to work on any political activity during time paid for with CORPORATION funds, including, but not limited to activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature;

(C) coercing personnel, whether directly or indirectly, to work on political activities on their personal time, including activities such as taking part in voter registration drives, voter transportation activities, lobbying, collecting contributions, making speeches, organizing or assisting at meetings or rallies, or distributing political literature; and

(D) using facilities or equipment paid for, in whole or in part with CORPORATION funds for political purposes including physical facilities such as office space, office equipment or supplies, such as telephones, computers, fax machines, during and after regular business hours.

11.6 To ensure that the above policies are complied with, CONTRACTOR shall provide every member of its personnel paid out of Agreement funds with a statement provided by CONTRACTOR of the above prohibitions and have each said individual sign a statement acknowledging receipt of the policy. Such statement shall include a paragraph that directs any staff person who has knowledge of violations or feels that he or she has been pressured to violate the above policies to call and report the same to the CORPORATION. CONTRACTOR shall list the name and number of a contact person from the CORPORATION on the statement that CONTRACTOR's personnel can call to report said violations.

11.7 Sections 11.3 through 11.4 shall not be construed to prohibit any person from exercising his or her right to express his or her opinion or to limit any individual's right to vote. Further, CONTRACTOR and staff members are not prohibited from participating in political activities on their own volition, if done during time not paid for with Agreement funds.

11.8 Adversarial proceedings. Except in circumstances where the following is in conflict with federal law, the CONTRACTOR agrees to comply with the following special provisions,

(A) Under no circumstances will the funds received under this Agreement be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the CORPORATION and/or the City or any other public entity; and

(B) The CONTRACTOR, at the CORPORATION's option, could be ineligible for consideration to receive any future funding while any adversarial proceeding against the either the CORPORATION or City remains unresolved.

XII.

INSURANCE

12.1 A) Prior to the commencement of any work under this Agreement, Contractor shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to the CORPORATION care of the City's Risk Manager, which shall be clearly labeled "Pre-K Transportation" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The CORPORATION will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the CORPORATION. The CORPORATION shall have no duty to pay or perform under this Agreement until such certificate and endorsements have been received and approved by the City's Risk Manager. No officer or employee, other than the City's Risk Manager, shall have authority to waive this requirement.

B) The CORPORATION reserves the right to review the insurance requirements of this Article during the effective period of this Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by City's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. In no instance will CORPORATION allow modification whereby CORPORATION may incur increased risk.

C) A Contractor's financial integrity is of interest to the CORPORATION; therefore, subject to Contractor's right to maintain reasonable deductibles in such amounts as are approved by the CORPORATION, CONTRACTOR shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at CONTRACTOR's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A- (VII), in the following types and for an amount not less than the amount listed below:

<u>TYPE</u>	<u>AMOUNTS</u>
1. Workers' Compensation	Statutory Limits
2. Employers' Liability	\$1,000,000/\$1,000,000/\$1,000,000
3. Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations b. Products/Completed Operations c. Personal/Advertising Injury d. Child Molestation/Sexual Abuse Liability	For <u>Bodily Injury</u> and <u>Property Damage</u> of \$1,000,000 per occurrence; \$2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage

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4. Business Automobile Liability a. Owned/leased vehicles b. Non-owned vehicles c. Hired Vehicles	<u>Combined Single Limit for Bodily Injury and Property Damage</u> of \$1,000,000 per occurrence
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D) CONTRACTOR agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of CONTRACTOR herein, and provide a certificate of insurance and endorsement that names the CONTRACTOR, CORPORATION and the CITY as additional insureds. Respondent shall provide the CORPORATION with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent CORPORATION approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

E) As they apply to the limits required by the CORPORATION, the CORPORATION shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). CONTRACTOR shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to City's Risk Manager at the address provided below within 10 days of the requested change. Contractor shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Risk Manager
P.O. Box 839966
San Antonio, Texas 78283-3966

F) Contractor agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the CORPORATION, CITY, their officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the CORPORATION, with the exception of the workers' compensation and professional liability policies;
- Provide for an endorsement that the "other insurance" clause shall not apply to the CORPORATION or City of San Antonio where the CORPORATION and/or City is an additional insured shown on the policy;

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- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the CORPORATION and CITY.
- Provide advance written notice directly to CORPORATION and CITY of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

G) Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, CONTRACTOR shall provide a replacement Certificate of Insurance and applicable endorsements to CORPORATION. CONTRACTOR shall have the option to suspend CONTRACTOR's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this Agreement.

H) In addition to any other remedies the CORPORATION may have upon CONTRACTOR's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the CORPORATION shall have the right to order CONTRACTOR to stop work hereunder, and/or withhold any payment(s) which become due to CONTRACTOR hereunder until CONTRACTOR demonstrates compliance with the requirements hereof.

I) Nothing herein contained shall be construed as limiting in any way the extent to which CONTRACTOR may be held responsible for payments of damages to persons or property resulting from CONTRACTOR's or its subcontractors' performance of the work covered under this Agreement.

J) It is agreed that CONTRACTOR's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by either the CORPORATION and/or City of San Antonio for liability arising out of operations under this Agreement.

K) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of the CORPORATION or CITY shall be limited to insurance coverage provided..

L) CONTRACTOR and any Subcontractors are responsible for all damage to their own equipment and/or property.

**XIII.
INDEMNIFICATION**

13.1 CONTRACTOR covenants and agrees to FULLY INDEMNIFY and DEFEND , the CORPORATION and CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CORPORATION and CITY,

individually and collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the CORPORATION and/or CITY directly or indirectly arising out of, resulting from or related to CONTRACTOR's activities under this Agreement, including any negligent or alleged negligent acts or omissions of CONTRACTOR, any agent, officer, director, representative, employee, consultant or subcontractor of CONTRACTOR, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this Agreement. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of the CORPORATION or CITY, their officers or employees, in instances where such negligence causes personal injury, death, or property damage. **IN THE EVENT CONTRACTOR, CORPORATION AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CORPORATION OR CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.**

The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. CONTRACTOR shall advise the CORPORATION and CITY in writing within 24 hours of any claim or demand against the CORPORATION, CITY or CONTRACTOR known to CONTRACTOR related to or arising out of CONTRACTOR's activities under this AGREEMENT and shall see to the investigation and defense of such claim or demand at CONTRACTOR's cost. The CORPORATION and CITY shall each have the right, at their option and at their own expense, to participate in such defense without relieving CONTRACTOR of any of its obligations under this paragraph.

13.2 Defense Counsel - CONTRACTOR shall retain defense counsel within seven (7) business days of CORPORATION's and/or CITY's written notice that CORPORATION or CITY is invoking its right to indemnification under this Contract. If CONTRACTOR fails to retain Counsel within such time period, CORPORATION and/or CITY shall have the right to retain defense counsel on its own behalf, and CONTRACTOR shall reimburse CORPORATION and/or CITY for all costs related to retaining defense counsel until such time as CONTRACTOR retains Counsel as required by this section. CORPORATION and CITY shall also have the right, at their option, to be represented by advisory counsel of their own selection and at their own expense, without waiving the foregoing.

13.3 Employee Litigation – In any and all claims against any party indemnified hereunder by any employee of CONTRACTOR, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for

CONTRACTOR or any subcontractor under worker's compensation or other employee benefit acts.

XIV.
ASSIGNMENT AND SUBCONTRACTING

14.1 CONTRACTOR shall supply qualified personnel as may be necessary to complete the work to be performed under this Agreement. Persons retained to perform work pursuant to this Agreement shall be the employees or subcontractors of CONTRACTOR. CONTRACTOR, its employees or its subcontractors shall perform all necessary work.

14.2 It is CORPORATION's understanding that this Agreement is made in reliance thereon that CONTRACTOR does not intend to use subcontractors in the performance of this Agreement, but in the event that subcontractors become necessary, CONTRACTOR agrees that any subcontractor(s) shall be approved by CORPORATION prior to the provision of any services by said subcontractor(s).

14.3 Any work or services approved for subcontracting hereunder shall be subcontracted only by written contract and, unless specific waiver is granted in writing by the CORPORATION, shall be subject by its terms to each and every provision of this Agreement. Compliance by subcontractors with this Agreement shall be the responsibility of CONTRACTOR. CORPORATION shall in no event be obligated to any third party, including any subcontractor of CONTRACTOR, for performance of services or payment of fees. Any references in this Agreement to an assignee, transferee, or subcontractor, indicate only such an entity as has been approved by the CORPORATION.

14.4 Except as otherwise stated herein, CONTRACTOR may not sell, assign, pledge, transfer or convey any interest in this Agreement, nor delegate the performance of any duties hereunder, by transfer, by subcontracting or any other means, without the consent of the CORPORATION. As a condition of such consent, if such consent is granted, CONTRACTOR shall remain liable for completion of the services outlined in this Agreement in the event of default by the successor CONTRACTOR, assignee, transferee or subcontractor.

14.5 Any attempt to transfer, pledge or otherwise assign this Agreement without said written approval, shall be void ab initio and shall confer no rights upon any third person. Should CONTRACTOR assign, transfer, convey, delegate, or otherwise dispose of any part of all or any part of its right, title or interest in this Agreement, CORPORATION may, at its option, cancel this Agreement and all rights, titles and interest of CONTRACTOR shall thereupon cease and terminate, in accordance with Article VII - Termination, notwithstanding any other remedy available to CORPORATION under this Agreement. The violation of this provision by CONTRACTOR shall in no event release CONTRACTOR from any obligation under the terms of this Agreement, nor shall it relieve or release CONTRACTOR from the payment of any damages to CORPORATION, which CORPORATION sustains as a result of such violation.

XV.
INDEPENDENT CONTRACTOR

15.1 CONTRACTOR covenants and agrees that it is an independent contractor and not an officer, agent, servant or employee of the CORPORATION; that CONTRACTOR shall have exclusive control of and exclusive right to control the details of the work performed hereunder and all persons performing same, and shall be responsible for the acts and omissions of its officers, agents, employees, contractors, subcontractors and consultants; that the doctrine of *respondeat superior* shall not apply as between CORPORATION and CONTRACTOR, its officers, agents, employees, contractors, subcontractors and consultants, and nothing herein shall be construed as creating the relationship of employer-employee, principal-agent, collaborators or joint venturers between CORPORATION and CONTRACTOR. The parties hereto understand and agree that the CORPORATION shall not be liable for any claims which may be asserted by any third party occurring in connection with the services to be performed by the CONTRACTOR under this Agreement and that the CONTRACTOR has no authority to bind the CORPORATION.

XVI.
CONFLICT OF INTEREST

16.1 CONTRACTOR acknowledges that it is informed that the Board for the CORPORATION has adopted the Ethics Code for the City of San Antonio, which prohibits a CITY or CORPORATION officer or employee, from having a financial interest in any contract with the CORPORATION or CITY, or any City agency such as city owned utilities. An officer or employee has a “prohibited financial interest” in a contract with the CORPORATION or CITY or in the sale to the CORPORATION or CITY of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a CORPORATION or CITY officer or employee; his parent, child or spouse; a business entity in which the officer or employee, or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a CORPORATION or CITY contract, a collaborator or a parent or subsidiary business entity.

16.2 Pursuant to the subsection above, CONTRACTOR warrants and certifies, and this Agreement is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of the CORPORATION or CITY. CONTRACTOR further warrants and certifies that it has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City’s Ethics Code.

XVII.
AMENDMENTS

17.1 Except where the terms of this Agreement expressly provide otherwise, any alterations, additions or deletions to the terms hereof, shall be effected by amendment, in writing, executed by both CORPORATION and CONTRACTOR. The CEO may execute

contract amendments on behalf of CORPORATION in the following circumstances a) revisions to attachments regarding the specifics of the program, to include modification of routes and depots, and the adjustment of the number of students requiring service, b) changes in state or federal regulations relevant to the program and the implementation of the services set out herein.

XVIII.
SEVERABILITY

18.1 If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of the City of San Antonio, Texas, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal, or unenforceable, there be added as a part of the Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XIX.
LICENSES/CERTIFICATIONS

19.1 CONTRACTOR warrants and certifies that CONTRACTOR and any other person designated to provide services hereunder has the requisite training, license and/or certification to provide said services, and meets all competence standards promulgated by all other authoritative bodies, as applicable to the services provided herein.

XX.
COMPLIANCE

20.1 CONTRACTOR shall provide and perform all services required under this Agreement in compliance with all applicable federal, state and local laws, rules and regulations.

XXI.
NONWAIVER OF PERFORMANCE

21.1 Unless otherwise specifically provided for in this Agreement, a waiver by either Party of a breach of any of the terms, conditions, covenants or guarantees of this Agreement shall not be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of either Party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option.

In fact, no waiver, change, modification or discharge by either party hereto of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged. No act or omission by a Party shall in any manner impair or prejudice any right, power, privilege, or remedy available to that Party hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

XXII.
LAW APPLICABLE

22.1 THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS.

22.2 Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in the City of San Antonio, Bexar County, Texas.

XXIII.
LEGAL AUTHORITY

23.1 The signer of this Agreement for CONTRACTOR represents, warrants, assures and guarantees that he has full legal authority to execute this Agreement on behalf of CONTRACTOR and to bind CONTRACTOR to all of the terms, conditions, provisions and obligations herein contained.

XXIV.
PARTIES BOUND

24.1 This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, and successors and assigns, except as otherwise expressly provided for herein.

XXV.
CAPTIONS

25.1 The captions contained in this Agreement are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this Agreement.

XXVI.
DEBARMENT

26.1 CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any State or Federal Program.

26.2 CONTRACTOR shall provide immediate written notice to CORPORATION, in accordance with Article VIII - Notice, if, at any time during the term of this contract, including any renewals hereof, CONTRACTOR learns that its certification was erroneous when made or has become erroneous by reason of changed circumstances.

-----INTENTIONALLY LEFT BLANK-----

XXVII.
ENTIRE AGREEMENT

27.1 This Agreement, together with its authorizing ordinance and its exhibits, if any, constitute the final and entire agreement between the parties hereto and contain all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto, unless same be in writing, dated subsequent to the date hereto, and duly executed by the parties, in accordance with Article XVII - Amendments.

EXECUTED and **AGREED** to as set forth below.

**SAN ANTONIO EARLY
CHILDHOOD EDUCATION
MUNICIPAL DEVELOPMENT
CORPORATION**

STAR SHUTTLE, INC.

Printed Name: **Elaine Mendoza**

Title: **Chair**

Date: _____

Printed
Name:

John P. Walker

Title:

President/CEO

Date: _____

Approved as to Form:

Counsel for CORPORATION

ATTACHMENTS

Attachment I – BUDGET

Attachment II – ROUTES and SCHEDULES

DRAFT