

STATE OF TEXAS §

COUNTY OF TRAVIS §

CONTRACT RE111 FOR VOCATIONAL TRAINING RESIDENTIAL SERVICES

This contract effective (upon execution), and is by and between the **Texas Youth Commission**, hereinafter **TYC**, and Gulf Coast Trades Center, hereinafter referred to as **Service Provider**, for the provision of Vocational Training Residential Male and Female Juvenile Offender Program, located at 143 Forest Service Road #233, New Waverly, Texas 77358. This contract number RE111, will expire on August 31, 2011, unless renewed per Section IV, Article 10.

This contract is entered into under the authority of §61.037, Human Resources Code, for the mutual considerations described in this contract.

This Agreement is composed of the following documents:

1. This Contract, including all attachments;
2. Service Provider's Best and Final Offer (BAFO) dated June 3, 2010; (attached as Exhibit E)
3. Service Provider's Proposed Program Overview (attached as Exhibit A of Contract);
4. Service Provider's Historically Underutilized Business (HUB) Subcontracting Plan (to be attached as Exhibit B of Contract);
5. TYC 2010 Cost Report for Residential Providers (attached as Exhibit C of Contract);
6. Service Provider's proposal dated April 14, 2010(attached as Exhibit D of Contract); and
7. RFP #694-0-0849 and Amendments A#001, A#002 and A#003.

In the event there is conflict between the Agreement documents, the order of precedence shall be the order listed above.

I. SERVICE PROVIDER

For and in consideration of the payment of fees for providing residential services in accordance with this Agreement, Service Provider will:

- A. Appoint members to a Youth Placement Committee that will be established. This committee will consist of members from TYC and Gulf Coast Trades Center. The committee will review youth for placement into the Vocational Training Residential Male and Female Juvenile Offender Program. Youth will transition to the Vocational Training Residential Male and Female Juvenile Offender Program at a number of youth to be determined.
- B. Obtain and maintain a license or certification listed in the RFP for the full term of the contract and any subsequent extensions. Gulf Coast is licensed under the Texas Department of Family and Protective Services (DFPS). Permit # 54326.
- C. Comply with all applicable laws, including TYC rules related to the listed services and treatment provided to youth being served under this contract. Any amendments made to applicable TYC rules during the term of this contract apply to the Service Provider as of the effective date of the amendments.
- D. Comply with Service Provider's Proposed Program Overview attached as Exhibit A and Service Provider's Proposal, except to the extent it is in conflict with TYC Residential Standards and TYC General Administrative Policy, which take precedence over Service Provider's documentation.
- E. Maintain a "meets standards" overall performance and monitoring measure rating.
- F. Implement and maintain a program for providing health care services.
 1. Enroll eligible youth in Medicaid or other assistance programs for health care.

2. For youth not eligible for Medicaid or other assistance programs for health care, obtain authorization and secure an encumbrance number from the TYC Primary Service Worker prior to incurring expenses. These requirements do not apply in the case of a bona fide emergency, in which case notification will be given no later than the next working day after the emergency. Private insurance and governmental assistance programs will be utilized for health care when possible. Promptly send bills to the TYC District Office no later than five (5) days after receipt of the invoice. Costs incurred that do not meet these requirements are the responsibility of the Service Provider.
- G. Notify the TYC Director of Contracts, Procurement and Support Services in writing of all revenue sources and reimbursements from third parties for any and all costs or services associated exclusively with a youth served under this contract. Billing more than one revenue source for the same costs or services provided a single youth is prohibited and shall be recouped or administrative error sanctions shall be imposed as set forth herein. Neither a youth nor his/her parents or guardians will be required to pay for the support of the youth in the program, unless otherwise ordered.
 - H. Submit claims to the TYC District Office on invoices bearing Service Provider's name and address no later than five (5) work-days from the last day of the month for which payment is requested. Invoices must contain names of youth, TYC numbers and the dates present in the program. The youth is present for payment purposes when he/she is present until 12:01 a.m. or is authorized by the TYC Contract Care Administrator to be away.
 - I. Complete and submit annually to the TYC Director of Contracts, Procurement and Support Services the TYC Cost Report for Residential Providers in accordance with the Overview of Rules and Procedures. The TYC Cost Report for Residential Providers is due on or before June 30 of the year following the end of Service Provider's fiscal year.
 - J. Afford TYC access to TYC youth and all records and/or information on TYC youth at all times.
 - K. Forward copies of all audits, monitoring, and investigative reports completed by any entity to the TYC Quality Assurance Manager within five (5) work days of receipt.
 - L. Allow TYC/designee to perform monitoring, performance evaluations, investigations, or audits.
 1. Provide access, inspection, and reproduction to all records related to services rendered under this contract that are necessary to facilitate monitoring, performance evaluations, investigations or audits.
 2. Records include, but are not limited to, contracts, notes, real property documents, accounting/financial records, written policies and procedures, correspondence, performance evaluation data and reports, and any other information pertinent to revenues, costs, expenses, and performance of services provided under this contract belonging to either the Service Provider, its subsidiaries, parent and/or affiliate(s), including subconsultants, subcontractors, employees, and any and all related parties to the contract. Related Party is defined below.
 3. Upon request by TYC, provide facilities to TYC/designee to perform any of the functions listed in this subsection, as well as adequate and appropriate workspace and copier.
 - M. Maintain all financial records in accordance with generally accepted accounting principles. Follow TYC fiscal management policies and procedures in submitting timely billing and maintaining financial records, programmatic and supporting documents, statistical records or any other records required to be kept under this contract.
 - N. Maintain and retain records for a minimum of four (4) years after the termination of the contract period. If any litigation, claims, disputes, or audit involving these records begins before the four (4) years period expires, the Service Provider will keep the records and documents until all litigation, claims, disputes, or audit findings are resolved. Resolution is when a final order is issued in litigation, or a written agreement is entered into between TYC and the Service Provider. Contract period means the beginning date through the ending date specified in the original contract or any amendments.
 - O. Disclose in writing to the TYC Director of Contracts, Procurement and Support Services any transactions with related parties providing goods or services to the Service Provider, the cost of which is included in the rate per day paid by TYC.

1. A related party always includes a family member by blood or marriage, (i.e., spouse, parents, grandparents, child(ren), grandchild(ren), aunt, uncle, niece, nephew, first cousins). In addition, a related party is defined as any person or entity involved with the Service Provider in any manner that would result in the ability of either party to significantly influence the management or operation of the other. Examples of related parties include, but are not limited to, parent companies, subsidiaries, as well as, principle investors, owners, or managers and their relatives listed above.
 2. Service Provider must report to TYC any transaction with a related party that could result in excessive profits from its relationship with the related party. If excessive profits are found to have occurred, administrative error sanctions may be imposed.
 3. Any violation of this section can be considered a breach and could result in administrative error sanctions or contract termination.
- P. Comply with the Residential Contract Program Case Management Requirements, listed as Exhibit G of RFP and incorporated into this contract as if set forth therein. Service Provider agrees that any amendment(s) made to Requirements in Exhibit G during the term of the contract apply to the Service Provider as of the effective date of the said amendment(s).
- Q. Require any of Service Provider's employees or employees of subcontractors to cooperate with or testify in judicial proceedings, youth disciplinary hearings, legislative and administrative hearings or investigations, at the request of TYC. Service Provider will provide required documentation in a timely manner and provide office space and a telephone for youth disciplinary hearings, upon request.
- R. Obtain an independent audit according to the following requirements:
1. If the Service Provider has contracted with a subcontractor to perform its primary management responsibilities, the independent audit shall be performed for the subcontractor's financial statements. Otherwise, the independent audit shall be performed for the Service Provider's financial statements.
 2. If more than \$400,000 is received annually under this contract, an annual independent audit must be obtained; otherwise a biannual independent audit must be obtained.
 3. The audited financial statements, notes, opinions, and, if applicable, the schedule of findings and questioned costs shall be submitted to the TYC Quality Assurance Manager no later than 30 days after receipt from the independent auditor. However, audited financial statements must be submitted no later than 10 months following the reporting period to the TYC Quality Assurance Manager.
 4. Independent audits must be performed according to Generally Accepted Auditing Standards and any other standards that apply to the Service Provider or subcontractor.
 5. The independent audit must be performed by a Certified Public Accountant or firm licensed to practice public accountancy in the state in which the audit is performed.
 6. The independent audit must comply with the Single Audit Act of 1984 if the Service Provider or subcontractor is a local government or non-profit organization.
- S. Ensure a computer setup with at least the following: Microsoft© Office 2003 (for Word documents and Excel spreadsheets), local Internet service provider (ISP) and an e-mail account.
- T. Notify TYC if Service Provider is or becomes a covered entity under the Health Insurance Portability and Accountability Act (HIPPA). Service Provider is to secure any HIPPA consent or authorization necessary to provide to or obtain from TYC protected health information.
- U. To the extent required by law, take any actions necessary to comply with any Plan TYC develops requiring contracted residential service providers to become certified by the American Correctional Association. TYC will provide advance notice of any Plan impacting Service Provider and will provide not less than 90 (ninety) days notice before obligations under this Section begin.
- V. Allow TYC education and treatment staff to review documents related to those services as provided to youth at any time.

II. TYC

For and in consideration of the services provided to TYC youth in placement by Service Provider, TYC will:

- A. Determine which youth are eligible for referral to Service Provider's program and make appropriate referrals. TYC will appoint members to the Youth Placement Committee referenced in Section I – A.
- B. Pay for services rendered by Service Provider at the rates as follows: **\$119.50**.
This includes up to five (5) days that youth may be authorized to be away from the program. This authorization may be granted and the limit extended for unusual circumstances by the TYC Contract Care Administrator.
- C. Pay for a placement for a youth up to three (3) days following an escape, only if the Service Provider agrees that the youth can return to the program.
- D. Terms of payment shall be in accordance with Chapter 2251, Texas Government Code and Texas Government Code 403.0551 that payment owing to the Service Provider under this contract will be applied toward elimination of the Service Provider's indebtedness to the state, delinquency in payment of taxes to the state, or delinquency in payment of taxes that the Comptroller administers or collects until the indebtedness or delinquency is paid in full.
- E. Pay health care bills authorized by the designated TYC Staff. Encourage the use of vendors who use the current Maximum Affordable Payment Schedule (MAPS) established by the Texas Department of Assistive and Rehabilitative Services. Provide assistance to the Service Provider on Medicaid procedures.
- F. Complete monitoring of Service Provider's program according to the formal monitoring schedule and standards developed by Central Office Contract Administration.
- G. Remove youth from the program within ten (10) days when Service Provider determines that the youth can no longer remain in the program due to treatment or behavioral issues.
- H. Remove TYC youth from Service Provider's program when conditions exist that threaten the health, safety and welfare of TYC youth in the program.
- I. Provide all required information for each youth referred to Service Provider.
- J. Designate TYC staff for quality assurance and monitoring visits.
- K. Provide amended TYC Residential Standards and amended Residential Contract Program Case Management Requirements to the Service Provider in a timely manner.
- L. Provide access to TYC applications and information resources via web as needed.

III. CERTIFICATIONS

ARTICLE 1: EQUAL OPPORTUNITY

Service Provider certifies compliance with all terms, provisions, and requirements of Titles VI and VII, Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and any other Federal, state, local or other anti-discriminatory act, law, statute or regulation, along with all amendments and revisions of the acts, laws, statutes or regulations, in the performance of this contract, and will not discriminate against any child or youth, client, employee, or applicant for employment because of race, creed or religion, age, sex, color, national or ethnic origin, handicap, or any other illegal discriminatory basis or criteria.

ARTICLE 2: UNFAIR BUSINESS PRACTICES

Service Provider certifies that it or its officers have not been found guilty in a judicial or state administrative agency proceeding of unfair business practices as set out in the Texas Business and Commerce Code and that no officer of Service Provider has served as an officer of another company which has been found guilty in a judicial or state administrative agency proceeding of unfair business practices. If the above certifications are false, this contract is void.

ARTICLE 3: FRANCHISE TAXES

Section 1: Service Provider certifies that should Service Provider be subject to payment of Texas franchise taxes, all franchise taxes are current. If such certification is false this contract may be terminated at the option of TYC or other administrative error sanctions may be taken.

Section 2: If Service Provider is exempt from payment of Texas franchise taxes, Service Provider shall so indicate by attachment to this contract.

Section 3: If Service Provider's payment of Texas franchise taxes becomes delinquent during the term of this contract, Service Provider will notify TYC within 24 hours. If such delinquency cannot be cured within 24 hours and a copy of the Certification of Account Status proving payment of delinquent taxes cannot be provided to TYC, this contract may be terminated at the option of TYC or other administrative error sanctions may be taken under the provisions of the contract.

ARTICLE 4: ASBESTOS REGULATION COMPLIANCE

If applicable, Service Provider certifies compliance with the Asbestos Hazard Emergency Response Act of 1986 (AHERA) by having on file with the Texas Department of State Health Services (DSHS) a copy of Service Provider's AHERA Management Plan for each facility the Service Provider owns, leases, or otherwise uses as a school or is part of a school, grades kindergarten through 12, inclusive where applicable. Prior to the initiation of services under this contract, Service Provider shall provide to TYC a certification of an asbestos-free environment or a copy of the DSHS acceptance and approval for the Service Provider's AHERA Asbestos Management Plan(s). Service Provider shall comply with the approved Management Plan during the term of this contract and any renewals; failure to do so shall be grounds for termination of the contract. Should DSHS approve a revised or modified Management Plan, a copy of the DSHS acceptance and approval of the revised or modified Management Plan shall be furnished to TYC.

ARTICLE 5: HUMAN IMMUNODEFICIENCY VIRUS SERVICES ACT COMPLIANCE

Section 1: Service Provider certifies compliance with the HIV Services Act, [Vernon's Texas Code Annotated (VTCA); Health and Safety Code, Section 85.001, et seq] requirements for maintenance of confidentiality regarding HIV and its related conditions, including Acquired Immunodeficiency Syndrome (AIDS).

Section 2: Service Provider further certifies that workplace guidelines are developed and implemented. Service Provider may elect to use workplace guidelines developed and implemented by TYC. Should Service Provider not elect to use workplace guidelines developed and implemented by TYC, Service Provider agrees its workplace guidelines shall be similar to TYC's as required by §85.113, Texas Health & Safety Code.

Section 3: In the absence of confidentiality guidelines, Service Provider is not eligible to receive state funds, and Service Provider agrees to refund to the state any state funds Service Provider receives while ineligible.

ARTICLE 6: COMMUNICABLE DISEASE PREVENTION & CONTROL ACT COMPLIANCE

Service Provider certifies compliance with the applicable provisions of the Communicable Disease Prevention and Control Act, [Vernon's Texas Code Annotated (VTCA); Health & Safety Code, Section 81.001 et seq].

ARTICLE 7: FEDERAL CONFIDENTIALITY COMPLIANCE

Any program that specializes, in whole or in part, in providing treatment, counseling, and/or assessment and referral services for youth with alcohol or other drug problems must comply with the Federal confidentiality regulations. Said regulations apply only to programs that are federally assisted either directly or indirectly. Service Provider certifies compliance with these Federal requirements for confidentiality [42 USC Section 290 dd-2; 42 CFR Part 2] and agrees to comply with said requirements for so long as this contract is in force.

ARTICLE 8: EDUCATIONAL REQUIREMENT

Service Provider is responsible for implementing and ensuring that youth placed in their program are provided with the appropriate educational services as required by state and federal law.

ARTICLE 9: RESTRICTION ON POSSESSION OF WEAPONS

Service Provider agrees that Service Provider or any associates providing services on behalf of Service Provider, shall not carry or possess any type of firearm or other weapon as defined by Texas Penal Code Section 46.02 while rendering services to TYC youth under this contract. This prohibition includes the carrying of a concealed handgun licensed under the authority of Chapter 411, Subchapter H, Texas Government Code. Service Provider shall be under an affirmative duty to keep weapons out of the possession of TYC youth in Service Provider's care.

ARTICLE 10: REQUIRED DISCLOSURE OF LOBBYIST ACTIVITY

Service Provider agrees that if any person who is an employee of, director of, subconsultant, or subcontractor for Service Provider is required to register as a lobbyist under Chapter 305, Texas Government Code at any time during the term of this contract. Service Provider shall notify TYC Quality Assurance Manager and provide timely copies of all reports filed with the Texas Ethics Commission as required by Chapter 305, Texas Government Code.

ARTICLE 11: NOTIFICATION TO TYC OF SUBCONSULTANTS & SUBCONTRACTOR'S

Section 1: TYC shall be notified of the selection and/or use of all subcontractors, or subconsultants regularly used by the Service Provider in performing or assessing the performance of Service Provider's duties under this contract if paid or anticipated to be paid an amount exceeding \$5,000.00 during the term of this contract, and they are subject to the approval of TYC; said approval will not be unreasonably withheld.

Section 2: No contractual relationship will exist between Service Provider's subconsultants or subcontractors and TYC. TYC shall have no responsibility whatsoever for the conduct, actions, or commissions (active or passive) of any subconsultants or subcontractors in the performance of their duties under this contract.

Section 3: Service Provider shall be solely responsible for the management of any subconsultants or subcontractors in the performance of their duties under this contract.

Section 4: If the Service Provider has contracted with a subcontractor to perform its primary management responsibilities, the independent audit shall be performed for the subcontractor's financial statements. Otherwise, the independent audit shall be performed for the Service Provider's financial statements.

Section 5: If more than \$400,000 is received annually under this contract, an annual independent audit must be obtained; otherwise a biannual independent audit must be obtained. The audited financial statements, notes, opinions, and, if applicable, the schedule of findings and questioned costs shall be submitted to the TYC Director of Youth Services no later than 30 days after receipt from the independent auditor. However, audited financial statements must be submitted no later than 10 months following the reporting period to the TYC Director of Youth Services.

Section 6: Independent audits must be performed according to Generally Accepted Auditing Standards and any other standards that apply to the Service Provider or subcontractor. The independent audit must be performed by a Certified Public Accountant or firm licensed to practice public accountancy in the state in which the audit is performed. The independent audit must comply with the Single Audit Act of 1984 if the Service Provider or subcontractor is a local government or non-profit organization.

ARTICLE 12: COMPLIANCE WITH CHILD SUPPORT, §231.006, FAMILY CODE

“Under §231.006, Family Code, the vendor or applicant certifies that the individual or business entity named in this contract or bid 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 his certification is inaccurate.”

Governmental entities and any business entity, including a non-profit corporation, that does not have a majority shareholder who is a natural person capable of being a child support obligor, are not subject to Section 231.006.

Check **ONE**:

Offeror DOES NOT have a sole proprietor, majority stockholder or substantial owner who is a natural person capable of being a child support obligor therefore IS NOT subject to Section 231.006.

Offeror DOES have a sole proprietor, majority stockholder or substantial owner who is a natural person capable of being a child support obligor therefore IS subject to Section 231.006.

SERVICE PROVIDER MUST PROVIDE, IN THE SPACE BELOW, THE NAME AND SOCIAL SECURITY NUMBER OF AN INDIVIDUAL OWNER, A SOLE PROPRIETOR AND ALL PARTNERS, SHAREHOLDERS, OR OWNERS WITH AN OWNERSHIP INTEREST OF AT LEAST TWENTY-FIVE (25) PERCENT OF THE BUSINESS ENTITY ENTERING INTO THIS CONTRACT.

For nonprofit corporations with no identifiable owner of twenty-five percent (25%) or more of the corporation, indicate with “none” on the first line below.

Name, Social Security Number, Percent (%)

ARTICLE 13: COMPLIANCE WITH §572.054, TEXAS GOVERNMENT CODE, FORMER OFFICER OR EMPLOYEE OF TYC

Service Provider certifies compliance with §572.054, Texas Government Code. Service Provider has not employed a former officer or employee of TYC to perform services on Service Provider’s behalf, to secure this contract or to represent Service Provider in any manner prohibited by the referenced statute. A false certification could result in termination of this contract.

ARTICLE 14: SIGNATORY AUTHORITY

The undersigned signatory certifies by his/her signature that he/she has the authority to bind the Service Provider to the contract provisions stated herein.

ARTICLE 15: COMPLIANCE WITH §2252.901, TEXAS GOVERNMENT CODE, FORMER OR RETIRED EMPLOYEE OF THE AGENCY

Service Provider certifies compliance with §2252.901, Texas Government Code, which provides "A state agency may not enter into an employment contract, a professional services contract under chapter 2254, or a consulting services contract under Chapter 2254 with a former or retired employee of the agency before the first anniversary of the last date on which the individual was employed by the agency, if appropriated money will be used to make payments under the contract. This section does not prohibit an agency from entering into a professional services contract with a corporation, firm, or other business entity that employs a former or retired employee of the agency within one year of the employee's leaving the agency, provided the former or retired employee does not perform services on projects for the corporation, firm or other business entity that the employee worked on while employed by the agency." Service provider certifies that he/she is not prohibited from entering into this contract because of any prior employment with TYC.

ARTICLE 16: SPECIALLY DESIGNATED NATIONALS AND BLOCKED PERSONS LIST

Service Provider certifies that it is not on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control.

ARTICLE 17: COMPLIANCE WITH §2161.253, TEXAS GOVERNMENT CODE, GOOD FAITH COMPLIANCE WITH HISTORICALLY UNDERUTILIZED BUSINESS (HUB) SUBCONTRACTING PLAN

Service Provider certifies compliance with §2161.253, Texas Government Code. Service Provider agrees to make good faith efforts to implement the HUB subcontracting Plan. Service Provider agrees to submit to TYC monthly compliance reports (HUB Subcontracting Plan Prime Contractor Progress Assessment Report) for the term of the contract.

ARTICLE 18: FINGER PRINT AND CRIMINAL BACKGROUND CHECKS

Service Provider will:

- . As directed, provide information regarding persons providing services under this Agreement and personnel access for a criminal background check including, but not limited to, fingerprinting check, criminal records check, sex offender registration records check, and drug test. Criminal background checks shall be conducted at TYC's expense and through TYC or TYC's contract providers for each of the Service Provider's employees, agents, consultants, subcontractors, subcontractor's employees, and volunteer workers. Any Service Provider employee, agent, consultant, subcontractor, subcontractor's employee, or volunteer worker who is unwilling to provide or who does not provide required information will not be allowed to work under this agreement. Any Service Provider employee, agent, consultant, subcontractor, subcontractor's employee, or volunteer worker shall not work under this agreement until the criminal background check is completed and approval is obtained from TYC's Director of Human Resources.
- 1. Notify TYC's Director of Human Resources of any employee, agent, consultant, subcontractor, subcontractor's employee, or volunteer worker who works with TYC youth and who is arrested, indicted, or charged with a criminal offense or who resigns while under investigation for inappropriate conduct or policy violations. Such employee, agent, consultant, subcontractor, subcontractor's employee, or volunteer worker shall be immediately suspended from working under this agreement unless authorized by TYC's Director of Human Resources.

TYC will approve any Service Provider employee, agent, consultant, subcontractor, subcontractor's employee, or volunteer worker in accordance with TYC policies and procedures. TYC's designated contact for criminal background checks is the Director of Human Resources (512) 459-2501.

ARTICLE 19: VIOLATION OF FEDERAL LAW RELATING TO RECONSTRUCTION EFFORTS AS A RESULT OF HURRICANES RITA, KATRINA OR ANY OTHER DISASTER AFTER SEPTEMBER 24, 2005

Under Section 2155.006(b) of the Texas Government Code, a state agency may not accept a bid or award a contract, including a contract for which purchasing authority is delegated to a state agency, that includes proposed financial participation by a person who, during the five-year period preceding the date of the bid or award, has been: (1) convicted of violating a federal law in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005; or (2) assessed a penalty in a federal civil or administrative enforcement action in connection with a contract awarded by the federal government for relief, recovery, or reconstruction efforts as a result of Hurricane Rita, as defined by Section 39.459, Utilities Code, Hurricane Katrina, or any other disaster occurring after September 24, 2005. Under Section 2155.006 of the Texas Government Code, the bidder certifies that the individual or business entity named in this bid is not ineligible to receive the specified contract and acknowledges that any contract resulting may be terminated and payment withheld if this certification is inaccurate.

IV. GENERAL TERMS AND CONDITIONS

ARTICLE 1: RELATIONSHIP OF PARTIES – Independent Contractor

The Service Provider is acting as an independent contractor and is wholly responsible in providing the services under this RFP and for the day-to-day operations of its programs and employees; no joint venture, partnership, or agency exists nor shall be implied by the terms of this contract. No employee of Service Provider shall become an employee of TYC by virtue of this contract. Should Service Provider subcontract any of the services required in this RFP. Service Provider expressly understands and acknowledges that in entering into such subcontract(s), TYC is in no manner liable to any subcontractor(s) of Service Provider. In no event shall this provision relieve bidder of the responsibility for ensuring that the services rendered under all subcontracts are rendered in compliance with this RFP.

ARTICLE 2: INDEMNITY

Service Provider agrees to be liable for, and hereby does indemnify and hold harmless TYC and its officers, directors, agents, employees and representatives from and against any and all liability for any and all claims, suits, demands, causes of action, and/or damages, (including costs of court and reasonable attorneys' fees) arising from or based upon misconduct, intentional or negligent acts or omissions on the part of Service Provider, its officers, directors, agents, representatives, employees, or visitors which may arise out of or could result from this contract.

For the purposes of this Contract, the term "Work" is defined as all reports, statistical analyses, work papers, work products, materials, approaches, designs, specifications, systems, documentation, methodologies, concepts, research materials, intellectual property or other property developed, produced, or generated in connection with this Contract. All work performed pursuant to this Contract is made the exclusive property of TYC. All right, title and interest in and to said property shall vest in TYC upon creation and shall be deemed to be a work for hire and made in the course of the services rendered pursuant to this Contract. To the extent that title to any such work may not, by operation of law, vest in TYC, or such work may not be considered a work made for hire, all rights, title and interest therein are hereby irrevocably assigned to TYC. TYC shall have the right to obtain and to hold in its name any and all patents, copyrights, registrations or such other protection as may be appropriate to the subject matter, and any extensions and renewals thereof.

Service Provider must give TYC and/or the State of Texas, as well as any person designated by TYC and/or the State of Texas, all assistance required to perfect the rights defined herein without any charge or expense beyond those amounts payable to Service Provider for the services rendered under this Contract.

ARTICLE 3: LIABILITY INSURANCE

Section 1: Service Provider represents and warrants that it will, within five (5) business days of executing this Contract, provide TYC with current certificates of insurance or other proof acceptable to TYC of the following insurance coverage: Standards Workers Compensation Insurance, covering all personnel who will provide services under this Contract; Commercial General Liability Insurance, personal injury and advertising injury with, at a minimum, the following limits: \$500,000.00 minimum each occurrence; \$1,000,000.00 per general aggregate. The insurance must cover injury to a youth that occurs when the youth is in Service Provider's care, custody or control.

Section 2: Service Provider shall provide proof of insurance documents to the TYC Quality Assurance Manager, upon request.

Section 3: The required insurance coverage must be maintained during the term of this contract and any subsequent extensions in the above stated amount. Failure to maintain the required insurance coverage may result in termination of this contract or any other administrative error sanctions.

ARTICLE 4: CONFIDENTIALITY AND SECURITY

Section 1: Service Provider agrees that all its employees will comply with state and federal law and with TYC policies regarding the confidentiality of student records and identifying information.

Section 2: Service Provider agrees that all information regarding TYC and/or its youth that is gathered, produced, or otherwise derived from this contract shall remain confidential subject to release only by permission of TYC.

Section 3: Service Provider's employees who visit any TYC facility will comply with that facility's security regulations.

Section 4: Identifying pictures, appearances, films, or reports of TYC youth may not be disclosed by Service Provider without the written consent of the youth and, if under age 18, of his or her parents, guardian, or managing conservator.

ARTICLE 5: ADMINISTRATIVE ERROR SANCTIONS

Section 1: TYC, based on information from monitoring or other verifiable sources, may terminate this contract for the reasons set forth in the article dealing with termination below, or take other actions including, but not limited to:

- a. Require the Service Provider to take specific corrective actions in order to remain in compliance with the terms of this contract; and/or
- b. Recoup payment made to Service Provider; and/or
- c. Impose recommendations from audit or investigative findings, and minor or major sanctions; and/or
- d. Assess liquidated damages for each instance of non-compliance with the terms of this contract equal to \$150 multiplied by the average daily population of TYC youth placed with the Service Provider in the preceding month; and/or
- e. Suspend, place into abeyance, or remove any contractual rights including, but not limited to, withholding payment, moratorium on placements, population limitations and/or removal of all youth presently in the program.

Section 2: Service Provider shall cooperate fully with TYC and its authorized representative in carrying out corrective action plans.

ARTICLE 6: TERMINATION

- Section 1:** Service Provider may terminate its obligations under this contract for convenience by giving thirty (30) days notice and assisting in relocating youth in the program to other placements.
- Section 2:** TYC may terminate for convenience its obligations under this contract by giving thirty (30) days notice, or immediately in the event youth are removed from the program when conditions exist that threaten the health, safety or welfare of TYC youth in the program, or in the event of breach of contract by Service Provider.
- Section 3:** TYC may terminate its obligations under this contract with the Service Provider for failing to complete the corrective action specified and no extenuating circumstances exist; or is non-compliant with any area of the contract; or is below average in any single TYC performance measure; or is below standards in overall performance measure rating.
- Section 4:** TYC shall terminate this contract in the event that TYC is not granted funding to pay for the herein described services or in the event that funding is lost due to either a reduction in the budget or a reallocation of budgeted funds.

ARTICLE 7: WAIVER

No waiver by either party of any breach or default of the other under this contract shall operate as a waiver of any future or other breach or default, whether of a like or different character or nature.

ARTICLE 8: SEVERABILITY

If any part of this contract is contrary to any federal, state, or local law, it is not applicable and such invalidity shall not affect the other provisions or applications of this agreement which can be given effect without the invalid provision or application and to that end the provisions of this contract are declared to be severable.

ARTICLE 9: CONTRACT AMENDMENT

No other agreements, oral or written, shall constitute a part of this contract unless such be made in writing, executed by the parties hereto or their successors, and expressly made a part thereof.

ARTICLE 10: CONTRACT RENEWAL

The contract will not be automatically renewed. The contract may be renewed provided that both parties agree in writing to do so prior to the expiration date. The rate and services may be renegotiated based on performance and service delivery and the mutual agreement of both parties.

ARTICLE 11: NOTICE OF CHANGES

- Section 1:** Service Provider shall notify TYC immediately in writing in advance of any significant change affecting the Service Provider, including but not limited to change of Service Provider's name or identity, location of services, ownership or control, operating entity, governing board membership, key personnel, payee identification number, and other significant changes including residential, educational or clinical services/programming that may affect the delivery of services under the terms of this contract.
- Section 2:** Service Provider shall refrain from transferring or assigning this contract or from entering into any subcontract for the services under this contract without prior written approval from TYC.
- Section 3:** Service Provider shall not relocate the services provided under this contract from the location stated in the preamble without prior written approval from TYC and a certification that the location to which services are to be relocated is in compliance with Chapter 224, Local Government Code.

Required notices will be provided to the Contract Specialist at **4900 North Lamar, Austin, Texas 78751**, and to the Service Provider at **143 Forest Service Road #233, New Waverly, Texas 77358**.

ARTICLE 12: VENUE

In any legal action arising under this contract, the laws of the State of Texas shall apply and venue will be in Travis County, Texas.

ARTICLE 13: PROBLEM SOLVING IN THE ORDINARY COURSE OF BUSINESS

Section 1: The parties to this contract shall use the procedures contained in this article for routine problem solving including claims for breach of contract. Should these procedures not resolve claims for breach of contract, the procedures contained in Article 15 shall be followed thereafter.

Section 2: Informal Resolution: Contract Service Providers and TYC staff will communicate regularly and engage in informal problem solving efforts as a routine measure, thus preventing differences from becoming major problems. When routine measures have been exhausted, TYC staff are encouraged to utilize the following mechanism to resolve problems.

Section 3: Formal Resolution:

- a. Contract Service Providers or TYC staff who wish to submit problems for resolution may do so in writing, including all relevant information and a recommended resolution.
- b. The statement of problem will be submitted to the TYC Program Evaluator unless the problem specifically involves the TYC Program Evaluator, in which case, it will be submitted to the Quality Assurance Administrator.
- c. Problems are resolved within ten working days; written responses will be sent to the individual or program that submitted it, TYC Program Evaluator and Quality Assurance Administrator.

Section 4: **Appeal:** Service Provider desiring to appeal the decision may do so within ten days by writing all pertinent information relevant to the appeal to the Quality Assurance Administrator or Quality Assurance Manager if the problem wasn't resolved by the Quality Assurance Administrator. When appealed, the problem shall be resolved within 14 working days; responses will be sent to the individual or program who submitted it; TYC Program Evaluator; Quality Assurance Administrator; and Quality Assurance Manager.

ARTICLE 14: CLAIMS FOR BREACH OF CONTRACT

Section 1: The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used, as further described herein, by the Texas Youth Commission and Service Provider to attempt to resolve any claim for breach of contract made by the Service Provider.

- a. Service Provider's claim for breach of this contract that the parties cannot resolve in the ordinary course of business shall be submitted to the negotiation process provided in Chapter 2260, Subchapter B, of the Government Code. To initiate the process, the Service Provider shall submit written notice, as required by Subchapter B, to the Executive Director. Said notice shall specifically state that the provisions of Chapter 2260, Subchapter B, are being invoked. A copy of the notice shall also be given to all other representatives of the Texas Youth Commission and the Service Provider otherwise entitled to notice under the parties' contract. Compliance by the Service Provider with Subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 2260, Subchapter C, of the Government Code.
- b. The contested case process provided in Chapter 2260, Subchapter C, of the Government Code is the Service Provider's sole and exclusive process for seeking a remedy for any and all alleged breaches of contract by the Texas Youth Commission if the parties are unable to resolve their disputes under subparagraph A. of this paragraph.
- c. Compliance with the contested case process provided in subchapter C is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this contract by the Texas Youth Commission nor any other conduct of any representative of the Texas Youth Commission relating to the contract shall be considered a waiver of sovereign immunity to suit.

Section 2: The submission, processing and resolution of the Service Provider's claim is governed by the published rules adopted by the Texas Youth Commission pursuant to Chapter 2260, as currently effective, hereafter enacted or subsequently amended.

Section 3: Neither the occurrence of an event nor the pendency of a claim constitute grounds for the suspension of performance by the Service Provider, in whole or in part.

ARTICLE 15: NO THIRD PARTY BENEFICIARIES

The terms of the Agreement are for the sole benefit of the parties to the Agreement and will not be construed to confer any rights on any other person.

ARTICLE 16: RIGHT TO AUDIT

Service Provider understands that acceptance of funds under this contract acts as acceptance of the authority of the State Auditor's Office, TYC or any successor agency, to conduct an audit or investigation in connection with those funds. Service Provider further agrees to cooperate fully with the above parties in the conduct of the audit or investigation, including providing all records requested. Service Provider shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the Service Provider and the requirement to cooperate is included in any subcontract it awards.

Service Provider shall maintain and retain supporting fiscal documents adequate to ensure that claims for contract funds are in accordance with TYC and State of Texas requirements. Service Provider shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the date of submission of the final invoices or until a resolution of all billing questions, whichever is later. Service Provider shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to the State's property, such as work papers, reports, books, data, files, software, records, and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by TYC, the State of Texas or their authorized representatives. Service Provider shall cooperate with auditors and other authorized TYC and State of Texas representatives and shall provide them with prompt access to all of such State's property as requested by TYC or the State of Texas. By example and not as an exclusion to other breaches or failures, Service Provider's failure to comply with this Section shall constitute a material breach of this Agreement and shall authorize TYC to immediately assess the liquidated damages for such failure. For purposes of this Section, the "State's property" includes, but is not limited to, "Work" as defined in the RFO. TYC may require, at Service Provider's sole cost and expense, independent audits by a qualified certified public accounting firm of Service Provider's books and records or the State's property. The independent auditor shall provide TYC with a copy of such audit at the same time it is provided to Service Provider. TYC retains the right to issue a request for proposals for the services of an independent certified public accounting firm under this Agreement. In addition to and without limitation on the other audit provisions of this Agreement, pursuant to Section 2262.003, Tex Government Code, the State Auditor may conduct an audit or investigation of the Service Provider or any other entity or person receiving funds from the state directly under this Agreement or indirectly through a subcontract under this Agreement. The acceptance of funds by the Service Provider or any other entity or person directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. This Agreement may be amended unilaterally by TYC to comply with any rules and procedures of the State Auditor in the implementation and enforcement of Section 2262.003. Under procedures provided by the State Auditor on September 5, 2003, in addition to the above, (1) the Service Provider understands that the acceptance of funds under this Agreement acts as acceptance of the authority of the State Auditor to conduct an audit or investigation in connection with those funds; (2) the Service Provider further agrees to cooperate fully with the State Auditor in the conduct of the audit or investigation, including providing all records requested; and (3) the Service Provider shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through the Service Provider and the requirement to cooperate is included in any subcontract it awards.

ARTICLE 17: PAYMENTS

Prior to authorizing payment to Service Provider, TYC shall evaluate Service Provider's performance using the performance standards set forth in all documents constituting this Contract. Service Provider shall provide invoices to TYC for Services performed. Invoices must be submitted not later than the 15th day of the month after the Services are completed. No payment whatsoever shall be made under this contract without the prior submission of detailed, correct invoices. Subject to the foregoing, TYC must make all payments in accordance with the Texas Prompt Payment Act, Gov't Code, Chapter 2251. Payments under this Contract are subject to the availability of appropriated funds. Service Provider acknowledges and agrees that payments for services provided under this Contract are contingent upon TYC's receipt of funds appropriated by the Texas Legislature.

Service Provider shall invoice Owner for work performed by vendor identification number, building, and purchase order number. Invoices must include the Contract number, the number of employees that worked on the job and the number of hours.

ARTICLE 18: ASSIGNMENTS

Without the prior written consent of TYC, Service Provider may not assign this Contract, in whole or in part, and may not assign any right or duty required under it.

ARTICLE 19: APPLICABLE LAW AND CONFORMING AMENDMENTS

Service Provider must comply with all laws, regulations, requirements and guidelines applicable to a Service Provider providing services to the State of Texas as these laws, regulations, requirements and guidelines currently exist and as they are amended throughout the term of this Contract. TYC reserves the right, in its sole discretion, to unilaterally amend this Contract throughout its term to incorporate any modifications necessary for TYC's or Service Provider's compliance with all applicable State and federal laws, and regulations.

ARTICLE 20: AMENDMENTS

Except as provided in this Contract, this Contract may be amended only upon written agreement between TYC and Service Provider; however, any amendment of this Contract that conflicts with the laws of the State of Texas shall be void.

ARTICLE 21: DECEPTIVE TRADE PRACTICES; UNFAIR BUSINESS PRACTICES

Service Provider represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Tex. Bus. & Com. Code, Chapter 17, or allegations of any unfair business practice in any administrative hearing or court suit and that Service Provider has not been found to be liable for such practices in such proceedings. Service Provider certifies that it has no officers who have served as officers of other entities who have been the subject allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit and that such officers have not been found to be liable for such practices in such proceedings.

ARTICLE 22: EQUAL OPPORTUNITY

Service Provider represents and warrants that it shall not discriminate against any person on the basis of race, color, national origin, creed, religion, political belief, sex, sexual orientation, age, and disability in the performance of this Contract.

ARTICLE 23: ANTITRUST

Service Provider represents and warrants that neither Service Provider nor any firm, corporation, partnership, or institution represented by Service Provider, or anyone acting for such firm, corporation or institution has (1) violated the antitrust laws of the State of Texas under Tex. Bus. & Com. Code, Chapter 15, or the federal antitrust laws; or (2) communicated directly or indirectly the Proposal to any competitor or any other person engaged in such line of business during the procurement process for this Contract.

ARTICLE 24: NO CONFLICTS

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

ARTICLE 25: FINANCIAL INTERESTS; GIFTS

Service Provider represents and warrants that neither Service Provider nor any person or entity that will participate financially in this Contract has received compensation from TYC or any agency of the State of Texas for participation in preparation of specifications for this Contract. Service Provider represents and warrants that it has not given, offered to give, and does not intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to any public servant or employee in connection with this Contract.

ARTICLE 26: FELONY CRIMINAL CONVICTIONS

Service Provider represents and warrants that Service Provider has not and Service Provider's employees have not been convicted of a felony criminal offense, or that, if such a conviction has occurred, Service Provider has fully advised TYC as to the facts and circumstances surrounding the conviction.

ARTICLE 27: FALSE STATEMENTS; BREACH OF REPRESENTATIONS

By signature to this Contract, Service Provider makes all the representations, warranties, guarantees, certifications and affirmations included in this Contract. If Service Provider signed its Proposal with a false statement or signs this Contract with a false statement or it is subsequently determined that Service Provider has violated any of the representations, warranties, guarantees, certifications or affirmations included in this Contract, Service Provider shall be in default under this Contract and TYC may terminate or void this Contract for cause and pursue other remedies available to TYC under this Contract and applicable law.

ARTICLE 28: FORCE MAJEURE

Except as otherwise provided, neither Service Provider nor TYC nor any agency of the State of Texas, shall be liable to the other for any delay in, or failure of performance, of a requirement contained in this Contract caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, strike, fires, explosions, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such party is unable to overcome. Each party must inform the other in writing with proof of receipt within three (3) business days of the existence of such force majeure or otherwise waive this right as a defense.

ARTICLE 29: DEBTS OR DELINQUENCIES TO STATE

The Comptroller is prohibited from issuing any payment to a person or entity that has been reported as having an indebtedness or delinquency to the state. Service Provider agrees that, to the extent Service Provider owes any debt or delinquent taxes to the State of Texas, any payments or other amounts Service Provider is otherwise owed under this Contract shall be applied toward the debt or delinquent taxes until the debt or delinquent taxes are paid in full. Service Provider agrees to comply with all applicable laws regarding satisfaction of debts or delinquencies to the State of Texas.

ARTICLE 30: BUY TEXAS

In accordance with Gov't Code, Section 2155.4441, the State of Texas requires that during the performance of a contract for services, Service Provider shall purchase products and materials produced in the State of Texas when available at a price and time comparable to products and materials produced outside the state.

ARTICLE 31: RECORDS RETENTION

Upon award, TYC will provide a copy of the General Administrative Policy regarding the State of Texas Records Retention Schedule.

ARTICLE 32: ABANDONMENT OR DEFAULT

If Service Provider is found to be in default under any provision of this Contract, TYC may cancel the Contract without notice and either re-solicit or award the contract to the next best responsive and responsible Respondent. In the event of abandonment or default, Service Provider will be responsible for paying damages to TYC including but not limited to re-procurement costs, and any consequential damages to the State of Texas or TYC resulting from Service Provider's non-performance. The defaulting Service Provider will not be considered in the re-solicitation and may not be considered in future solicitations for the same type of work, unless the specification or scope of work is significantly changed.

ARTICLE 33: FUNDING OUT CLAUSE

This contract is subject to cancellation, without penalty, either in whole or in part if funds are not appropriated by the Texas Legislature.

ARTICLE 34: MERGER

This Contract contains the entire agreement between Service Provider and TYC and supersedes any prior understandings or oral or written agreements between TYC and Service Provider on the matters contained herein. No modification, alteration, or waiver of any term, covenant, or condition of this Contract and any attachments shall be valid unless in writing and executed by TYC and Service Provider.

ARTICLE 35: RECYCLED/REMANUFACTURED/ENVIRONMENTALLY SENSITIVE PRODUCTS

Texas State law requires that a purchasing preference be given to any product made from recycled material if the product meets written specifications as to quality and quantity. If a product proposed contains recycled material, please identify the item number and report the percent of all recycled material in the product and the percent of post-consumer material used in the product. "Post-consumer" means material that has been recycled after sale to a consumer as opposed to reuse of manufacturing waste material prior to sale. In addition, identify any products that meet the criteria of "environmentally sensitive."

ARTICLE 36: PROPRIETARY OR CONFIDENTIAL INFORMATION

Responses may include proprietary or confidential information. TYC will take reasonable precautions in protecting such information provided that it is clearly identified as proprietary or confidential on the page on which it appears.

ARTICLE 37: PUBLIC DISCLOSURE

No public disclosures or news releases pertaining to this RFP/Contract shall be made without prior written approval of the TYC.

ARTICLE 38: RIGHT OF OFFSET

In the event the TYC determines that Service Provider owes money to the TYC under any contract or purchase order, the TYC, upon providing Service Provider with written notice of its intent to offset, shall have the right to withhold monies due Service Provider with respect to this Contract or purchase order or with respect to any contract or purchase order with the TYC and apply such monies to the money due to the TYC.

ARTICLE 39: FEDERAL, STATE, AND LOCAL REQUIREMENTS

Service Provider shall demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978, dealing with issuance of Form W-2's to common law employees. Service Provider is responsible for both federal and State unemployment insurance coverage and standard Worker's Compensation Insurance coverage. Service Provider shall comply with all federal and State tax laws and withholding requirements. The State of Texas shall not be liable to Service Provider or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Service Provider shall indemnify the State of Texas and shall pay all costs, penalties, or losses resulting from Service Provider's omission or breach of this Section.

ARTICLE 40: COMPLIANCE WITH APPLICABLE RULES, REGULATIONS, POLICIES, PROCEDURES, AND LAWS

- A. Service Provider shall provide services to TYC that are in compliance with all applicable local, state, and federal laws, rules and regulations now in effect or that become effective during the term hereof including but not limited to, Civil Rights Act of 1964; Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age of Discrimination in Employment Act; the Immigration Act of 1990 and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IMRIRA) enacted on September 30, 1996; Code of Federal Regulations, Title 42, Part 2 (regarding information about drug and alcohol abuse offenders); Environmental Protection Agency (EPA) Rules and Regulations; Texas Code of Criminal Procedure; Texas Health and Safety Code, Chapters 85, 595, 611; Texas Administrative Code, Title 25, Chapter 403, Subchapter K (regarding offender identifying information); the Americans with Disabilities Act of 1990; the Civil Rights Act of 1991; Occupational Safety and Health Act (OSHA) of 1970; Section 231.006, Texas Family Code; Texas Government Code, Chapter 508, 783, 2254, 2259, and 2260; Local Government Code, Chapter 244; and any and all relevant federal and state financial cost principles and audit requirements; and any and all rules, policies and procedures established from time to time by the TYC.
- B. When differences between applicable standards exist, the higher standard, as defined by the TYC, will prevail.

ARTICLE 41: PATENT, TRADEMARK, COPYRIGHT AND OTHER INFRINGEMENT CLAIMS

Service Provider shall indemnify, save and hold harmless the State of Texas from and against claims of patent, trademark, copyright, trade secret or other proprietary rights, violations or infringements arising from the State's or Service Provider's use of or acquisition of any services or other items provided to the State of Texas by Service Provider or otherwise to which the State of Texas has access as a result of Service Provider's performance under this Contract, provided that the State shall notify Service Provider of any such claim within a reasonable time of the State's receiving notice of any such claim. If Service Provider is notified of any claim subject to this section, Service Provider shall notify TYC of such claim within five (5) business days of such notice. No settlement of any such claim shall be made by Service Provider without TYC's prior written approval.

Service Provider shall reimburse the State of Texas for any claims, damages, losses, costs, expenses, judgments or any other amounts, including, but not limited to, attorneys' fees and court costs, arising from any such claim. Service Provider shall pay all reasonable costs of the State's counsel and shall also pay costs of multiple counsel, if required to avoid conflicts of interest. Service Provider represents that it has determined what licenses, patents and permits are required under this Contract and has acquired all such licenses, patents and permits.

ARTICLE 42: NO LIABILITY UPON TERMINATION

If this Contract is terminated for any reason, TYC and the State of Texas shall not be liable to Service Provider for any damages, claims, losses, or any other amounts arising from or related to any such termination. However, Service Provider may be entitled to the remedies provided in Government Code, Chapter 2260.

ARTICLE 43: LIMITATION ON AUTHORITY; NO OTHER OBLIGATIONS

Service Provider shall have no authority to act for or on behalf of TYC or the State of Texas except as expressly provided for in this Contract; no other authority, power or use is granted or implied. Service Provider may not incur any debts, obligations, expenses, or liabilities of any kind on behalf of the State of Texas or the TYC.

ARTICLE 44: REDACTION CLAUSE

Redacted Electronic Copy: Under House Bill 3430, 80th Texas Legislature, (transferring §2177.052, Tex. Gov't Code, to Chapter 322, Tex. Gov't Code and redesignating it as §322.020) and as per the following requirements, no later than two (2) business days after Awarded Vendor's receipt of notice from Texas Youth Commission of Awarded Vendor's tentative contract award, the Awarded Vendor (and no other vendors) must deliver to Texas Youth Commission two (2) electronic copies of its complete proposal. Awarded Vendor shall deliver these electronic copies to Texas Youth Commission via overnight delivery in compliance with all of the following requirements:

- Two (2) CDs, each containing a copy of Awarded Vendor's Proposal, in searchable pdf format, which has excised, blacked out, or otherwise redacted information from its Proposal that Awarded Vendor reasonably considers to be confidential and exempt from public disclosure under the Texas Public Information Act, Chapter 552 of the Texas Government Code (this should be a de minimis portion, if any, of Awarded Vendor's Proposal, such as social security numbers). Each CD shall also contain an Appendix for Awarded Vendor's Proposal which provides a cross reference for the location of all information redacted by Awarded Vendor and a general description of the redacted information. These two (2) identical CDs should be entitled "For Public Release: Redacted Version of [Name of Awarded Vendor]'s Proposal and Exhibits: Texas Youth Commission's RFP No. 694-0-0849."

□ The Texas Legislative Budget Board has now implemented this contracts database. For information regarding the LBB website, go to <http://www.statutes.legis.state.tx.us/SOTWDocs/GV/htm/GV.322.htm#322.020>

□ See the LBB website at www.lbb.state.tx.us <<http://www.lbb.state.tx.us/>>. Texas Youth Commission shall upload to the LBB's contracts database the text of the complete contract (with limited redaction and appendix) no later than ten (10) days after date of contract award. In submitting a Proposal in response to this RFP, Vendors acknowledge that they understand and accept this requirement."

ARTICLE 45: SPECIFICATIONS

The services performed shall be in accordance with the purchase specifications herein. TYC will determine the answers to all questions that may arise as to the interpretation of the specifications and the quality or acceptability of work performed. TYC will decide the rate of progress of the work and the acceptable fulfillment of the service on the part of the Service Provider.

ARTICLE 46: ELECTRONIC AND INFORMATION RESOURCES ACCESSIBILITY, STANDARDS, AS REQUIRED BY 1 TAC CHAPTER 213

1) Effective September 1, 2006 state agencies and institutions of higher education shall procure products which comply with the State of Texas Accessibility requirements for Electronic and Information Resources specified in 1 TAC Chapter 213 when such products are available in the commercial marketplace or when such products are developed in response to a procurement solicitation. 2) Vendor shall provide DIR with the URL to its Voluntary Product Accessibility Template (VPAT) for reviewing compliance with the State of Texas Accessibility requirements (based on the federal standards established under Section 508 of the Rehabilitation Act), or indicate that the product/service accessibility information is available from the General Services Administration "Buy Accessible Wizard" (<http://www.buyaccessible.gov>). Vendors not listed with the "Buy Accessible Wizard" or supplying a URL to their VPAT must provide DIR with a report that addresses the same accessibility criteria in substantively the same format.

Additional information regarding the "Buy Accessible Wizard" or obtaining a copy of the VPAT is located at <http://www.section508.gov/>.

ARTICLE 47: NOTICE

It is good practice to designate who receives formal notices and the acceptable manner for the delivery of such notice in a contract. Examples of notice provisions include:

Delivery of Notices.

Any notice required or permitted to be given under this contract by one party to the other party shall be in writing and shall be given and deemed to have been given immediately if delivered in person to the recipient's address set forth in this section or on the date of certified receipt if placed in the United States mail, postage pre-paid by registered or certified mail with return receipt requested, addressed to the receiving party at the address hereinafter specified.

Service Provider's Mailing Address.

The mailing address of the Service Provider for all purposes under this contract and for all notices hereunder will be: **Gulf Coast Trades Center, 143 Forest Service Road, #233, New Waverly, Texas 77358.**

Texas Youth Commission Mailing Address.

The address for all purposes under this contract and for all notices hereunder shall be sent by registered or certified mail with return receipt to: Texas Youth Commission, P. O. Box 4260, Austin, Texas 78765, Attn: Barbara Kelley, Contract Specialist, 2nd Floor.

ARTICLE 48: SUBSTITUTIONS

Substitutions are not permitted without the written approval of the Texas Youth Commission.

ARTICLE 49: TAXES

Purchases made for state uses are exempt from Texas State Sales Tax and Federal Excise Tax. An Excise Tax Exemption Certificate will be furnished upon written request to the Texas Youth Commission.

ARTICLE 50: PAST PERFORMANCE

A Respondent's past performance will be measured based upon pass/fail criteria, in compliance with applicable provisions of §§2155.074, 2155.075, 2156.007, 2157.003, and 2157.125, Gov't Code. Respondents may fail this selection criterion for any of the following conditions:

- A score of less than 90% in the Vendor Performance System,
 - Currently under a Corrective Action Plan through the CPA,
 - Having repeated negative Vendor Performance Reports for the same reason,
 - Having purchase orders that have been cancelled in the previous 12 months for non-performance (i.e. late delivery, etc.). Contractor performance information is located on the CPA web site at: http://www.window.state.tx.us/procurement/prog/contractor_performance/
- CPA may conduct reference checks with other entities regarding past performance. In addition to evaluating performance through the Vendor Performance Tracking System (as authorized by 34 Texas Administrative Code §20.108), CPA may examine other sources of vendor performance including, but not limited to, notices of termination, cure notices, assessments of liquidated damages, litigation, audit reports, and non-renewals of contracts. Any such investigations shall be at the sole discretion of CPA, and any negative findings, as determined by CPA, may result in non-award to the Respondent.

ARTICLE 51: FEDERAL STATUTE incorporated by Reference

Drug Free Workplace Act of 1988 41 USC 701

CHANGES PAGE

The following items are mutually agreed to by Gulf Coast Trades Center and the Texas Youth Commission, and are hereby incorporated into this Contract.

1. RFP # 694-0-0849 - Section VIII STATEMENT OF WORK, PROGRAM REQUIREMENTS AND NARRATIVE, Page 12 of 88, H. Health Care, has been revised to delete item # 1 and item # 9.

2. RFP # 694-0-0849 - Section VIII STATEMENT OF WORK, PROGRAM REQUIREMENTS AND NARRATIVE, Page 12 of 88, H. Health Care, has been revised to insert the following language as item # 1 and item # 9.
 1. Service Provider will enroll eligible youth in Medicaid or other assistance programs for health care.

 9. For youth not eligible for Medicaid or other assistance programs for health care, obtain authorization and secure an encumbrance number from TYC prior to incurring expenses. These requirements do not apply in the case of a bona fide emergency, in which case notification will be given no later than the next working day after the emergency. Private insurance and governmental assistance programs will be utilized for health care when possible. Promptly send bills to the TYC District Office no later than five (5) days after receipt of the invoice. Costs incurred that do not meet these are the responsibility of the Service Provider.

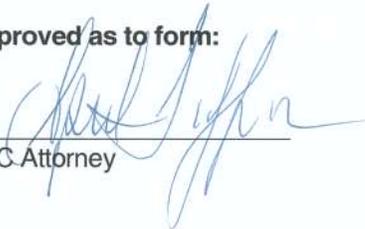
For the Texas Youth Commission:

 7/30/10
Cheryl K. Townsend, Executive Director Date

For the Service Provider:

 Bill Nelson President 7/23/10
Signature Printed Name Title Date

Approved as to form:

 7/8/10
TYC Attorney Date

**SERVICE PROVIDER'S PROPOSED
PROGRAM OVERVIEW
EXHIBIT A**

B. **Proposed Program Overview** – Gulf Coast Trades Center provides residential housing, vocational and academic training, case management and counseling services (including college and career exploration), leadership, post program transitional services including job placement for all participants/graduates. At the point of admission, students are introduced to our strength-based philosophy. Each student is assigned a case manager through our Social Services department to facilitate their transition into our program and develop an individualized plan of care. The educational/vocational needs of each student are assessed and specialized programs are provided for through our Raven Charter School. Special Education and Credit Recovery Services are made available to assist those students that have faced difficulty achieving success in traditional school settings. Vocational training opportunities are provided for through any of our several shops on campus. Building Trades, Business Computer and Information Systems, Culinary Arts, Horticulture, Bricklaying, Automotive Technology and Building Maintenance each offer students the opportunity to gain an employable skill prior to leaving our program. Each student is also given the opportunity to gain a drivers license while in the program. GCTC promotes the physical and mental wellbeing of its students. Our medical department conducts screenings for each student at admission and referrals are made as necessary for medical, dental and mental health care which include anger management and drug/alcohol counseling. We utilize the “Positive Peer Culture” treatment model to encourage students to abandon negative patterns of behavior. To promote self sufficiency students enter our Work Experience program which is followed by access to our post program services. These services include Job Placement Assistance which increase our students’ chances for successful reintegration into their home communities.

- C. GCTC currently provides services to male and female juveniles as described in the TYC RFP #694-0-0849. The Center is licensed as a General Residential Operation by the Texas Department of Family and Protective Services. Students are housed in separate dormitory facilities and have programs and activities planned that are geared to meet their specific needs. All vocational/educational opportunities are non-biased and each gender is given the opportunity to choose a trade suited to their individual interests.
- D. GCTC currently provides programs for male and female juveniles as described in the TYC RFP #694-0-0849. The Center is licensed as a General Residential Operation by the Texas Department of Family and Protective Services. Students are housed in separate dormitory facilities and have programs and activities planned that are geared to meet their specific needs. All vocational/educational opportunities are non-biased and each gender is given the opportunity to choose a trade suited to their individual interests.
- E. GCTC utilizes a cognitive behavioral treatment modality centered on the "Positive Peer Culture" model. Other types of treatment include psychiatric and psychological services, drug and alcohol counseling and anger management. Assessment tools used include the state common application, psychosocial history and psychological assessment.

**SERVICE PROVIDER'S HISTORICALLY
UNDERUTILIZED BUSINESS (HUB)
SUBCONTRACTING PLAN
EXHIBIT B**



HUB SUBCONTRACTING PLAN (HSP)

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

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

The HUB Program promotes equal business opportunities for economically disadvantaged persons to contract with the State of Texas in accordance with the goals specified in the State of Texas Disparity Study. The HUB goals defined in 34 TAC §20.13 are: *11.9 percent for heavy construction other than building contracts, 26.1 percent for all building construction, including general contractors and operative builders contracts, 57.2 percent for all special trade construction contracts, 20 percent for professional services contracts, 33 percent for all other services contracts, and 12.6 percent for commodities contracts.*

-- Agency Special Instructions/Additional Requirements --

SECTION 9 - RESPONDENT AND SOLICITATION INFORMATION

a. Respondent (Company) Name: Gulf Coast Trades Center State of Texas VID #: 17416949497001
 Point of Contact: Bill Gholson Phone #: 936-344-6677

b. Is your company a State of Texas certified HUB? - Yes - No

c. Solicitation #: 694-0-0849

SECTION 9.1 - SUBCONTRACTING INTENTIONS

After having divided the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, the respondent must determine what portion(s) of work, including goods or services, will be subcontracted. Note: In accordance with 34 TAC §20.12, a "Subcontractor" means a person who contracts with a vendor to work, to supply commodities, or contribute toward completing work for a governmental entity. Check the appropriate box that identifies your subcontracting intentions:

- Yes, I will be subcontracting portion(s) of the contract.
 (If Yes, in the spaces provided below, list the portions of work you will be subcontracting, and go to page 2.)
- No, I will not be subcontracting any portion of the contract, and will be fulfilling the entire contract with my own resources.
 (If No, complete SECTION 9 and 10.)

Line Item # - Subcontracting Opportunity Description	Line Item # - Subcontracting Opportunity Description
(#1) - <u>Student Supplies</u>	(#11) -
(#2) - <u>Audit Services</u>	(#12) -
(#3) -	(#13) -
(#4) -	(#14) -
(#5) -	(#15) -
(#6) -	(#16) -
(#7) -	(#17) -
(#8) -	(#18) -
(#9) -	(#19) -
(#) -	(#20) -

If you have more than twenty subcontracting opportunities, a continuation page is available at <http://www.window.state.tx.us/procurement/prog/hub/forms/HUBSubcontractingPlanContinuationPage1.doc>

Enter your company's name here: Gulf Coast Trades Center Solicitation #: 694-D-0849

IMPORTANT: You must complete a copy of this page for each of the subcontracting opportunities you listed in SECTION 2. You may photocopy this page or download copies at <http://www.window.state.tx.us/procurement/prog/hub/hub-forms/HUBSubcontractingPlanContinuationPage2.doc>.

SECTION 3 - SUBCONTRACTING OPPORTUNITY

Enter the line item number and description of the subcontracting opportunity you listed in SECTION 2.

Line Item # 1 Description: Student Supplies

SECTION 4 - MENTOR-PROTEGE PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting their Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the portion of work (subcontracting opportunity) listed in SECTION 3, constitutes a good faith effort towards that specific portion of work. Will you be subcontracting the portion of work listed in SECTION 3 to your Protégé?

- Yes (If Yes, complete SECTION 8 and 10.) - No / Not Applicable (If No or Not Applicable, go to SECTION 5.)

SECTION 5 - PROFESSIONAL SERVICES CONTRACTS ONLY

This section applies to Professional Services Contracts only. All other contracts go to SECTION 6.

Does your HSP contain subcontracting of 20% or more with HUB(s)?

- Yes (If Yes, complete SECTION 8 and 10.) - No / Not Applicable (If No or Not Applicable, go to SECTION 6.)

In accordance with Gov't Code §2254.004, "Professional Services" means services: (A) within the scope of the practice, as defined by state law of accounting; architecture; landscape architecture; land surveying; medicine; optometry; professional engineering; real estate appraising; or professional nursing; or (B) provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant; an architect; a landscape architect; a land surveyor; a physician, including a surgeon; an optometrist; a professional engineer; a state certified or state licensed real estate appraiser; or a registered nurse.

SECTION 6 - NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

Complying with a, b and c of this section constitutes Good Faith Effort towards the portion of work listed in SECTION 3. After performing the requirements of this section, complete SECTION 7, 8 and 10.

- a. Provide written notification of the subcontracting opportunity listed in SECTION 3 to three (3) or more HUBs. Use the State of Texas Centralized Master Bidders List (CMBL), found at <http://www2.cpa.state.tx.us/cmb/cmbhub.html>, and its HUB Directory, found at <http://www2.cpa.state.tx.us/cmb/hubonly.html>, to identify available HUBs. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.
- b. Provide written notification of the subcontracting opportunity listed in SECTION 3 to a minority or women trade organization or development center to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. A list of trade organizations and development centers may be accessed at <http://www.window.state.tx.us/procurement/prog/hub/mwb-links-1/>. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.
- c. Written notifications should include the scope of the work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. Unless the contracting agency has specified a different time period, you must allow the HUBs no less than five (5) working days from their receipt of notice to respond, and provide notice of your subcontracting opportunity to a minority or women trade organization or development center no less than five (5) working days prior to the submission of your response to the contracting agency.

SECTION 7 - HUB FIRMS CONTACTED FOR SUBCONTRACTING OPPORTUNITY

List three (3) State of Texas certified HUBs you notified regarding the portion of work (subcontracting opportunity) listed in SECTION 3. Specify the vendor ID number, date you provided notice, and if you received a response. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.

Company Name	VID #	Notice Date (mm/dd/yyyy)	Was Response Received?
		<u>7 / 1</u>	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
		<u>1 / 1</u>	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
		<u>1 / 1</u>	<input type="checkbox"/> - Yes <input type="checkbox"/> - No

SECTION 8 - SUBCONTRACTOR SELECTION

List the subcontractor(s) you selected to perform the portion of work (subcontracting opportunity) listed in SECTION 3. Also, specify the expected percentage of work to be subcontracted, the approximate dollar value of the work to be subcontracted, and indicate if the company is a Texas certified HUB.

Company Name	VID #	Expected % of Contract	Approximate Dollar Amount	Texas Certified HUB?
<u>Double J Embroidery</u>	<u>1260484118400/526</u>	<u>100%</u>	<u>\$ 10,000</u>	<input checked="" type="checkbox"/> - Yes <input type="checkbox"/> - No*
		<u>%</u>	<u>\$</u>	<input type="checkbox"/> - Yes <input type="checkbox"/> - No*

*If the subcontractor(s) you selected is not a Texas certified HUB, provide written justification of your selection process below:

Enter your company's name here: Gulf Coast Trades Center Solicitation #: 694-0-0849

IMPORTANT: You must complete a copy of this page for each of the subcontracting opportunities you listed in SECTION 2. You may photocopy this page or download copies at <http://www.window.state.tx.us/procurement/prog/hub/hub-forms/HUBSubcontractingPlanContinuationPage2.doc>.

SECTION 3 - SUBCONTRACTING OPPORTUNITY

Enter the line item number and description of the subcontracting opportunity you listed in SECTION 2.

Line Item #: 1 Description: Student Supplies

SECTION 4 - MENTOR-PROTEGE PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor-Protégé Program, submitting their Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the portion of work (subcontracting opportunity) listed in SECTION 3, constitutes a good faith effort towards that specific portion of work. Will you be subcontracting the portion of work listed in SECTION 3 to your Protégé?

Yes (If Yes, complete SECTION 8 and 10.) No / Not Applicable (If No or Not Applicable, go to SECTION 5.)

SECTION 5 - PROFESSIONAL SERVICES CONTRACTS ONLY

This section applies to Professional Services Contracts only. All other contracts go to SECTION 6.

Does your HSP contain subcontracting of 20% or more with HUB(s)?

Yes (If Yes, complete SECTION 8 and 10.) No / Not Applicable (If No or Not Applicable, go to SECTION 6.)

In accordance with Gov't Code §2254.004, "Professional Services" means services: (A) within the scope of the practice, as defined by state law of accounting; architecture; landscape architecture; land surveying; medicine; optometry; professional engineering; real estate appraising; or professional nursing; or (B) provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant; an architect; a landscape architect; a land surveyor; a physician, including a surgeon; an optometrist; a professional engineer; a state certified or state licensed real estate appraiser; or a registered nurse.

SECTION 6 - NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

Complying with a, b and c of this section constitutes Good Faith Effort towards the portion of work listed in SECTION 3. After performing the requirements of this section, complete SECTION 7, 8 and 10.

- a. Provide written notification of the subcontracting opportunity listed in SECTION 3 to three (3) or more HUBs. Use the State of Texas Centralized Master Bidders List (CMBL), found at <http://www2.cpa.state.tx.us/cmb/cmb/hub.html>, and its HUB Directory, found at <http://www2.cpa.state.tx.us/cmb/hubdir.htm>, to identify available HUBs. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.
- b. Provide written notification of the subcontracting opportunity listed in SECTION 3 to a minority or women trade organization or development center to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. A list of trade organizations and development centers may be accessed at <http://www.window.state.tx.us/procurement/prog/hub/mwb-links.d/>. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.
- c. Written notifications should include the scope of the work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. Unless the contracting agency has specified a different time period, you must allow the HUBs no less than five (5) working days from their receipt of notice to respond, and provide notice of your subcontracting opportunity to a minority or women trade organization or development center no less than five (5) working days prior to the submission of your response to the contracting agency.

SECTION 7 - HUB FIRMS CONTACTED FOR SUBCONTRACTING OPPORTUNITY

List three (3) State of Texas certified HUBs you notified regarding the portion of work (subcontracting opportunity) listed in SECTION 3. Specify the vendor ID number, date you provided notice, and if you received a response. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.

Company Name	VID #	Notice Date (mm/dd/yyyy)	Was Response Received?
		/ /	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
		/ /	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
		/ /	<input type="checkbox"/> - Yes <input type="checkbox"/> - No

SECTION 8 - SUBCONTRACTOR SELECTION

List the subcontractor(s) you selected to perform the portion of work (subcontracting opportunity) listed in SECTION 3. Also, specify the expected percentage of work to be subcontracted, the approximate dollar value of the work to be subcontracted, and indicate if the company is a Texas certified HUB.

Company Name	VID #	Expected % of Contract	Approximate Dollar Amount	Texas Certified HUB?
<u>Lysader Element</u>	<u>1432096806900</u>	<u>100%</u>	<u>\$ 12,000</u>	<input checked="" type="checkbox"/> - Yes <input type="checkbox"/> - No
		%	\$	<input type="checkbox"/> - Yes <input type="checkbox"/> - No

If the subcontractor(s) you selected is not a Texas certified HUB, provide written justification of your selection process below:

Enter your company's name here: Gulf Coast Trades Center Solicitation #: 694-0-0849

IMPORTANT: You must complete a copy of this page for each of the subcontracting opportunities you listed in SECTION 2. You may photocopy this page or download copies at <http://www.window.state.tx.us/procurement/prod/hub/hub-forms/HUBSubcontractingPlanContinuationPage2.doc>.

SECTION 3 - SUBCONTRACTING OPPORTUNITY

Enter the line item number and description of the subcontracting opportunity you listed in SECTION 2.

Line Item #: 2 Description: Audit Services

SECTION 4 - MENTOR-PROTÉGÉ PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting their Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the portion of work (subcontracting opportunity) listed in SECTION 3, constitutes a good faith effort towards that specific portion of work. Will you be subcontracting the portion of work listed in SECTION 3 to your Protégé?

- Yes (If Yes, complete SECTION 8 and 10.) - No / Not Applicable (If No or Not Applicable, go to SECTION 5)

SECTION 5 - PROFESSIONAL SERVICES CONTRACTS ONLY

This section applies to Professional Services Contracts only. All other contracts go to SECTION 6.

Does your HSP contain subcontracting of 20% or more with HUB(s)?

- Yes (If Yes, complete SECTION 8 and 10.) - No / Not Applicable (If No or Not Applicable, go to SECTION 6.)

In accordance with Govt Code §2254.004, "Professional Services" means services: (A) within the scope of the practice, as defined by state law of accounting; architecture; landscape architecture; land surveying; medicine; optometry; professional engineering; real estate appraising; or professional nursing; or (B) provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant; an architect; a landscape architect; a land surveyor; a physician, including a surgeon; an optometrist; a professional engineer; a state certified or state licensed real estate appraiser; or a registered nurse.

SECTION 6 - NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

Complying with a, b and c of this section constitutes Good Faith Effort towards the portion of work listed in SECTION 3. After performing the requirements of this section, complete SECTION 7, 8 and 10.

- a. Provide written notification of the subcontracting opportunity listed in SECTION 3 to three (3) or more HUBs. Use the State of Texas Centralized Master Bidders List (CMBL), found at <http://www2.cpa.state.tx.us/cmb/cmb/hub.html>, and its HUB Directory, found at <http://www2.cpa.state.tx.us/cmb/hubonly.html>, to identify available HUBs. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.
- b. Provide written notification of the subcontracting opportunity listed in SECTION 3 to a minority or women trade organization or development center to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. A list of trade organizations and development centers may be accessed at <http://www.window.state.tx.us/procurement/prod/hub/mwb-links.html>. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.
- c. Written notifications should include the scope of the work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. Unless the contracting agency has specified a different time period, you must allow the HUBs no less than five (5) working days from their receipt of notice to respond, and provide notice of your subcontracting opportunity to a minority or women trade organization or development center no less than five (5) working days prior to the submission of your response to the contracting agency.

SECTION 7 - HUB FIRMS CONTACTED FOR SUBCONTRACTING OPPORTUNITY

List three (3) State of Texas certified HUBs you notified regarding the portion of work (subcontracting opportunity) listed in SECTION 3. Specify the vendor ID number, date you provided notice, and if you received a response. Note: Attach supporting documentation (letters, phone logs, fax transmittals, electronic mail, etc.) demonstrating evidence of the good faith effort performed.

Company Name	VID #	Notice Date (mm/dd/yyyy)	Was Response Received?
_____	_____	____/____/____	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
_____	_____	____/____/____	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
_____	_____	____/____/____	<input type="checkbox"/> - Yes <input type="checkbox"/> - No

SECTION 8 - SUBCONTRACTOR SELECTION

List the subcontractor(s) you selected to perform the portion of work (subcontracting opportunity) listed in SECTION 3. Also, specify the expected percentage of work to be subcontracted, the approximate dollar value of the work to be subcontracted, and indicate if the company is a Texas certified HUB.

Company Name	VID #	Expected % of Contract	Approximate Dollar Amount	Texas Certified HUB?
<u>Gomez & Company</u>	<u>1760225893500</u>	<u>100 %</u>	<u>\$25,000</u>	<input checked="" type="checkbox"/> - Yes <input type="checkbox"/> - No
_____	_____	____ %	____ \$	<input type="checkbox"/> - Yes <input type="checkbox"/> - No

If the subcontractor(s) you selected is not a Texas certified HUB, provide written justification of your selection process below:

HUB Subcontracting Statement

It is the policy of the Texas Youth Commission to promote and encourage contracting and subcontracting opportunities for State of Texas certified Historically Underutilized Businesses (HUBs) in all contracts in compliance with Texas Government Code, Statute 2161.001-253. Proposers are encouraged to become HUB certified. State of Texas HUB information and applications may be found at:

<http://www.window.state.tx.us/procurement/prog/hub/hub-certification/>

Definitions for State of Texas HUB certifiable businesses can be found in Texas Administrative Code Title 34 Part 1, Subchapter B, Chapter §20.12 under the Comptroller of Public Accounts Procurement and Support Services (TPASS) program and HUB Rules:

Reference number: RFP# 694-0-0849

It has been determined by the Agency that there are probable subcontracting opportunities in the scope of the work for this proposal/offer.

TYC has provided a brief list of potential areas of subcontracting based upon the TYC's understanding of this procurement request. Proposers are not limited to the potential subcontracting areas listed below. TYC is relying upon the Proposer's expertise to fully identify subcontracting opportunities that best align with their organization and this procurement request. Proposers, who intend to subcontract, are responsible for identifying all areas that will be subcontracted and must perform the good faith effort process for each identified subcontracting area as required by the HUB Subcontracting Plan Form documents.

Class	Item	Description
910	39	Janitorial/Custodial Services
910	54	Painting, Maintenance and Repair Services
910	60	Plumbing Maintenance and Repair
948	76	Psychologists/Psychological and Psychiatric Services
958	67	Food Service Management Services
961	02	Administrative Services, (clerical, secretarial)
990	46	Guard Services and Security Services

A HUB Subcontracting Form **must** be filled out and returned with any bid, offer or proposal to be considered responsive. **If your response to this solicitation does not include a HUB Subcontracting Plan, your response shall be rejected as a material failure to comply with advertised specifications. All prime vendors (HUB or Non-HUB) are required to comply.**

Search the State of Texas HUB Database for HUB vendors by the NIGP class and item at the following link:

<http://www.window.state.tx.us/procurement/cmb/cmbhub.html>

Additional minority and women owned business association resources are available for your subcontracting solicitation notices to State of Texas HUB vendors at this link:

<http://www.cpa.state.tx.us/procurement/prog/hub/mwb-links-1/>

If you have any questions about the HUB Subcontracting form, finding HUB vendors, or the State of Texas HUB Program, please contact Barbara Kelley at 512-424-6265, Fax 512-424-6387 or e-mail as follows: barbara.kelley@tyc.state.tx.us

Enter your company's name here:

Gulf Coast Trades Center

Solicitation #:

694-0-0849**SECTION 9****SELF PERFORMANCE JUSTIFICATION**

(If you responded "No" to SECTION 2, you must complete SECTION 9 and 10.)

Does your response/proposal contain an explanation demonstrating how your company will fulfill the entire contract with its own resources?

- Yes If Yes, in the space provided below, list the specific page/section of your proposal which identifies how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.
- No If No, in the space provided below, explain how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.

Gulf Coast Trades Center is a member of The Buy Board and Region 6 Cooperative Purchasing Programs. The Center also submits annual Vendors Request in the newspaper to give new vendors the opportunity to bid on services and supplies the Center needs each year. The Center utilizes bids to compare pricing to maximize cost savings at every opportunity.

SECTION 10 AFFIRMATION

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

- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report -- PAR) to the contracting agency, verifying their compliance with the HSP, including the use/expenditures they have made to subcontractors. (The PAR is available at <http://www.window.state.tx.us/procurement/proc/hub/hub-forms/progressassessmentrpt.xls>).
- The respondent must seek approval from the contracting agency prior to making any modifications to their HSP. If the HSP is modified without the contracting agency's prior approval, respondent may be subject to debarment pursuant to Gov't Code §2161.253(d).
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work-site where services are to be performed and must provide documents regarding staff and other resources.


Signature

Bill Gholson
Printed Name

President
Title

4/14/10
Date

**TYC 2010 COST REPORT FOR RESIDENTIAL
PROVIDERS
EXHIBIT C**



TYC 2010 Cost Report for Residential Providers (Exhibit J)

Section I. General Information

For assistance or information, contact Suzi Rowan, Administrative Assistant, Contracts, at 512-424-6094 or you can e-mail Suzi Rowan at the following e-mail: suzi.rowan@tyc.state.tx.us

Mail the completed Cost Report to:

Texas Youth Commission
 Attn: Suzi Rowan, Administrative
 Assistant, Contracts
 P.O. Box 4260
 Austin, Texas 78765

Address for Special Mail Delivery:

Texas Youth Commission
 Attn: Suzi Rowan, Administrative Assistant
 Contracts
 4900 North Lamar
 Austin, Texas 78751

Service Provider

Provider Name	
Street Address	
City & County	
State & Zip Code	
E-mail Address	
Mailing Address (if different than street address)	
City	
State & Zip Code	
Facility Name	
Facility Address	
City & County	
State & Zip Code	

Management Company

Name	
Mailing Address	
City	
State	
Zip Code	



Section I. General Information

Preparer

Name of Preparer	
Title	
Telephone Number	
Fax Number	
Mailing Address (Street or P.O. Box, City, State, Zip)	

Contact Person

Name of Contact Person	
Title	
Telephone Number	
Fax Number	
Mailing Address (Street or P.O. Box, City, State, Zip)	

Location of records used to complete this cost report (Street, City, State, Zip)

Reporting Period

1. Beginning Date (mm/dd/yyyy)							
2. Ending Date (mm/dd/yyyy)							

If not the entire fiscal year, give reason: _____



Section I. General Information

3. Service Provider is a:

<i>Proprietary or Profit</i>	a.	<input type="checkbox"/>	Sole Owner
	b.	<input type="checkbox"/>	Partnership
	c.	<input type="checkbox"/>	Limited Partnership
	d.	<input type="checkbox"/>	Limited Liability Company
	e.	<input type="checkbox"/>	"S" Corporation
	f.	<input type="checkbox"/>	Corporation
<i>Nonprofit Corporation</i>	g.	<input type="checkbox"/>	Owned or affiliated with religious organization
	h.	<input type="checkbox"/>	Not owned or affiliated with religious organization
<i>Nonprofit Association</i>	i.	<input type="checkbox"/>	Owned or affiliated with religious organization
	j.	<input type="checkbox"/>	Not owned or affiliated with religious organization
<i>Government</i>	k.	<input type="checkbox"/>	State
	l.	<input type="checkbox"/>	County
	m.	<input type="checkbox"/>	Municipal
	n.	<input type="checkbox"/>	Special District

4. Management Company is a:

<i>Proprietary or Profit</i>	a.	<input type="checkbox"/>	Sole Owner
	b.	<input type="checkbox"/>	Partnership
	c.	<input type="checkbox"/>	Limited Partnership
	d.	<input type="checkbox"/>	Limited Liability Company
	e.	<input type="checkbox"/>	"S" Corporation
	f.	<input type="checkbox"/>	Corporation
<i>Nonprofit Corporation</i>	g.	<input type="checkbox"/>	Owned or affiliated with religious organization
	h.	<input type="checkbox"/>	Not owned or affiliated with religious organization
<i>Nonprofit Association</i>	i.	<input type="checkbox"/>	Owned or affiliated with religious organization
	j.	<input type="checkbox"/>	Not owned or affiliated with religious organization
<i>Government</i>	k.	<input type="checkbox"/>	State
	l.	<input type="checkbox"/>	County
	m.	<input type="checkbox"/>	Municipal
	n.	<input type="checkbox"/>	Special District
	o.	<input type="checkbox"/>	N/A



Section I. General Information

5. Is the management company a related party to the service provider?

Yes [] No [] N/A []

If yes, describe relationship: _____

1. Does the service provider hold any other contracts Yes [] No [] N/A [] or grants with agencies of the State of Texas for providing juvenile services? If yes, provide the agency name and type of program for each contract or grant:

Table with 2 columns: Agency, Type of Program. Rows a through e.

7. Average Daily Population – TYC Youth.....7. _____

8. Average Daily Population – Non-TYC Youth8. _____

9. Number of Youth Facility Licensed to Serve9. _____

10. Number of Youth Equipped to Serve.....10. _____



TYC 2010 Cost Report for Residential Providers

Section II. Revenue and Cost Summary

1. Revenue:

TYCa. _____
Otherb. _____
Total revenuec. _____

2. Cost of Operations:

Basic Care (Line 13, page 7).....a. _____
Treatment Services (Line 6, page 8)b. _____
Education (Line 8, page 9)c. _____
Medical Services (Line 10, page 11)d. _____
Student Transportation (Line 7, page 12)e. _____
Direct Administration (Line 6, page 13)f. _____
Central Office Administration (Line 12, page 13).....g. _____
Overhead (Line 10, page 14)h. _____
Total Cost of Operations.....i. _____



TYC Cost Report for Residential Providers

Section III. Basic Care

Cost Data:

1. Child Care Workers Salaries, Benefits, and Taxes

Salariesa. _____
Benefitsb. _____
Taxesc. _____
Total Care Workers Salaries, Benefits and Taxesd. _____

2. Caseworkers Salaries, Benefits, and Taxes

Salariesa. _____
Benefitsb. _____
Taxesc. _____
Total Caseworkers Salaries, Benefits, and Taxesd. _____

3. Food Service Staff Salaries, Benefits, and Taxes

Salariesa. _____
Benefitsb. _____
Taxesc. _____
Total Food Service Staff Salaries, Benefits, and Taxesd. _____

4. Other Basic Care Staff Salaries, Benefits, and Taxes

Salariesa. _____
Benefitsb. _____
Taxesc. _____
Total Other Basic Care Staff Salaries, Benefits, and Taxesd. _____

5. Cost of Food

Food at Gross Cost.....a. _____
Less: USDA Revenues.....b. _____
Food at Net Cost (Line 5.a. minus Line 5.b.)c. _____

6. Clothing 6. _____

7. Recreation Fees and Supplies 7. _____



TYC Cost Report for Residential Providers

Section III. Basic Care

- 8. Personal Care Supplies 8. _____
- 9. Laundry, Linen, and Housekeeping Supplies 9. _____
- 10. Staff Travel 10. _____
- 11. Staff Training 11. _____
- 12. Other 12. _____
- 13. Total Basic Care Costs (Enter total on Line 2a., Page 5)..... 13. _____

Service Data:

Positions	Annual Actual Hours Paid
Child Care Workers	
Caseworkers	
Other Basic Care Staff	
Food Service Staff	

Service	Average Number of Meals Served Per Month
Meals Served	



TYC Cost Report for Residential Providers

Section IV. Medical Services

Cost Data:

Cost for Treatment Services

- 1. General Counseling (for example, aggression management, art therapy) 1. _____
- 2. Sex Offender (services must be provided by licensed provider and registered provider) 2. _____
- 3. Chemical Dependency (services must be provided by licensed counselor, does not include cdf education) 3. _____
- 4. Mental Health 4. _____
- 5. Other 5. _____

- 6. **Total Cost for Treatment Services** (Enter total on Line 2b., Page 5) 6. _____

Service Data:

Treatment Services	Number of Hours		
	Individual Counseling	Group Counseling	Other
General Counseling			
Sex Offender			
Chemical Dependency			
Mental Health			
Other			



TYC Cost Report for Residential Providers

Section V. Education

Cost Data:

1. Teacher Salaries, Benefits, and Taxes

Salaries a. _____
 Benefits b. _____
 Taxes..... c. _____
Total Teacher Salaries, Benefits, and Taxes d. _____

2. Teacher Aide Salaries, Benefits, and Taxes

Salaries..... a. _____
 Benefits..... b. _____
 Taxes c. _____
Total Teacher Aide Salaries, Benefits, and Taxes..... d. _____

3 Other Education Staff Salaries, Benefits, and Taxes

Salaries..... a. _____
 Benefits..... b. _____
 Taxes c. _____
Total Other Education Staff Salaries, Benefits, and Taxes..... d. _____

4. Supplies 4. _____

5. Staff Training..... 5. _____

6. Staff Travel..... 6. _____

7. Other Education Costs 7. _____

8. Total Education Costs (Enter total on Line 2c., Page 5) 8. _____

Service Data:

Total Days of In house Educational Services	
Total Paid Teacher Hours	



TYC Cost Report for Residential Providers

Section VI. Medical Services

Cost Data:

1. RN Salaries, Benefits, and Taxes

Salaries..... a. _____
Benefits..... b. _____
Taxes c. _____
Total RN Salaries, Benefits, and Taxes..... d. _____

2. LVN Salaries, Benefits, and Taxes

Salaries..... a. _____
Benefits..... b. _____
Taxes c. _____
Total LVN Salaries, Benefits, and Taxes..... d. _____

3. Other Medical Staff Salaries, Benefits, and Taxes

Salaries..... a. _____
Benefits..... b. _____
Taxes c. _____
Total Other Medical Staff Salaries, Benefits, and Taxes d. _____

4. Medical Supplies..... 4. _____

5. Over-the-counter medications..... 5. _____

6. Other In-house (describe)..... 6. _____

7. Total In-house Medical Services 7. _____



TYC Cost Report for Residential Providers

Section VI. Medical Services

8. **Cost for Psychiatrist** 8. _____

9. **Other Contracted** 9. _____

10. **Total Costs for Medical Services** (line 7 plus line 8 plus line 9) (Enter total on Line 2d., Page 5) 10. _____

Service Data:

Service	Annual
Routine In house Sick Call Visits	
Off-Site Medical Appointments (Number of Youth)	
Paid RN Hours	
Paid LVN Hours	
Paid Psychiatrist Hours	



TYC Cost Report for Residential Providers

Section VII. Student Transportation

Cost Data:

1. Transportation Staff Salaries, Benefits, and Taxes

Salaries..... a. _____
 Benefits..... b. _____
 Taxes..... c. _____
Total Transportation Staff Salaries, Benefits, and Taxes..... d. _____

2. Transportation Equipment Rental/Lease 2. _____

3. Transportation Equipment Insurance..... 3. _____

4. Transportation Equipment Depreciation..... 4. _____

5. Gasoline, Oil, and Repairs..... 5. _____

6. Other 6. _____

7. Total Student Transportation Expenses (Enter total on Line 2e., Page 5) 7. _____

Service Data:

Vehicle(s) Make/Model(s)	Miles Logged During Year



TYC Cost Report for Residential Providers

Section VIII. Administration

Direct Administration (on-site)

1. Direct Administrative Salaries, Benefits, and Taxes

Salaries..... a. _____
Benefits..... b. _____
Taxes..... c. _____
Total Direct Administrative Salaries, Benefits, and Taxes..... d. _____

2. Supplies 2. _____

3. Staff Training..... 3. _____

4. Staff Travel..... 4. _____

5. Other..... 5. _____

6. Total Direct Administration Costs (Enter total on Line 2f., Page 5) 6. _____

Central Office Administration Costs (off-site)

7. Central Office Administrative Salaries, Benefits, and Taxes

Salaries..... a. _____
Benefits..... b. _____
Taxes..... c. _____
Total Central Office Administrative Salaries, Benefits, and Taxes..... d. _____

8. Supplies 8. _____

9. Staff Training..... 9. _____

10. Staff Travel 10. _____

11. Other..... 11. _____

12. Total Central Office Administration Costs (Enter total on Line 2g., Page 5) . 12 _____

Describe the method(s) used to allocate Central Office Administration Costs:



TYC Cost Report for Residential Providers

Section IX. Overhead

Cost Data:

- 1. **Workers' Compensation Costs** 1. _____
- 2. **Maintenance Staff Salaries, Benefits, and Taxes**
 - Salaries..... a. _____
 - Benefits..... b. _____
 - Taxes..... c. _____
 - Total Maintenance Staff Salaries, Benefits, and Taxes** d. _____
- 3. **Contract Maintenance Staff**..... 3. _____
- 4. **Rental/Lease Costs** (except vehicles)..... 4. _____
- 5. **Depreciation and Amortization Expense** (except vehicles)..... 5. _____
- 6. **Liability and other Insurance** (except vehicles)..... 6. _____
- 7. **Auditing Costs** 7. _____
- 8. **Utilities and Telecommunications**..... 8. _____
- 9. **Other Overhead Costs** 9. _____
- 10. **Total Overhead Costs** (Enter total on Line 2h., Page 5) 10. _____

Service Data:

Activity	Square Footage	Number of Full Time Equivalents
Basic Care		
Treatment Services		
Education		
Medical Services		
Student Transportation		
Administrative		



TYC Cost Report for Residential Providers

Section X. Donated Goods and Services

List below the estimated value of the donated goods or services received at the facility during the reporting period.

	<u>Estimated Value</u>
1. Food	1. _____
2. Clothing	2. _____
3. Supplies	3. _____
4. Vehicles	4. _____
5. Volunteer Workers (Number of hours _____)	5. _____
6. Other	6. _____
7. Total Value.....	7. _____



TYC Cost Report for Residential Providers

Section XI. Certification

The cost report certification must be signed by the individual legally responsible for the conduct of the Service Provider, such as the Owner, Partner, a Corporate Officer, an Association Officer, or a Governmental Official. The administrator/director is authorized to sign only if he/she holds one of these positions.

CERTIFICATION:

I certify by my signature below that I have read all the instructions and rules applicable to this cost report; that the information herein is, to the best of my knowledge, complete and accurate; that I have reviewed the information herein; and that I have full authority of the Service Provider to submit this cost report.

Name of Service Provider

Printed Name of Signer

Title of Signer

Signature of Signer

Date



2010 TYC COST REPORT FOR RESIDENTIAL PROVIDERS

INSTRUCTIONS

Overall Instructions:

Fill in every blank. If no costs were incurred, or there is no service data available, note "0" in the blank.

For programs with "outreach" functions, report only the residential revenues and costs.

Section I. General Information

Service Provider block: Fill in the name and address of the organization that actually has a contract with the Texas Youth Commission (TYC). Be sure to include the e-mail address and mailing address if different from the street address. If the name and/or address of the facility are different from the service provider name, indicate in facility name section.

Management Company block: Fill in the information only if an entity other than the Service Provider operates or manages the facility. Otherwise, leave blank.

Preparer block: Must be completed. Information should be reported in this area about the actual person who prepared the cost report.

Contact Person block: Must be completed. The contact person must be an employee of the Service Provider or management company, not an outside accountant/consultant.

Location of the records block: Used to prepare this report must be completed. The location information will be used in scheduling field audits.

Reporting Period block: Normally the reporting period dates are for the beginning and ending dates of the Service Provider's fiscal year. If service was provided for less than a full year, provide the actual service dates.

Item 3. Provide the type ownership information regarding the entity that has a contract/provider agreement with the TYC. Check one box only.

Item 4. Provide the type management information only if someone manages the facility other than the service provider. Check one box only. If no management company, check N/A.

Item 5. A related party as defined in the TYC contract always includes a family member by blood or marriage, (i.e., spouse, parents, grandparents, child(ren), grandchild(ren), aunt, uncle, niece, nephew, first cousins). In addition a related party is defined as any person or entity involved with Service Provider in any manner that would result in the ability of either party to significantly influence the management or operation of the other. Examples of related parties include, but are not limited to, parent companies, subsidiaries, as well as principal investors, owners or managers, and their relatives as listed above.

Item 6. List your STATE OF TEXAS contracts by agency and type of program for all contracted juvenile services. If none, leave blank.

Item 7. Provide the AVERAGE Daily Population of TYC Youth *only*.

Item 8. Provide the AVERAGE Daily Population of all NON-TYC Youth.

Item 9. Provide the number of youth the facility is LICENSED to serve.

Item 10. Provide the number of youth the facility is equipped to serve.

If you are electronically submitting your report:

Item 11. Provide the revenue from TYC and the revenue from all other sources.

Section II. Revenue and Cost Summary

You do not complete this summary if you are electronically submitting the report. The computer program will prepare the summary.

If you are manually submitting the report:

Item 1a-c. Provide the revenue from TYC and the revenue from all other sources.

Item 2a-h. Transcribe the total from each section of the cost report. If there are no costs for a particular section, then enter -0-.

Section III. Basic Care

Cost Data:

Items 1-4. Report the salaries and wages for the child care workers, caseworkers, food service staff, and other basic care staff. Also report the benefits paid for each of the above. Benefits include such things as insurance, employer's portion of retirement, etc. Taxes are the employer's portion of any payroll taxes. (For donated services, see Section X [Page 15 of the 2000 Cost Report form])

Item 5. Report the total food purchases for the period. Report USDA School Lunch Program revenue actually received during the period. (For donated services, see Section X [Page 15 of the 2000 Cost Report form])

Items 6-11. Report on the expenditures that go directly for the use or benefit of the youth in your care. (For donated services, see Section X [Page 15 of the 2000 Cost Report form])

Item 12. Provide any other costs not previously identified in this section.

If you are manually submitting the report:

Item 13. This is the total of items 1 through 12 of this section. This amount should be transcribed to Page 5, Section II. Revenue and Cost Summary, Line 2a.

Service Data:

Report the actual number of hours PAID during the period for the listed positions. The meals served section is the AVERAGE number of meals served per MONTH. For example, take the total number of meals served during the reporting period divided by the number of months in the reporting period. Do not count snacks as meals.

Section IV. Treatment Services

Cost Data:

Items 1-5. Report the expenditures for treatment services by each category, either contracted or on staff. If employed, include salaries, benefits, and taxes. Do NOT include caseworkers or psychiatrists in this section.

If you are manually submitting the report:

Item 6. This is the total of items 1 through 5 of this section. This amount should be transcribed to Page 5, Section II. Revenue and Cost Summary, Line 2b.

Service Data:

Report hours paid for individual counseling, group counseling and other activities (such as assessment, paperwork, etc.) by category. For group counseling, do not multiply the hours times participants.

Section V. Education

Cost Data:

Items 1-3. Report the salaries and wages for teachers, teacher aides, and other education staff. Also report the benefits paid for each of the above. Benefits include such things as employer's portion of insurance, retirement accounts, etc. Taxes are the employer's portion of all payroll taxes.

Items 4-6. Report on the expenditures that go directly for education.

Item 7. Provide any other education costs not previously identified in this section.

If you are manually submitting the report:

Item 8. This is the total of items 1 through 7 of this section. This amount should be transcribed to Page 5, Section II. Revenue and Cost Summary, Line 2c.

Service Data:

Provide the total days of in-house educational services.

In-house educational services are defined as days paid by the Service Provider, not the local ISD. For example, if the local ISD pays for 180 days of school and the Service Provider pays for summer school, the summer school days are the in-house days.

To calculate the number of days of in-house educational services, add the number of days attended by each youth. For example if the facility had 10 youth and 8 youth attended 180 days, 1 youth attended 160 days, and 1 youth attended 75 days the total would be 1,675 days.

8 youth x	180 days	=	1,440 days
1 youth x	160 days	=	160 days
1 youth x	75 days	=	<u>75 days</u>
Total			1,675 days

Provide the total number of paid teacher hours for in-house educational services. Do not multiply the number of teacher hours times the number of students.

Section VI. Medical Services

This first part of Section VI is for In-house Medical Services

Cost Data:

Items 1-3. Report the salaries and wages for the Registered Nurses, Licensed Vocational Nurses, and other medical staff. Also report the benefits paid for each of the above. Benefits include such things as insurance, employer's portion of retirement, etc. Taxes are the employer's portion of any payroll taxes.

Item 4. Report the cost of medical supplies, which includes such expenditures as Band-Aids, splints, gauze, etc. for use for youth. Include in this item costs for non-depreciable general medical equipment, i.e., blood pressure kits.

Item 5. Report the cost of over-the-counter medication, which includes expenditures for aspirin, cough drops, etc., used for youth.

Item 6. Provide any other in-house medical costs not previously identified in this section.

If you are manually submitting the report:

Item 7. This is the total of items 1 through 6 of the in-house part of this section.

The second part of Section VI is for Contracted Medical Services

Item 8. Provide the cost for Psychiatrist's services.

Item 9. Provide any other contracted medical costs not previously identified in this section.

If you are manually submitting the report:

Item 10. This is the total of items 7 through 9 of this section. This amount should be transcribed to Page 5, Section II. Revenue and Cost Summary, Line 2d.

Service Data:

This block should include the total number of routine IN-HOUSE sick calls. If a provider does not have organized sick call procedures, complete the block with 0. If service provider has an organized sick call procedure wherein youth sign up or line up for a routine nurse visit, these data are relevant.

This block also includes the number of OFF-SITE Medical and Dental Appointments. Off-site medical appointments refer to the number of youth who had off-site appointments, for example two youth on one trip to the doctor is counted as two.

The block further includes the number of PAID Registered Nurse hours for the period, number of PAID Licensed Vocational Nurse hours for the period, and the total PAID Psychiatrist hours for the period.

Section VII. Student Transportation

Cost Data:

Item 1. Report the salaries and wages for the staff whose *primary duty* is for the transportation of youth. Also report the benefits paid for each of the above. Benefits include such things as insurance, employer's portion of retirement, etc. Taxes are the employer's portion of any payroll taxes.

Item 2. Report the rental or lease of cars, vans, or pickups used primarily for the transportation of youth.

Item 3. Report insurance expenditures for vehicle(s) used *primarily* for the transportation of youth that are owned by the Service Provider or management company.

Item 4. Report the depreciation expense for vehicles used *primarily* for the transportation of youth that are owned by the service provider.

Item 5. Report the gas, oil, and vehicle repairs for the facility vehicles whether leased or owned and used *primarily* for the transportation of youth.

Item 6. Provide any other transportation costs not previously identified in this section.

If you are manually submitting the report:

Item 7. This is the total of items 1 through 6 of this section. This amount should be transcribed to Page 5, Section II. Revenue and Cost Summary, Line 2e.

Service Data:

Report the total miles logged during the period for each vehicle owned or leased by the Service Provider used *primarily* for the transportation of youth. Do not multiply miles logged by number of youth, use actual miles.

Section VIII. Administration

The first part of Section VIII is for Direct Administration (on-site).

Item 1. Report the salaries and wages for the on-site administrative and other support staff. Also report the benefits paid for each of the above. Benefits include such things as insurance, employer's portion of retirement, etc. Taxes are the employer's portion of any payroll taxes.

Item 2. This item is to include consumable supplies that are NOT for direct care activities, e.g., office supplies, non-depreciable office furniture and equipment.

Item 3. Provide staff training costs for non-direct care activities, e.g., computer training, accounting training.

Item 4. Provide staff travel costs for non-direct care activities that either directly or indirectly benefit the youth in the facility, e.g., training, conferences, seminars.

Item 5. Provide any other Direct Administration (on-site) costs not previously identified in this section.

If you are manually submitting the report:

Item 6. This is the total of items 1 through 5 of the first half of this section. This amount should be transcribed to Page 5, Section II. Revenue and Cost Summary, Line 2f.

The second part of Section VIII is for Central Office Administration (off-site). Any service provider who allocates central office costs to the program must complete this section.

Item 7. Report the allocated salaries and wages for the off-site administrative and other support staff. Also report the allocated benefits paid for each of the above. Benefits include such things as insurance, employer's portion of retirement, etc. Allocated taxes are the employer's portion of any payroll taxes. If a provider with a Central Office is charged a lump sum, that should be entered in the "other" category. All providers reporting *Central Office Administrative Costs (off-site)* should describe the method(s) used to allocate these costs in the space after Item 12.

Item 8. Report allocated supplies on this line.

Item 9. Report allocated staff training costs.

Item 10. Report allocated travel, seminar, and conference costs in this item.

Item 11. Provide any other allocated costs not previously identified in this section.

If you are manually submitting the report:

Item 12. This is the total of items 7 through 11 of this section. This amount should be transcribed to Page 5, Section II. Revenue and Cost Summary, Line 2g.

For all providers reporting *Central Office Administrative Costs (off-site)*, describe the method(s) used to allocate these costs.

Section IX. Overhead

Cost Data:

Item 1. Report the actual cost of the premium for Worker's Compensation.

Item 2. Report the salaries and wages for the maintenance staff. Also report the benefits paid for each of the above. Benefits include such things as insurance, employer's portion of retirement, etc. Taxes are the employer's portion of any payroll taxes.

Item 3. Report the cost for any contracted maintenance staff for the facility.

Item 4. Report the cost for all rental/lease costs for buildings and equipment, except vehicles.

Item 5. Report all depreciation and amortization expenses for buildings and capital equipment, except vehicles.

Item 6. Report the costs for liability and building insurance, excluding vehicle insurance.

Item 7. Report the costs incurred for required outside auditing.

Item 8. Report the costs for utilities (electricity, natural gas, and water) and telecommunications (basic phone, long distance, and Internet expense).

Item 9. Provide any other overhead costs not previously identified in this section.

If you are manually submitting the report:

Item 10. This is the total of items 1 through 9 of this section. This amount should be transcribed to Page 5, Section II. Revenue and Cost Summary, Line 2h.

Service Data:

List the square footage assigned to each of the listed departments. Also, list the total number of full-time equivalent positions assigned to each of the departments. A full-time equivalent (FTE) is the total hours paid for all employees of each area, divided by 2,080. The total 2,080 is the equivalent of 40 hours per week times 52 weeks, inclusive of sick time, vacation, and other paid absences. If the reporting period is not for a full year, the formula would need to be modified.

Section X. Donated Goods and Services

Estimate the value of the donated goods or services received at your facility during the reporting period.

Section XI. Certification

This form must be submitted by all service providers.

- If you are manually submitting your report, the signed certification form will be part of the completed 2010 Cost Report that you send to TYC.
- If you are electronically submitting your report, print the Certification Section, get the appropriate signature, and send to TYC.

The signer should be an individual who has the authority to obligate the Service Provider contractually. The signer does not have to be the preparer, if preparer's position is not legally responsible for Service Provider's contract.



**TEXAS
YOUTH
COMMISSION**

**TYC 2010 COST REPORT
FOR RESIDENTIAL PROVIDERS**

COST REPORT RULES AND PROCEDURES

How will the service provider receive a cost report?

- The Texas Youth Commission Contracts Department will distribute to each residential service provider under contract to TYC the TYC Cost Report for Residential Providers by April 30 of each year.

Who submits a cost report?

- All residential service providers are required to complete an annual TYC Cost Report for Residential Providers and submit to the Texas Youth Commission in accordance with the requirements of their contract with TYC.
- A service provider with multiple contracts with TYC must submit a separate cost report for each contract.
- The TYC has developed a cost report format appropriate for all programs.
- The cost report should reflect the cost for operating the facility and should therefore be completed by the entity operating the program. For example, if TYC contracts with a county and the county is not the entity responsible for operating the program, the cost report will be required from the operating entity, not the county.
- However, the contracting entity will be held responsible for ensuring that the cost report is completed and submitted on time, no matter who completes the cost report. Using the example above, the county will be responsible for ensuring that the operating entity completes and submits the cost report in a timely manner.

Exemptions for submitting a cost report?

- Service providers that have had a contract with TYC for less than six months at the end of their fiscal year are not required to submit a cost report.

When is cost report due?

- All cost reports will be due on or before June 30 of the year following the end of the service provider's fiscal year.

Are extensions granted?

- If circumstances exist that the service provider cannot reasonably meet the due date, a written request may be submitted prior to the due date. The request is submitted to Suzi Rowan, Contracts Department, P. O. Box 4260, Austin, TX 78751 and must contain justification for the extension.
- If the contracting entity and the managing entity are not the same, the contracting entity should request the extension.
- The Contracts Manager may grant an extension for a maximum of thirty days. The Contracts Manager, or his assistant will respond to the request within ten workdays after receiving it.

Are there consequences for failing to submit a report or not submitting in a timely manner?

- The contract will be considered on probationary status until the cost report is received.
- A service provider's failure to submit the appropriate cost report or to submit it in a timely manner may result in sanctions.
- Sanctions may include withholding payment for services, a moratorium on future placements, and/or non-renewal or cancellation of the service provider's contract with TYC.

What training or assistance is provided?

- The Texas Youth Commission will provide classroom training as necessary. Training sessions will always be scheduled for years when there are substantial changes in the reporting process.
- The preparer of the cost report can contact Suzi Rowan, Administrative Assistant, Contracts Department at 512-424-6094 or e-mail suzi.rowan@tyc.state.tx.us to get questions answered or receive assistance.

How will the cost report be used?

- The cost reports will be used to analyze cost data to meet the spirit of the State Auditor's recommendations. The results of the analysis will be used to negotiate fair and reasonable costs for services.
- The TYC Contracts Department will log and track the receipt of all cost reports. The Division Director of the Contracts Department will be notified of delinquent service providers to be put on probationary status.
- The Director of the Contracts Department or Contracts Manager will determine the appropriate sanction to be imposed on the service provider.
- The TYC Division Director of the Contract Department will review the cost reports for completeness and communicate any deficiencies to the service provider. The cost report will not be considered valid until all deficiencies are resolved.
- The TYC Division Director may also request additional information.
- The TYC Internal Audit Department will complete desk reviews of all cost reports and submit their findings to the TYC Contracts Manager.
- The TYC may conduct on-site audits to ensure the fiscal integrity of service providers' programs.
- No specific criteria or schedule is set for on-site audits and the time and number of on-site audits may vary from year to year.
- The TYC has full responsibility for determining when and if an on-site audit will be conducted. Service providers will be notified prior to an on-site audit visit.

**SERVICE PROVIDER'S BEST AND FINAL
OFFER (BAFO) DATED JUNE 3, 2010
EXHIBIT E**



Respondents are invited to propose up to 40 beds for male and female juveniles ages 15-19.

Rate (Per Youth, Per Day)	Number of Beds
\$ 119.50	40

TYC will not accept proposals reflecting any guarantees

CERTIFICATION

I certify that all services will be provided according to the proposed rates in this Exhibit C, Budget Information and Certification Form, RFP# 694-0-0849. I, as the Respondent or its representative, have full authority to certify this information, to the best of my knowledge, to be complete and accurate.

6-3-10

Signature of Respondent/Authorized Representative

Date

Bill Gholson, President

Printed Name and Title of Respondent/Authorized Representative



The Budget should be based on maximum capacity being proposed.

1. Salaries, Benefits, and Taxes (complete Exhibit D, Schedule 1)	<u>3,980,056</u>
2. Food Cost	
a. Gross Food Cost	<u>365,275</u>
b. Less: USDA Revenues	<u>275,000</u>
c. Net Food Cost	<u>90,275</u>
3. Clothing	<u>85,000</u>
4. Recreation Fees and Supplies	<u>40,500</u>
5. Personal Care Supplies	<u>53,600</u>
6. Housekeeping	<u>80,200</u>
7. Staff Travel	<u>75,300</u>
8. Staff Training	<u>35,000</u>
9. Other Basic Care Costs (attach separate sheet with description)	<u>33,200</u>
10. Assessment, Treatment and Counseling Services	<u>-</u>
11. Education	<u>98,400</u>
12. In-House Medical Supplies	<u>6,500</u>
13. Psychiatrist	<u>-</u>
14. Other Contracted Medical (attached separate sheet with description)	<u>18,700</u>
15. Insurance (Auto, Liability and other)	<u>377,502</u>
16. Transportation (Gasoline, Oil, Repairs)	<u>127,700</u>
17. Auto Rental, Lease, or Depreciation	<u>45,830</u>
18. Workers' Comp	<u>70,472</u>
19. Contracted Maintenance	<u>48,460</u>
20. Utilities and Telecommunications	<u>349,291</u>
21. Office Supplies	<u>45,700</u>
22. Rent of Office Equipment	<u>62,500</u>
23. Other Overhead Cost (attach separate sheet with description)	<u>306,418</u>
24. Building Rent, Lease, or Depreciation	<u>119,161</u>
25. Other Costs not Listed (attach separate sheet with description)	<u>392,860</u>
26. Central Office Allocated Cost	<u>-</u>
27. Total Cost for Proposed Program	<u>6,542,625</u>



The Budget should be based on maximum capacity being proposed.

	<u>Number of Staff</u>	<u>Salaries</u>	<u>Benefits</u>	<u>Taxes</u>	<u>Sub-Total</u>
1. Child Care Workers	61	1,123,452	216,704	31,619	1,371,775
2. Caseworkers	10	304,424	39,133	7,588	351,145
3. Other Basic Care	9	264,405	34,932	6,638	305,975
4. Treatment & Counseling	0	-	-	-	-
5. Food Service	12	257,536	43,726	6,951	308,213
6. Education	4	105,500	15,165	2,710	123,375
7. RNs	0	-	-	-	-
8. LVNs	2	78,318	8,350	1,866	88,534
9. Other Medical Staff	2	45,968	7,379	1,219	54,566
10. Transportation	1	32,344	4,240	812	37,396
11. Direct Administrative	23	661,205	76,836	16,074	754,115
12. Maintenance Staff	8	234,767	30,773	5,880	271,420
13. Other Staff not listed (attach separate sheet with description)	8	274,612	32,238	6,692	313,542
Sub-Total	140	3,382,531	509,476	88,049	3,980,056
14. Total Salaries, Benefits, & Taxes (Line 1 on Budget Form)					3,980,056