

AN AGREEMENT  
BY AND BETWEEN  
THE TEXAS A&M UNIVERSITY SYSTEM OFFICES  
AND SPECIALTY ENGINEERING

This Services Agreement (“Agreement”) is entered into and effective upon final execution of this Agreement (the “Effective Date”), by and between The Texas A&M University System (hereafter referred to as “TAMUS”), an agency of the state of Texas, and Specialty Engineering (hereafter referred to as “PROVIDER”). TAMUS and PROVIDER are sometimes hereafter referred to as “Party” individually or “Parties” collectively).

TAMUS and PROVIDER hereby agree as follows:

**1. SCOPE OF WORK**

PROVIDER will work with TAMUS to provide testing and air balancing (TAB) services as outlined in RFQ01 FPC-16-004. The services included (but not limited to) in the scope of this Agreement are listed in Exhibit A, attached hereto.

This Agreement is not a guarantee of work or services to be performed. This Agreement establishes the terms for inclusion in the pool for these services. TAMUS reserves the right to select a PROVIDER from the pool for assignment of a specific project. A purchase order will be issued for each specific project assigned that will prescribe the scope and fees.

**2. TERM OF THE AGREEMENT**

The initial term of this Agreement shall begin upon the final execution of the Agreement and will extend for three (3) years. This Agreement can be extended for two (2) additional one (1) year terms upon written agreement of both parties. Any extensions shall be at the same terms and conditions plus any approved changes to be determined by TAMUS and negotiated in writing with the PROVIDER.

**3. PAYMENT TERMS**

- A. The rate schedule is attached as Exhibit B and made a part of this Agreement.
- B. For each project assignment, all invoices must reference the TAMUS or MEMBER purchase order number and description of services provided to include but not limited to time, deliverables, and activities.
- C. Payment will be made to PROVIDER upon approval of such invoice by TAMUS. It is the policy of the state of Texas to make payment on a properly prepared and submitted invoice within thirty (30) days of the latter of any final acceptance of performance or the receipt of a properly submitted invoice, in conformance with the Texas Prompt Payment law. Generally, payment will be made by the 30<sup>th</sup> day unless other arrangements have been made and agreed to in writing.
- D. Business-related travel, lodging and/or meal expenses will be reimbursed by TAMUS according to the State of Texas rates, rules, and regulations (<http://www.window.state.tx.us/procurement/prog/stmp/>). PROVIDER is required to

submit all travel receipts when requesting reimbursement. Under no circumstance will the PROVIDER be reimbursed for alcohol purchases. State travel rates are subject to change without notice and will be adjusted accordingly. Mileage rates will be calculated from point-to-point (PROVIDER's place of business to job site) using the State of Texas mileage. Should the contract be renewed for an additional term, travel reimbursement amounts will be renegotiated at that time.

If the PROVIDER's place of business is located more than 60 miles from the job site, then a round trip charge of \$120 per trip will be allowed, regardless of the number of people in a vehicle(s) and of the time it takes to reach the site. This is to help offset personnel travel time which is NOT chargeable. If your PROVIDER's place of business is located closer than 60 miles to the job site, a round trip charge will not be allowed. Mileage reimbursement still applies in either case.

Overtime and holidays will be paid at straight time.

- E. All payments shall be made by electronic direct deposit. PROVIDER is required to complete and submit to TAMUS a Vendor Direct Deposit Authorization form prior to the first payment request. The form can be accessed at;  
<http://www.tamus.edu/business/budgets-and-accounting/accounting/general/>
- F. For TAMUS assigned projects, invoices are to be sent to e-Builder with the appropriate link provided in the purchase order. The invoices must include a summary of services performed. The invoices will be processed for payment upon approval by a TAMUS representative within Facilities Planning & Construction.

#### **4. DEFAULT AND TERMINATION**

- A. In the event of substantial failure by PROVIDER to perform in accordance with the terms hereof, TAMUS may terminate this Agreement upon fifteen (15) days written notice of termination setting forth the nature of the failure (the termination shall not be effective if the failure is fully cured prior to the end of the fifteen-day period), provided that said failure is through no fault of TAMUS.
- B. TAMUS may terminate this Agreement at any time upon seven (7) days prior notice to PROVIDER.

#### **5. PUBLIC INFORMATION**

- A. PROVIDER acknowledges that TAMUS is obligated to strictly comply with the Public Information Act, Chapter 552, *Texas Government Code*, in responding to any request for public information pertaining to this Agreement, as well as any other disclosure of information required by applicable Texas law.
- B. Upon TAMUS's written request, PROVIDER will provide specified public information exchanged or created under this Agreement that is not otherwise excepted from disclosure under chapter 552, *Texas Government Code*, to TAMUS in a non-proprietary format acceptable to TAMUS. As used in this provision, "public information" has the meaning assigned Section 552.002, *Texas Government Code*, but only includes information to which TAMUS has a right of access.

- C. PROVIDER acknowledges that TAMUS may be required to post a copy of the fully executed Agreement on its Internet website in compliance with Section 2261.253(a)(1), *Texas Government Code*.

## 6. DISPUTE RESOLUTION

The dispute resolution process provided in Chapter 2260, *Texas Government Code*, and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260, shall be used by TAMUS and PROVIDER to attempt to resolve any claim for breach of contract made by PROVIDER that cannot be resolved in the ordinary course of business. PROVIDER shall submit written notice of a claim of breach of contract under this Chapter to Billy Hamilton, Executive Vice Chancellor and Chief Financial Officer for TAMUS, who shall examine PROVIDER's claim and any counterclaim and negotiate with PROVIDER in an effort to resolve the claim.

## 7. INSURANCE

This process is described in Exhibit C, attached hereto.

## 8. MISCELLANEOUS

- A. **Indemnification. PROVIDER agrees to indemnify and hold harmless TAMUS from any claim, damage, liability, expense or loss to the extent arising out of PROVIDER's negligent or willful errors or omissions under this Agreement.**
- B. **Independent Contractor.** PROVIDER is an independent contractor, and neither PROVIDER nor any employee of PROVIDER shall be deemed to be an agent or employee of TAMUS. TAMUS will have no responsibility to provide transportation, insurance or other fringe benefits normally associated with employee status. PROVIDER shall observe and abide by all applicable laws and regulations, policies and procedures, including but not limited to those of TAMUS relative to conduct on its premises.
- C. **Delinquent Child Support Obligations.** A child support obligor who is more than 30 days delinquent in paying child support and a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25 percent is not eligible to receive payments from state funds under an agreement to provide property, materials, or services until all arrearages have been paid or the obligor is in compliance with a written repayment agreement or court order as to any existing delinquency. The *Texas Family Code* requires the following statement: "Under Section 231.006, *Texas Family Code*, the vendor or applicant certifies that the individual or business entity named in this contract, bid, or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate."
- D. **Payment of Debt or Delinquency to the State.** Pursuant to Section 2252.903, *Texas Government Code*, PROVIDER agrees that any payments owing to PROVIDER under this Agreement may be applied directly toward certain debts or delinquencies that PROVIDER owes the State of Texas or any agency of the State of Texas regardless of when they arise, until such debts or delinquencies are paid in full.

- E. **Previous Employment.** PROVIDER acknowledges and understands that Section 2252.901, *Texas Government Code*, prohibits TAMUS from using state appropriated funds to enter into any employment contract, consulting contract, or professional services contract with any individual who has been previously employed, as an employee, by the agency within the past twelve (12) months. If PROVIDER is an individual, by signing this Agreement, PROVIDER certifies that Section 2252.901, *Texas Government Code*, does not prohibit the use of state appropriated funds for satisfying the payment obligations herein.
- F. **Franchise Tax Certification.** If PROVIDER is a taxable entity subject to the Texas Franchise Tax (Chapter 171, *Texas Tax Code*), then PROVIDER certifies that it is not currently delinquent in the payment of any franchise (margin) taxes or that PROVIDER is exempt from the payment of franchise (margin) taxes.
- G. **State Auditor's Office.** PROVIDER understands that acceptance of funds under this Agreement constitutes acceptance of the authority of the Texas State Auditor's Office, or any successor agency (collectively, "Auditor"), to conduct an audit or investigation in connection with those funds pursuant to Section 51.9335(c), *Texas Education Code*. PROVIDER agrees to cooperate with the Auditor in the conduct of the audit or investigation, including without limitation, providing all records requested. PROVIDER will include this provision in all contracts with permitted subcontractors.
- H. **Entire Agreement.** This Agreement constitutes the sole agreement of the parties and supersedes any other oral or written understanding or agreement pertaining to the subject matter of this Agreement. This Agreement may not be amended or otherwise altered except upon the written agreement of both parties.
- I. **Severability.** If any provisions of this Agreement are rendered or declared illegal for any reason, or shall be invalid or unenforceable, such provision shall be modified or deleted in such manner so as to afford the Party for whose benefit it was intended the fullest benefit commensurate with making this Agreement, as modified, enforceable, and the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but shall be enforced to the greatest extent permitted by applicable law.
- J. **Headings.** Headings appear solely for convenience of reference. Such headings are not part of this Agreement and shall not be used to construe it.
- K. **Non-Assignment.** PROVIDER shall neither assign its rights nor delegate its duties under this Agreement without the prior written consent of TAMUS.
- L. **HUB Subcontracting Plan.** If a subcontractor will be used to provide any commodity or service as part of the scope on a specific assignment, the PROVIDER will be required to make a good faith effort and complete the state of Texas HSP found at <http://www.tamus.edu/business/hub-procurement/hub-programs-3/system-offices-hub-program/> . If there are pre-existing agreements in place with companies who will be hired as subcontractors, the PROVIDER will show those companies as subcontractors on the HSP and provide an explanation as to why solicitations were not done, e.g. contractual requirements. If no pre-existing agreements with companies who will be hired as subcontractors exist, then the PROVIDER will be expected to make a good faith effort according to the HSP instructions.

In the event that you determine you will be using a subcontractor, please contact Mr. Jeff Zimmermann from the A&M System's HUB Program at (979) 458-6410 or [jzimmermann@tamus.edu](mailto:jzimmermann@tamus.edu) for assistance in determining available HUB subcontractors and proper completion of the HSP.

- M. **Force Majeure.** Neither party is required to perform any term, condition, or covenant of this Agreement, if performance is prevented or delayed by a natural occurrence, a fire, an act of God, an act of terrorism, or other similar occurrence, the cause of which is not reasonably within the control of such party and which by due diligence it is unable to prevent or overcome.
- N. **Loss of Funding.** Performance by TAMUS under this Agreement may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (the "Legislature"). If the Legislature fails to appropriate or allot the necessary funds, TAMUS will issue written notice to PROVIDER and TAMUS may terminate this Agreement without further duty or obligation hereunder. PROVIDER acknowledges that appropriation of funds is beyond the control of TAMUS.
- O. **Governing Law.** The validity of this Agreement and all matters pertaining to this Agreement, including but not limited to, matters of performance, non-performance, breach, remedies, procedures, rights, duties, and interpretation or construction, shall be governed and determined by the Constitution and the laws of the State of Texas.
- P. **Venue.** Pursuant to Section 85.18, *Texas Education Code*, venue for any suit filed against TAMUS shall be in the county in which the primary office of the chief executive officer of TAMUS is located, which is Brazos County, Texas.
- Q. **Non-Waiver.** PROVIDER expressly acknowledges that TAMUS is an agency of the State of Texas and nothing in this Agreement will be construed as a waiver or relinquishment by TAMUS of its right to claim such exemptions, privileges, and immunities as may be provided by law.
- R. **Notices.** Any notice required or permitted under this Agreement must be in writing, and shall be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address set out below. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, email or other commercially reasonable means and will be effective when actually received. TAMUS and PROVIDER can change their respective notice address by sending to the other party a notice of the new address. Notices should be addressed as follows:

TAMUS:                   The Texas A&M University System  
                              301 Tarrow St., Suite 361  
                              College Station, Texas 77840  
                              Attention: Jeff Zimmermann  
                              Phone: (979) 458-6410  
                              Fax: (979) 458-6250  
                              E-mail: [jzimmermann@tamus.edu](mailto:jzimmermann@tamus.edu)

PROVIDER: Specialty Engineering  
2114 E. WmJB Pkwy, Suite A  
Bryan, TX 77802  
Phone: (979) 774-0355  
Email: [dickert@cabnet.net](mailto:dickert@cabnet.net)


IN WITNESS WHEREOF, intending to be bound, the Parties have entered into this Agreement as of the Effective Date.

**The Texas A&M University System**

By   
Jeff Zimmermann  
Director, Procurement and Business Services

4/27/16  
Date

**Specialty Engineering**

By  GP  
Specialty Engineering

4/22/16  
Date

## **EXHIBIT A – SCOPE**

The required services shall consist of working under the direct supervision of TAMUS member's staff to provide design, and/or construction support on an "as needed" basis.

The PROVIDER will be responsible for providing all necessary equipment including but not limited to computer, software, digital camera and cell phone as part of their overhead and without separate reimbursement. Activities for which TAB services **MAY** be requested include any or all of the following:

- a. Review the plans and specifications bringing to the owner's attention any peculiarities that may be found.
- b. Perform periodic job inspections prior to balancing to verify conformance and completeness of the mechanical system.
- c. Provide a 15% systems balancing review supporting the HVAC commissioning process.
- d. Provide a system balanced according to latest edition of the NEBB Procedural Standards.
- e. Provide a typewritten report of recorded data and list a summary of problem areas remaining on NEBB forms Provide this information via email in PDF.
- f. Quote each project as requested. The quote must include the acknowledgement of all related specification sections and contract drawings. The quote must clearly indicate the intended scope of work and any exclusion of specification requirements.

The A&M System reserves the right on each assignment to authorize all or any part of the above subject areas and/or work tasks as the A&M System deems necessary for the individual project. The scope to be performed will be set forth in each work authorization and be based on established unit rates and a proposal of units from the PROVIDER for the particular assignment. A purchase order will prescribe a scope of work with a not-to-exceed fee for each assignment.

Note: e-Builder is the project management software and the PROVIDER may be expected to fully utilize this program. There is no fee for licenses and training in College Station will be provided at no additional cost.

## EXHIBIT B – PRICING

Testing and Air Balancing Rates 2015-2018			
Descriptions		Units	Cost/unit
<b>Personnel</b>			
1	Principal	hr.	\$ 173
2	Senior Project/Program Manager	hr.	\$ 117
3	Senior Engineer	hr.	\$ 125
4	Project Manager	hr.	\$ 103
5	Engineer	hr.	\$ 111
6	Technician	hr.	\$ 84
7	CAD Operator	hr.	\$ 72
8	Word Processor	hr.	\$ 59
9	Apprentice Technician	hr.	\$ 58
<b>Work Items and Equipment</b>			
10	Condensing Units	ea.	\$ 152
11	Traverse	ea.	\$ 81
12	Lab Tracking Valves	ea.	\$ 141
13	Fan Coil Units	ea.	\$ 278
14	Terminal Units	ea.	\$ 145
15	Air Handling Units	ea.	\$ 462
16	Make Up Air Units	ea.	\$ 430
17	Additional Fan Wall fans/motors	ea.	\$ 110
18	Airflow Measuring Station (Duct or Fan Mounted)	ea.	\$ 150
19	Chillers	ea.	\$ 412
20	Hot Water Boilers	ea.	\$ 308
21	Chilled Water Pumps	ea.	\$ 206
22	Heating Water Pumps	ea.	\$ 206
23	Relief Hoods	ea.	\$ 59
24	Exhaust Fans	ea.	\$ 206
25	Return Fans	ea.	\$ 245
26	Fume Hoods	ea.	\$ 196
27	Supply Air Grilles	ea.	\$ 30
28	Slot Diffusers	ea.	\$ 32
29	Side Wall Grilles	ea.	\$ 32
30	Exhaust Grilles	ea.	\$ 29
31	Return Grills	ea.	\$ 31
32	Exhaust Fume Hood	ea.	\$ 203
33	T-stats	ea.	\$ 37
34	Heat Exchangers	ea.	\$ 222
35	Duct Coils	ea.	\$ 97
36	Humidistats	ea.	\$ 49
37	Humidifier	ea.	\$ 111
38	Baseboard	ea.	\$ 106
39	High Diffusers 26' or more	ea.	\$ 61
40	High Traverse 26' or more	ea.	\$ 123



**EXHIBIT B – PRICING (Continued)**

<b>Testing and Air Balancing Rates 2015-2018</b>			
<b>Descriptions</b>		<b>Units</b>	<b>Cost/unit</b>
<b>Work Items and Equipment</b>			
41	Fire / Smoke Dampers	ea.	\$ 47
42	Unit Heater	ea.	\$ 104
43	Condenser Water Pump	ea.	\$ 223
44	Cooling Tower (non CTI)	ea.	\$ 368
45	Temperature and Humidity Measurement	ea.	\$ 28
46	Sound Test	room	\$ 83
47	Rental of Lift Equipment	day	\$ 266
48	Control System Verification	hr.	\$ 89
49	VAV Casing Leak Test	ea.	\$ 378
50	Point to Point Verification	ea.	\$ 39
51	Air Handling Unit leakage Testing	ea.	\$ 367
52	Vibration testing	ea.	\$ 175
53	Sump Pump Testing	ea.	\$ 169
54	Domestic Hot Water circulation pump	ea.	\$ 201
55	Domestic Hot Water circulation balance	ea.	\$ 101
56	Packaged roof top A/C units	ea.	\$ 388
57	Packaged roof top VAV A/C units	ea.	\$ 468
58	Chilled Water Coil (unitary)	ea.	\$ 103
59	Heating Hot Water Coil (unitary)	ea.	\$ 93
60	Energy Recovery Unit	ea.	\$ 605
61	Water Source Heat Pump	ea.	\$ 348
<b>Travel</b>			
62	Round Trip Charge	ea.	\$ 120.00
63	Mileage	mi.	State Rate
64	Meals	da.	State Rate
65	Hotel	da.	State Rate

## **EXHIBIT C – INSURANCE**

PROVIDER shall obtain and maintain, for the duration of this Agreement or longer, the minimum insurance coverage set forth below. With the exception of Professional Liability (E&O), all coverage shall be written on an occurrence basis. All coverage shall be underwritten by companies authorized to do business in the State of Texas or eligible surplus lines insurers operating in accordance with the Texas Insurance Code and have a financial strength rating of A- or better and a financial strength rating of VII or better as measured by A.M. Best Company or otherwise acceptable to TAMUS. By requiring such minimum insurance, the Owner shall not be deemed or construed to have assessed the risk that may be applicable to PROVIDER under this Agreement. PROVIDER shall assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage. PROVIDER is not relieved of any liability or other obligations assumed pursuant to this Agreement by reason of its failure to obtain or maintain insurance in sufficient amounts, duration, or types. No policy will be canceled without unconditional written notice to TAMUS at least ten days before the effective date of the cancellation.

### **Insurance:**

#### **Coverage**

#### **Limit**

##### **A. Worker's Compensation**

Statutory Benefits (Coverage A)  
Employers Liability (Coverage B)

Statutory  
\$1,000,000 Each Accident  
\$1,000,000 Disease/Employee  
\$1,000,000 Disease/Policy Limit

Workers' Compensation policy must include under Item 3.A. on the information page of the workers' compensation policy the state in which work is to be performed for TAMUS. Workers' compensation insurance is required, and no "alternative" forms of insurance will be permitted

##### **B. Automobile Liability**

Business Auto Liability Insurance covering all owned, non-owned or hired automobiles, with limits of not less than \$1,000,000 Single Limit of liability per accident for Bodily Injury and Property Damage;

If a separate Business Auto Liability policy is not available, coverage for hired and non-owned auto liability may be endorsed on the Commercial General Liability policy.

#### **Additional Endorsements**

The Auto and Commercial General Liability Policies shall name the Texas A&M University System Board of Regents for and on behalf of The Texas A&M University System as additional insured's.))

##### **C. Commercial General Liability**

Each Occurrence Limit	\$1,000,000
General Aggregate Limit	\$2,000,000
Products / Completed Operations	\$1,000,000
Personal / Advertising Injury	\$1,000,000
Damage to rented Premises	\$300,000
Medical Payments	\$5,000

The required commercial general liability policy will be issued on a form that insures PROVIDER's or its subcontractors' liability for bodily injury (including death), property damage, personal and advertising injury assumed under the terms of this Agreement

- D. Professional Liability (Errors & Omissions)** Insurance with limits of not less than \$1,000,000 each occurrence, \$2,000,000 aggregate. Such insurance will cover all professional services rendered by or on behalf of PROVIDER and its subcontractors under this Agreement. Renewal policies written on a claims-made basis will maintain the same retroactive date as in effect at the inception of this Agreement. If coverage is written on a claims-made basis, PROVIDER agrees to purchase an Extended Reporting Period Endorsement, effective for two (2) full years after the expiration or cancellation of the policy. No professional liability policy written on an occurrence form will include a sunset or similar clause that limits coverage unless such clause provides coverage for at least three (2) years after the expiration of cancellation of this Agreement.

- E.** PROVIDER will deliver to TAMUS:

Evidence of insurance on a Texas Department of Insurance approved certificate form verifying the existence and actual limits of all insurance after the execution and delivery of this Agreement and prior to the performance of any services by PROVIDER under this Agreement. Additional evidence of insurance will be provided on a Texas Department of Insurance approved certificate form verifying the continued existence of all required insurance no later than thirty (30) days after each annual insurance policy renewal.

All insurance policies, with the exception of worker's compensation, employer's liability and professional liability will be endorsed and name The Board of Regents for and on behalf of The Texas A&M University System and The Texas A&M University System as Additional Insureds up to the actual liability limits of the policies maintained by PROVIDER. Commercial General Liability and Business Auto Liability will be endorsed to provide primary and non-contributory coverage. The Commercial General Liability Additional Insured endorsement will include on-going and completed operations and will be submitted with the Certificates of Insurance.

All insurance policies will be endorsed to provide a waiver of subrogation in favor of The Board of Regents of The Texas A&M University System and The Texas A&M University System. No policy will be canceled without unconditional written notice to TAMUS at least ten days before the effective date of the cancellation. All insurance policies will be endorsed to require the insurance carrier providing coverage to send notice to TAMUS ten (10) days prior to the effective date of cancellation, material change, or non-renewal relating to any insurance policy required in this section.

Any deductible or self-insured retention must be declared to and approved by TAMUS prior to the performance of any services by PROVIDER under this Agreement. PROVIDER is responsible to pay any deductible or self-insured retention for any loss. All deductibles and self-insured retentions will be shown on the Certificates of Insurance.

Certificates of Insurance and Additional Insured Endorsements as required by this Agreement will be mailed, faxed, or emailed to the following TAMUS contact in Section 8R.

The insurance coverage required by this Agreement will be kept in force until all services have been fully performed and accepted by TAMUS in writing, except as may be noted.