

AN ORDINANCE 2008-04-03-0271

**AUTHORIZING AN AMENDMENT TO THE AGREEMENT FOR SURPLUS ELECTRONIC AND COMPUTER EQUIPMENT RECYCLING AND DISPOSAL SERVICES WITH IMAGE MICROSYSTEMS TO INCREASE THE ESTIMATED EXPENDITURE BY \$100,000.00, FOR A TOTAL ESTIMATED EXPENDITURE OF \$125,000.00.**

\* \* \* \* \*

**WHEREAS**, Image Microsystems entered into an agreement with the San Antonio Water System ("SAWS"), a municipally owned utility of the City of San Antonio ("City"), on or about August 31, 2004, for the management, recycling and disposal of electronic and computer equipment (the "SAWS Contract"); and

**WHEREAS**, State law allows local governmental entities to engage in cooperative purchasing, thereby satisfying the requirements of competitive bidding; and

**WHEREAS**, SAWS and Image Microsystems agreed to allow the City to utilize the prices, terms and conditions of the SAWS Contract, as modified between Image Microsystems and the City; and

**WHEREAS**, the City and Image Microsystems entered into such an agreement entitled "Agreement for Surplus Electronic and Computer Equipment Recycling" (the "Original City Contract"), under which Image Microsystems was to provide services related to recycling and disposal of surplus computers and other electronic equipment; and

**WHEREAS**, the Original City Contract provided for a maximum expenditure of \$25,000.00, unless additional City Council approval was obtained; and

**WHEREAS**, the City now wishes to amend the Original City Contract to increase the maximum expenditure allowable by \$100,000.00, for a total maximum expenditure of \$125,000.00; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager, her designee, or the Director of the Information Technology Services Department, is hereby authorized to execute an amendment to the contract with Image Microsystems to provide the City with recycling and disposal of electronic and computer equipment for a maximum expenditure of \$125,000.00. A copy of the amendment is attached hereto and incorporated herein as Exhibit I.

**SECTION 2.** Funding for this ordinance is available in Fund 74001000 Information Services, Cost Center 0906010001 ERM Project Support, General Ledger 5201046 Computer Hardware as part of the FY08 Budget. Payment not to exceed \$125,000.00 is authorized for FY 2008 to Image Microsystems and should be encumbered with a purchase

order.

**SECTION 3.** The financial allocations in this ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific cost centers and fund numbers as necessary to carry out the purpose of this ordinance.

**SECTION 4.** This ordinance shall take effect on April 13, 2008.

**PASSED AND APPROVED** this 3<sup>rd</sup> day of April, 2008.

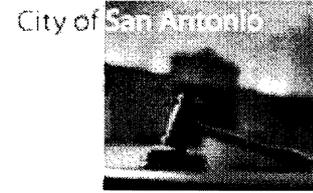
  
M A Y O R  
**PHIL HARDBERGER**

ATTEST:   
City Clerk

APPROVED AS TO FORM:   
City Attorney



Request for  
**COUNCIL**  
ACTION



**Agenda Voting Results - 35**

<b>Name:</b>	6, 10, 13, 14, 17, 18, 20, 22, 23, 24, 26, 27, 28, 29, 30, 31, 32, 33, 35, 36, 37, 38A, 38B, 38C
<b>Date:</b>	04/03/2008
<b>Time:</b>	10:06:43 AM
<b>Vote Type:</b>	Motion to Approve
<b>Description:</b>	An Ordinance authorizing an amendment to the agreement for surplus electronic and computer equipment recycling and disposal services with Image Microsystems to increase the estimated expenditure by \$100,000.00, for a total estimated expenditure of \$125,000.00. [Richard Varn, Chief Information Officer; Hugh Miller, Director, Information Technology Services]
<b>Result:</b>	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				
Sheila D. McNeil	District 2		x				
Jennifer V. Ramos	District 3		x				x
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5	x					
Delicia Herrera	District 6		x				
Justin Rodriguez	District 7		x				
Diane G. Cibrian	District 8		x				
Louis E. Rowe	District 9		x			x	
John G. Clamp	District 10		x				

**FIRST AMENDMENT TO AGREEMENT FOR  
SURPLUS ELECTRONIC AND COMPUTER EQUIPMENT  
RECYCLING & DISPOSAL SERVICES**

STATE OF TEXAS           §

COUNTY OF BEXAR       §

This first amendment to the contract with Image Microsystems for surplus electronic and computer equipment recycling and disposal services is entered into by and between the City of San Antonio ("City"), a home rule municipal corporation, and Image Microsystems (Contractor), referred to collectively herein as the "Parties".

**WHEREAS**, City and Contractor entered into an agreement entitled "Agreement For Surplus Electronic And Computer Equipment Recycling & Disposal Services" (hereafter "Original Contract") on or about May 23, 2007, under which Contractor was to provide services related to recycling and disposal of surplus computers and other electronic equipment; and

**WHEREAS**, the Original Contract provided for a maximum compensation of \$25,000.00, unless additional City Council approval was obtained; and

**WHEREAS**, City now wishes to amend the Original Contract to increase the maximum expenditure allowable by \$100,000.00, for a total maximum expenditure of \$125,000.00; **NOW, IN ACCORDANCE THEREWITH**, the Parties agree as follows:

**I. AMENDMENTS**

Section 3.1 of the original contract is hereby deleted and replaced with the following:

3.1 Total payments to Contractor cannot exceed one hundred and twenty-five thousand dollars (\$125,000.00) without prior approval of the City Council of the City of San Antonio, as evidenced by passage of an ordinance therefore.

**II. PROVISIONS REMAIN IN EFFECT**

All other terms, conditions, covenants and provisions of the Original Contract, not specifically mentioned herein and revised by this document, are hereby retained in their entirety, unchanged, and shall remain in full force in effect for the duration of said Original Contract, and any renewals thereof.

**III. ENTIRE AGREEMENT**

This agreement, as amended, embodies the complete agreement of the parties hereto with regard to the subject matter contained herein, superseding all oral or written previous and contemporary agreements between the parties relating to matters herein.

**EXHIBIT I**

**CITY OF SAN ANTONIO:**

**IMAGE MICROSYSTEMS:**

By: Hugh Miller  
Title: Director, Information Technology  
Services Dept.  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
City Attorney's Office



CMS or Ordinance Number: CN4600006321

TSLGRS File Code:1000-25

Document Title:  
CONT - A1337 Disposal of Obsolete Computers

**Commencement Date:**

**9/25/2007**

**Expiration Date:**

**9/30/2008**

**AGREEMENT FOR  
SURPLUS ELECTRONIC AND COMPUTER EQUIPMENT  
RECYCLING & DISPOSAL SERVICES**

STATE OF TEXAS           §  
  §  
COUNTY OF BEXAR       §

This Agreement is entered into by and between the City of San Antonio, a Texas Municipal Corporation (“City”) and Image Microsystems (“Contractor”), both of whom may be referred to herein collectively as the “Parties”.

WHEREAS, Contractor entered into an agreement with the San Antonio Water System (“SAWS”), a municipally owned utility of City, on or about August 31, 2004, for the management, recycling and disposal of electronic and computer equipment (the “SAWS Contract”); and

WHEREAS, State law allows local governmental entities to engage in cooperative purchasing, thereby satisfying the requirements of competitive bidding; and

WHEREAS, SAWS and Contractor have agreed to allow City to utilize the prices, terms and conditions of the SAWS Contract, as may be modified between Contractor and City by this Agreement;

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

**I. TERM**

1.1 Original Term. The term of this Agreement shall begin upon the date of the last party to execute same and terminate on September 30, 2008.

1.2 Renewals. If the SAWS Contract shall be renewed, City and Contractor may renew this Agreement, upon mutual consent for the same period as the SAWS Contract. Renewals by City shall be in writing and signed by City’s Director of Information Technology Services Department (“Director”), or his designee, and Contractor. However, the total compensation for the Original Term and all renewals combined cannot exceed the amount set forth in Section 3.1 below without approval of the San Antonio City Council by passage of an ordinance therefore.

**II. SCOPE OF SERVICES**

- 2.1 **SAWS Contract.** Contractor hereby agrees to provide those services to City as described and specified in the SAWS Contract, under the same terms and conditions stated therein, except to the extent modified by this Agreement. The SAWS Contract is attached hereto and incorporated herein for all purposes as Attachment A. To the extent of a conflict between the SAWS Contract and this Agreement, this Agreement shall control.
- 2.2 All references in the SAWS Contract to the San Antonio Water System, or any acronym therefore, shall be deemed to refer to City, unless clearly inapplicable.
- 2.3 No modifications or amendments to the SAWS Contract, other than to the term, shall be binding on City, unless expressly agreed to by City by written amendment to this Agreement.
- 2.4 Contractor agrees that no waste generated by Contractor's management of the City equipment provided to Contractor for recycling or disposal pursuant to this Agreement shall be land filled, unless the landfill disposal site is licensed and regulated as a hazardous waste disposal facility.
- 2.5 All services shall be coordinated through the Director of City's Information Technology Services Department ("Director"), or his designee. Pick-up locations for equipment shall be within the corporate limits of the City of San Antonio.

### **III. COMPENSATION**

- 3.1 Total payments to Contractor cannot exceed twenty-five thousand dollars (\$25,000.00) without prior approval of the City Council of the City of San Antonio, as evidenced by passage of an ordinance therefore.
- 3.2 Contractor shall send invoices to City at: City of San Antonio, Attn: Accounts Payable, P.O. Box 839976, San Antonio, Texas, 782830-3976. All invoices shall reference the City Purchase Order number.

### **IV. INSURANCE**

- 4.1 The insurance provisions of the SAWS Contract are hereby modified as follows:
- SAWS Contract, Exhibit D, page 4, section 7, the phrase "except for Pollution coverage" is hereby deleted.
- 4.2 All coverage provided shall be of an "Occurrence" type.

### **V. MISCELLANEOUS**

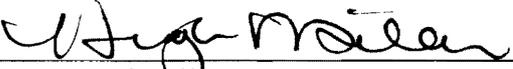
- 5.1 **Notices.** All notices to be provided to City shall be sent to:

City of San Antonio, Information Technology Services Dept. - Attn: Hugh Miller, Director.

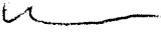
Street Address: 515 S. Frio, San Antonio, Texas 78207, or  
Mailing Address: P.O. Box 839966, San Antonio, Texas 78283-3966.

5.2 Non-exclusivity. This is a non-exclusive agreement. City retains the right to use other contractors to provide the services described herein.

**Executed by CITY OF SAN ANTONIO:**

  
By: Hugh Miller  
Title: Director, Information Technology Services Dept.  
Date: 5/23/07

**Executed by IMAGE MICROSYSTEMS:**

  
By: LEO  
Title: \_\_\_\_\_  
Date: 5/17/07

Approved as to Form:

  
for City Attorney

**SAN ANTONIO WATER SYSTEM  
SERVICES AGREEMENT**

**AGREEMENT FOR  
SURPLUS ELECTRONIC EQUIPMENT AND COMPUTER  
EQUIPMENT MANAGEMENT SERVICES**

THIS SERVICES AGREEMENT ("Agreement") is made by and between

**IMAGE MICROSYSTEMS  
8801 Wall Street Bldg 5  
Austin, TX 78754**

(the "Contractor"), and San Antonio Water System, a municipally-owned utility of the City of San Antonio in the State of Texas (the "Water System" or "SAWS"), and by which the parties to this Agreement, in consideration of the mutual covenants set forth below and other good and valuable consideration the mutuality, adequacy, and sufficiency of which are hereby acknowledged, agree as follows:

1. Services.

(a) Services. During the term of this Agreement, the Contractor will provide services as set forth in the attached Exhibit B (hereafter referred to as the "Services"). All such Services shall be provided in accordance with the highest professional standards. Contractor shall perform the services so as to comply with the time schedule set forth in Exhibit E.

(b) Compensation and Expenses. The Water System shall pay the Contractor as set forth on attached Exhibit A. If Contractor's Services do not conform to the scope of services stated on Exhibit B, as determined by Water System, Contractor shall promptly re-perform such Services to the satisfaction of Water System at no additional charge to Water System.

(c) Independent Contractor. It is acknowledged and agreed that the Contractor is an independent contractor of the Water System and not an employee or agent or fiduciary of Water System, and each of the parties to this Agreement agrees to take actions consistent with the foregoing. Contractor is not being engaged to perform any fiduciary functions of Water System. Further, nothing in this Agreement shall be construed to create a partnership, joint venture, or other association between the parties.

(d) Water System's Responsibilities. Water System will use its reasonable best efforts to provide Contractor with all documentation and information required to enable Contractor to provide the Services, and will cause its employees and agents to cooperate with Contractor's reasonable requests in order to assist Contractor in providing the Services.

Contractor may rely on the directions provided by Water System's authorized contacts concerning the provision of the Services.

(e) Work Papers. All final work product and work papers directly relating thereto delivered to Water System by the Contractor in connection with the performance of Services pursuant to this Agreement, including public records obtained by the Contractor, shall be the property of the Water System whether or not in the possession of the Contractor.

(f) Nondisclosure. The Water System has a proprietary interest in this Agreement and in the advice and services provided by Contractor. Accordingly, this Agreement, the Services, and any information obtained by Contractor through Water System in connection with the performance of this Agreement shall not be disclosed by Contractor to any third party. In the event Contractor is subject to the Texas Public Information Act, or is otherwise requested to disclose any such information, upon receipt of a request for any information obtained by Contractor in the performance of this Agreement, Contractor shall provide notice to Water System of the request along with a copy of the request, and give Water System the opportunity to respond to the request prior to its release by Contractor.

(g) Compliance with Law. In performing this Agreement, the Contractor agrees to comply with applicable laws and regulations, and to secure, pay for and comply with all permits, governmental fees, licenses, inspections, bonds, security or deposits necessary for proper execution and completion of the services. Contractor agrees not to make or permit to be made any improper payments, or to perform any unlawful acts.

(h) Inspection, Testing and Acceptance. All services shall be subject to inspection and testing by Water System at all reasonable times and places. The expenses of inspection and/or testing performed by Water System shall be paid by Water System, but shall be reimbursed to Water System by Contractor if the services tested or inspected do not conform to the specifications of this Agreement and such non-conformity results in rejection of the services by Water System. Inspection and acceptance by Water System does not relieve Contractor from any responsibility regarding defects or other failures to meet Agreement requirements. Nothing herein is intended to require Water System to perform any inspection or testing.

(i) Services Provider Warranty. Contractor warrants that services shall be provided in accordance with the requirements of this Agreement, performed using Contractor's best skill and attention to complete the work with the care, skill and diligence ordinarily exercised by first class contractors performing similar services on projects of a similar scope, and, to the extent applicable, delivered to Water System free from faulty design and workmanship, and constructed from new materials (if furnished by Contractor or any subcontractor) free from faults and defects and of proper size, quality, and material, and conveyed with free and clear title. To the extent applicable, Contractor shall obtain for the benefit of Water System all available warranties of subcontractors, Contractor's suppliers and vendors of all materials installed. Contractor, at its own expense, shall promptly repair, replace or otherwise cure all services that fail to conform to Contractor's warranty. Initiation of repair, replacement or cure of services as provided herein shall be initiated within a period of ten (10) days and completed as soon as possible.

(j) Insurance. Contractor shall maintain and keep in force for the duration of this Agreement such insurance as set forth on Exhibit D of this Agreement, which is attached hereto and incorporated herein for all purposes as if fully set forth herein. Approval of insurance by the Water System shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor. Contractor shall be responsible for all premiums, deductibles and self-insured retention's, if any, stated in the policies. All deductibles or self-insured retention's shall be disclosed on the Certificate of Insurance. All endorsements naming the Water System and the City of San Antonio (the "City") as additional insureds, waivers, and notices of cancellation endorsements as well as the Certificates of Insurance shall indicate: San Antonio Water System, Agreement Administration Office, P.O. Box 2449, San Antonio, Texas, 78298-2449.

(k) Right to Audit Clause. Contractor's and its subcontractor's books, records, and accounts, correspondence, accounting procedures and practices and any other supporting evidence relating to this Agreement shall be open to inspection, audit and/or reproduction, during normal working hours, by Water System or its authorized representatives to the extent necessary to adequately permit evaluation and verification of any invoices, payments or claims made under this Agreement.

(l) Equal Employment Opportunity/Minority Business Enterprise. The Water System requires a good faith effort by applicants in those instances when subcontracting is appropriate and approved by the Water System to provide subcontract opportunities to small, minority and women owned firms. In addition, the Water System highly encourages applicants to implement Affirmative Action practices in their employment programs. This means applicants should not discriminate against any employee or applicant for employment because of race, color, national origin, religion, sex, age, handicap, or political belief or affiliation. In keeping with the Water System's commitment to Small, Minority and Women owned businesses, and to ensure Equal Employment opportunities, Contractor agrees not to engage in employment practices which have the effect of discriminating against any subcontractor, employee or applicant for employment on the basis of race, color, religion, national origin, sex, age, handicap, or political affiliation.

(m) Subcontractor. The Water System retains the right to approve or disapprove all subcontractors. Contractor agrees not to retain subcontractors without the written approval of the Water System.

In the event that the Contractor proposes the termination or change of a "Minority Business Enterprise" (MBE) or a "Woman Business Enterprise" (WBE) sub contractor firm from its employ on this project, the Contractor shall substitute a subcontractor firm of like classification. The Contractor shall make a good faith effort working with the Water System's SWMBE Officer to substitute any subcontractor with a like subcontractor. If the Contractor is unable to substitute a subcontractor firm of like classification, the Contractor shall provide the Water System with documentation of their efforts to acquire the services of a MBE/WBE replacement firm.

In the event the Contractor proposes to reduce an identified subcontractor firm's related percentage of work from that percentage of work proposed in Contractor's request for proposal/qualifications or professional services interest statement submitted, the Contractor shall obtain prior written approval from both the SWMBE Officer thru the Director of Contracting of the Water System.

(n) Indemnification. Contractor agrees to fully indemnify, defend, and hold harmless Water System and the members, agents, employees, officers, trustees, directors, and representatives of the Water System, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability, and suits of any kind and nature incurred by or made upon the Water System arising out of, resulting from or related to the negligent acts or omissions of Contractor, any agent, officer, director, representative, employee, Contractor, or subcontractor of Contractor, and their respective officers, agents, employees, directors, and representatives, while in the exercise of performance of the rights or duties under this Agreement. Contractor shall promptly advise the Water System in writing of any claim or demand at Contractor's cost. The Water System shall have the right, at its option and at its own expense, to participate in such defense without relieving Contractor of any of its obligations under this paragraph.

(o) Damages. Water System will be entitled to direct and general damages, as well as any special and consequential damages for any loss resulting from the Water System's general or particular requirements and needs of which the Contractor is aware at the time this agreement is executed, resulting from or arising out of or related to the negligent acts or omissions of Contractor, any agent, officer, director, representative, employee, contractor, or subcontractor of Contractor, and their respective officers, agents, employees, directors, and representatives, while in the exercise of performance of the rights or duties under this Agreement.

## 2. Term and Termination.

(a) Term. The term of this Agreement shall be for the period provided in Exhibit E hereto and incorporated herein, beginning and ending on the dates provided in Exhibit E; provided, however, that the Water System and the Contractor may extend the Agreement for additional periods of time upon their mutual consent. Any extension of the term of this Agreement shall be reflected on Exhibit E. In the event that Contractor has not completed the work specified on Exhibit B prior to the end of the term of this Agreement, Contractor shall pay to Water System the amount of N/A per day as liquidated damages until such time as the work is completed to the Water System's satisfaction.

(b) Termination For Cause. Water System may terminate this Agreement at any time for "Cause" in accordance with the procedures provided below. Termination by Water System of this Agreement for "Cause" shall mean termination upon (i) the neglect, breach or inattention by Contractor of its duties hereunder, and such neglect, breach or inattention has not been cured within ten (10) days after written notice thereof given by Water System to Contractor, (ii) the engaging by Contractor in willful or fraudulent conduct that is materially injurious to Water System, monetarily or otherwise, (iii) the failure by Contractor to otherwise substantially

perform its duties hereunder and such failure has not been cured within ten (10) days after written notice thereof given by Water System to Contractor. Notice shall be deemed given as provided in Section 3(a) of this Agreement.

(c) Other Termination. Either party may terminate this Agreement at any time for any reason upon thirty (30) days notice to the other party. Upon termination of this Agreement, the Contractor will be entitled to the compensation and expenses to which it is entitled pursuant to Section 1(b) through the date of such termination. No termination of this Agreement shall impair or defeat those obligations set forth elsewhere in this Agreement which require either party to do or refrain from doing any specified act or acts after termination of this Agreement, or to perform any obligation which by its terms or normal meaning survives termination of this Agreement.

3. Miscellaneous.

(a) Notices. Any notice, communication or request under this Agreement to any of the parties shall be in writing and shall be effectively delivered if delivered personally or sent by overnight courier service (with all fees prepaid), or by facsimile as follows:

If to Water System:                   **San Antonio Water System  
Contracting Office  
1222 N. Main, Suite 911  
San Antonio, Texas 78212  
Attn: Mr. Vick D. Garmon**

or to Contractor:                   **Image Microsystems  
8801 Wall Street Bldg 5  
Austin, TX 78754  
Attn: Mr. Chuck Barcuch**

Any such notice, request, demand or other communication shall be deemed to be given if delivered in person, on the date delivered, if made by facsimile, on the date transmitted, or, if sent by overnight courier service, on the date sent as evidenced by the date of the bill of lading; and shall be deemed received if delivered in person, on the date of personal delivery, if made by facsimile, upon confirmation of receipt (including electronic confirmation), or if sent by overnight courier service, on the first business day after the date sent.

(b) Interest in Water System Agreements Prohibited. No officer or employee of the City shall have a financial interest, direct or indirect, in any Agreement with the Water System, or shall be financially interested, directly or indirectly, in the sale to the Water System of any land, materials, supplies or service, except on behalf of the City or Water System as an officer or employee. Any violation of this Section, with the knowledge, expressed or implied, of Contractor contracting with Water System shall render this Agreement voidable by the Board, of Trustees or the General Manager/Chief Executive Officer of the Water System.

(c) Gift Policy. Water System employees are prohibited from soliciting, accepting or agreeing to accept any gifts from outside sources. A copy of Water System's Policy 2-17 "Procedures for Gift and Meal Policy" is available upon request.

(d) Tax Matters. Contractor shall be solely responsible for payment of all taxes related to Contractor's provision of the Services. To the extent materials, supplies, equipment and consumables must be purchased by Contractor in the performance of the services, Water System is entitled to an exemption from Texas state, county, municipal, metropolitan transit authority and CTD sales and use taxes on the purchase price or rental price of the items. Water System shall provide Contractor with copies of applicable exemption certificates for use by Contractor, Subcontractors and suppliers.

(e) Assignment; Binding Effect. No assignment, transfer, or delegation of any rights or obligations under this Agreement by a party shall be made without the prior written consent of the other party to this Agreement, which may be arbitrarily withheld. This Agreement shall be binding upon the parties to this Agreement and their respective legal representatives, heirs, devisees, legatees, or other successors and assigns.

(f) Interpretation; Captions. Whenever the context so requires, the singular number shall include the plural and the plural shall include the singular, and the gender of any pronoun shall include the other genders. Titles and captions of or in this Agreement are inserted only as a matter of convenience and for reference and in no way affect the scope for this Agreement or the intent of its provisions. All terms used in this document shall have the same meaning if used in the attached Exhibits unless otherwise indicated.

(g) Entire Agreement. This Agreement constitutes the entire agreement of the parties to this Agreement with respect to its subject matter, supersedes all prior agreements, if any, of the parties to this Agreement with respect to its subject matter, and may not be amended except in writing signed by the party to this Agreement against whom the change is being asserted. This Agreement consists of this document and attached Exhibits A, B, C, D, E, F, G and H which are incorporated herein by reference for all purposes. Should any conflict arise between the terms of this document and the attached Exhibits, this document shall be controlling.

(h) No Waiver. The failure of any party to this Agreement at any time or times to require the performance of any provisions of this Agreement shall in no manner affect the right to enforce the same; and no waiver by any party to this Agreement of any provision (or of a breach of any provision) of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed either as a further or continuing waiver of any such provision or breach or as a waiver of any other provision (or of a breach of any other provision) of this Agreement.

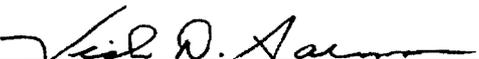
(i) Governing Law; Jurisdiction. This Agreement has been entered in, and shall be governed by and construed in accordance with the laws of, the State of Texas, without regard to principles of conflict or choice of law. This Agreement is performable in Bexar County, Texas, and venue shall lie in the courts of Bexar County. The parties hereby waive their right to a jury trial and agree that any such action will be tried to the court sitting without a jury.

(j) Counterparts. This Agreement may be executed in two or more copies, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or its terms to produce or account for more than one of such copies.

DULY EXECUTED and delivered by the parties of this Agreement, effective the 31 day of August, 2004.

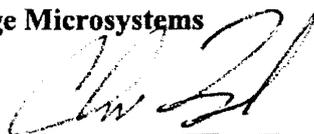
THE WATER SYSTEM:

**San Antonio Water System**

By:   
Vick D. Garmon  
Purchasing Manager

CONTRACTOR:

**Image Microsystems**

By:   
Name

Asset Recovery Director  
Title

**EXHIBITS  
TABLE OF CONTENTS**

- A. Compensation Schedule**
- B. Scope of Services**
- C. Compensation for Additional Services:  
Not Applicable**
- D. Insurance  
SAWS Standard Insurance Specifications**
- E. Term and Extensions**
  - I. Term**
  - II. Extensions**
- F. List of Subcontractors**
- G. Security Requirements**
- H. Release and Invoice Handling Guidelines, Surplus Electronic and Computer  
Equipment Management Services**

**EXHIBIT A  
COMPENSATION SCHEDULE**

Attachment A: Compensation Schedule, page 14 of Image Microsystems RFP Response, attached.

Attachment A: Compensation Schedule

Image Microsystems offers to perform pickup to secure the equipment from the "Grocery location" as well as other locations within the San Antonio area ground floor locations. Image Microsystems offers pickup, labor, transportation, recycling and reporting from pickup locations that have a minimum of 40 pieces per site. A piece is designated as a monitor, or desktop, or printer, or fax machine, and weighs less than 40 lbs per piece. For sites that do not have 40 pieces per site, we ask that all of these pieces please be consolidated into a single location, and at a minimum we will offer quarterly pickup of all of these assets for SAWS. Certainly any site that has 40 pieces or more, a job can be requested at any time, with a normal 3 day turnaround for pickup.

-Image Microsystems offers several levels of service which can include labor, freight and logistics to recover these units prior to transportation for shipment to the processing facility.

-Image Microsystems, will provide receiving and EPA Compliant Recycling for each piece of electronic equipment recovered. Any SAWS asset tags will be removed and sent back to along with job reporting.

-Image Microsystems can provide recovery within 3 days of notification.

-Image Microsystems is registered with the Environmental Protection Agency under number TXR 000051292.

*Recycle Only (grocery location) - includes pickup, freight, EPA compliant recycling and reporting with certificate of destruction*

PC Desktop, Laptop, Notebook, Palmtop Computers	<b>\$9.55</b>
PC Monitors	<b>\$9.55</b>
Data Terminals under 50 lbs.	<b>\$9.55</b>
Printers and Fax Machines (under 50 lbs. each)	<b>\$9.55</b>
Data Terminals over 50 lbs.	<b>\$1.18/pound</b>

*Recycle Only (customer location) - includes pickup, freight, EPA compliant recycling and reporting with certificate of destruction*

PC Desktop, Laptop, Notebook, Palmtop Computers	<b>\$6.56</b>
PC Monitors	<b>\$6.56</b>
Data Terminals under 50 lbs.	<b>\$6.56</b>
Printers and Fax Machines (under 50 lbs. each)	<b>\$6.56</b>
Data Terminals over 50 lbs.	<b>\$.68/pound</b>

*Recycle Only (customer arranged pickup) - includes EPA compliant recycling and reporting with certificate of destruction*

PC Desktop, Laptop, Notebook, Palmtop Computers	<b>\$5.32</b>
PC Monitors	<b>\$5.32</b>
Data Terminals, units over 50lbs per	<b>\$ 32/pound</b>
Printers and Fax Machines (under 50 lbs. each)	<b>\$5.32</b>

**Comments:**

PC batteries (excludes Lithium metal) under 2 pounds	<b>\$2.45</b>
Additional Items requiring disassembly resulting non-hazardous parts recycling***	<b>\$1.00/pound</b>
Liquid Capacitors, Mercury switches, lithium metal batteries	<b>Call</b>
Large items requiring disassembly or separation of hazardous parts	<b>Call</b>
All other equipment not listed here	<b>Call</b>

To schedule a pick up, obtain special pricing, or customer service needs contact:

Michelle\_Cearley@ImageMicro.com or 512-531-6646

Amy\_Fritz@ImageMicro.com or 512-531-6645

**EXHIBIT B**  
**SCOPE OF SERVICES**

1. The Contractor shall provide personnel, equipment and materials required for the pickup, transportation, and evaluation of all equipment that is generally described in Exhibit A and all other equipment or materials that Contractor obtains from SAWS pursuant to this Agreement (all such equipment and materials are referred to in this Agreement as the "Electronic Equipment"), and if the Contractor determines that the Electronic Equipment cannot be used or repaired for use for its originally intended purpose, the disassembly, demanufacture, recycling or disposal of the Electronic Equipment. The management of the materials by the Contractor, and by any Subcontractor, shall be in accordance with all Federal, State and local statutes, ordinances, rules, and regulations, including, but not limited to, those regulations promulgated by the Environmental Protection Agency (EPA), Department of Transportation (DOT), and the Texas Commission on Environmental Quality (TCEQ), and any predecessor or successor agency. Contractor shall procure at its expense all necessary permits, licenses, certifications and other forms of documentation required relating to the Electronic Equipment, components and any resultant waste to be transported, treated, stored, recycled, disposed or processed. Upon request the Contractor shall promptly furnish SAWS copies of all permits, licenses or other documents applicable to the performance of this Agreement.
2. Upon collection, all Electronic Equipment and components become the property of the Contractor. SAWS will provide Contractor with a bill of sale conveying ownership of all Electronic Equipment to Contractor at the time such equipment is picked up by Contractor. Contractor assumes all liability for all of the Electronic Equipment at the time it is loaded on to Contractor's vehicles for removal from SAWS' premises. SAWS asset marking tags, labels or any other similar attachments on the Electronic Equipment or components will be removed by the Contractor and returned to SAWS along with an inventory sheet showing each item description, manufacturer, model number, serial number and asset number.
3. Contractor is solely responsible for making all determination required in this paragraph. The Contractor shall manage the Electronic Equipment and components and make all determinations in accordance with the following established priority:
  - a. Determine which Electronic Equipment or components of the Electronic Equipment are usable and able to be resold and used for their original purpose. The maximum time for making this determination and effecting repairs to allow the Electronic Equipment to be reused for its original purpose must not exceed 9 months as a demonstration that there is an expectation that the Electronic Equipment will, in fact, be reused. Documentation of this determination and subsequent reconditioning will be provided to SAWS within 30 days of completion of the determination.
  - b. Determine which Electronic Equipment or parts of Electronic Equipment do not meet "a" above and which Contractor determines will be recycled. The Contractor must ascertain which parts will be recycled in which manner and demonstrate that the facilities involved are authorized by applicable laws and regulations to do so. The

Contractor must provide documentation that the Electronic Equipment or its components was, in fact, shipped and recycled.

- c. For any remaining Electronic Equipment or parts that Contractor determines do not meet either "a" or "b", the Contractor must state why the same can not be resold for their originally intended purpose or recycled. The Contractor will be the generator of record for resultant wastes subsequent to the determination but will inform SAWS what the final disposition of the resulting waste will be, including providing information to demonstrate that the facilities involved are authorized to do so. The Contractor must provide SAWS with copies of all return manifests.
4. The Contractor shall manage the Electronic Equipment, and shall manage any containers used in the performance of this contract, in accordance with all applicable statutes, ordinances, rules and regulations. If disposed or used in a manner constituting disposal, the Electronic Equipment shall be disposed of only at facilities and by entities properly licensed and/or permitted by agencies having jurisdiction over such wastes or Electronic Equipment.
5. The Electronic Equipment and components shall be picked up at SAWS water recycling centers, laboratories, service centers and garages, and other facilities within SAWS operation area and shall be picked up on an as needed basis. Contractor will pick up surplus electronic equipment within 45 days of written/fax notification by the designated SAWS representative. Pickups will be coordinated with the designated SAWS Representative.
6. Prior to transport, the Contractor must ensure that it has properly described, packaged, marked and labeled all Electronic Equipment, and that it is in proper condition for transportation according to all DOT, EPA and TCEQ standards and regulations. SAWS reserves the right, but is not obligated to inspect all Electronic Equipment for compliance with this paragraph. Containers to be provided by Contractor shall be constructed and lined in order to comply with standards and regulations.
7. Prices shall remain firm for the duration of the contract period.
8. Upon completion of each shipment on an as needed basis, the Contractor shall submit an invoice based upon the rates submitted in the Compensation Schedule to the SAWS Accounts Payable Section, Box 2449, San Antonio, Texas 78298-2449. Payment for amount due Contractor shall be construed as the date that a check payable to Contractor is deposited in the United States mail.

Invoices for payments and correspondence concerning this Agreement must reference the SAWS Purchase Order Number. Invoices, which do not reference the SAWS Purchase Order Number, will be returned unpaid. All paperwork including but not limited to:

CD, load manifest, invoice, Notice of Non-conformance pertaining to a specific shipment must reference the date of the pickup, load site, and load manifest number.

Payment otherwise due to the Contractor may be withheld by SAWS without payment of interest because of Contractor's failure to perform services, the filing of claims or evidence indicating the probable filing of claims against SAWS, including but not limited to, failure of Contractor to pay amounts for labor or material used by Contractor or for amounts due to Contractor's Subcontractors on the job. If and when the cause, or causes, for withholding any such payment shall be remedied or removed and satisfactory evidence of such remedy or removal has been accepted by SAWS, the payment withheld shall be promptly made to Contractor. If Contractor fails or refuses to remedy or remove any cause for withholding such payments within thirty (30) days after delivery of written notice by SAWS to Contractor, SAWS may remedy or remove the same or cause the same to be remedied or removed and may deduct the cost thereof from the Contract Compensation.

9. The Contractor warrants that it shall observe and comply with all existing requirements, laws, ordinances and regulations of the United States and of any state, county, township or municipal subdivision thereof, or other governmental agency which may be applicable to the removal, processing, recycling, treatment, disposal or transporting of the Electronic Equipment or to which the performance of all or any part of this Agreement may become subject.
10. The Contractor shall comply with all employee health and safety standards during all phases of the work, and shall additionally comply with SAWS' security and safety directives when within SAWS facilities.
11. Contractor shall require each Subcontractor, to the extent of the services to be performed by the Subcontractor, to be bound by the terms of the Agreement and to assume toward the Contractor all the responsibilities and obligations which the Contractor by this Agreement assumes towards SAWS.
12. SAWS or its authorized representative shall have access, during normal working hours, to all necessary Contractor and Subcontractor facilities to audit any service provided by the Contractor pursuant to this agreement. SAWS is hereby authorized to conduct site visits on Contractor's facilities. Contractor shall make available all Subcontractor facilities for such site visits under the same terms and conditions that Contractor's facilities are available for such visits. Site visits contemplated by this paragraph may include environmental audits to the degree deemed necessary by SAWS. No finding or conclusion reached during such visit, nor any absence of a finding or conclusion, shall in any way relieve Contractor or its Subcontractor of any liability or of the duty to comply with all statutes and regulations applicable to the Electronic Equipment and the services provided to SAWS.
13. SAWS is a tax-exempt municipal corporation, and as such is exempt from Federal, State and Municipal sales taxes.
14. Any State, Federal or local tax, including sales and use tax imposed upon Contractor by the various governmental authorities, including the state tax for services rendered by the Contractor, shall be paid by the Contractor.

15. When Contractor cannot abide by terms and conditions in fulfilling the contract, Contractor must supply service from other sources at the contract price. If Contractor delays in providing these services, SAWS reserves the right to purchase on the open market and charge Contractor the difference between contract price and the purchase price.
16. Contractor agrees to defend, hold harmless and indemnify the City of San Antonio, SAWS, and their respective agents, employees, officers, trustees and representatives from and against any and all claims, suits, demands, causes of action, liabilities, losses, costs, damages, attorneys fees, all costs of defense in any proceeding of any kind or character, including expert witness fees, fines, civil or administrative penalties, and expenses of any kind or character arising out of, in whole or in part, any act or omission of Contractor or of any Subcontractor utilized by Contractor that is in any way related to the bid, or the contract awarded on acceptance of a bid, or this Agreement, including without limitation Contractor's or any Subcontractor's transportation, loading, collection, handling, management, storage, processing, recycling, reuse or disposal of any of the Electronic Equipment or of any component of such equipment, and all amounts which SAWS may be required to pay under any law imposing liability with or without regard to fault for the environmental clean-up of any location where the Electronic Equipment, components of that equipment or any wastes associated with that equipment or the processing or recycling of it, have been placed, stored or disposed of or any other site to which any of the same has migrated. All of the agreements contained in this paragraph 16 shall survive the termination or expiration of this Agreement.
17. With regard to Laws and Regulations:
  - a. The Contractor shall observe and comply with all ordinances, laws, rules, requirements and regulations of all units of government and governmental agencies having jurisdiction over any aspect of the collection, handling, processing, storage, recycling, reuse, transportation or disposal of the Electronic Equipment and components. The Contractor shall hold harmless and indemnify SAWS, the City of San Antonio and all of their respective officers, employees, trustees, representatives and agents against any claim or liability arising from or based on any violation of the same.
  - b. If this Contract requires Contractor's employee(s) to obtain a commercial driver's license in order to perform services hereunder, the Contractor shall abide by the regulations promulgated by the Department of Transportation (DOT), Federal Highway Administration (FHWA) which states that Contractors subject to FHWA mandates shall be in compliance with those parts of 49 Code of Federal Regulations (CFR) which relate to the illegal use of alcohol and controlled substances. SAWS will require such compliance to be a part of this Contract and will immediately terminate this Contract if Contractor is found to not be in compliance with said regulations. Contractor shall indemnify SAWS against any fines, penalties, damages, costs or attorney fees based upon any violation by Contractor of the same.

18. The use of Contractor Equipment could involve incidental or accidental spills, leaks or releases of hydrocarbons and petroleum products or other substances during the course of the work from that equipment or other sources (including but not limited to drums, and other containers). Contractor is, and shall be, responsible for the containment of any such spills and shall be responsible for the cleanup and the proper disposal of all such spilled material, including hydrocarbon-contaminated materials from Contractor-owned, supplied or used equipment, materials or containers. The cleanup and disposal of all such contaminated materials shall be handled in accordance with local, State, and Federal requirements, and shall be performed to the satisfaction of the SAWS Facility Representative. In addition, Contractor shall promptly submit to SAWS, documentation verifying that any such contaminated media was sent to a proper disposal facility (including manifest or other documentation provided by the disposal facility). The SAWS Facility Representative shall be notified by the Contractor as soon as possible after the occurrence of any such spill or release, and the Contractor shall be responsible for reporting the spill to the appropriate agencies if a reportable quantity was released. Contractor shall provide to the SAWS Facility Representative, upon request, any information requested by SAWS concerning any such spill report.
19. The Contractor agrees to load the Electronic Equipment and components at locations designated by SAWS and that such loading will be performed by the Contractor's personnel. All equipment needed to load the Electronic Equipment and components will be furnished by the Contractor.
20. SAWS reserves the right to refuse loading of the Electronic Equipment or components if it reasonably finds that the means of providing transportation of the material, including the personnel to be used, the transport vehicle or containers do not meet standards for transportation of the material. By this provision, SAWS assumes no obligation to assure, in all respects, the fitness of the transportation. That obligation rests with the Contractor.
21. Preferred loading of the materials shall be between 8:30 a.m. and 3:30 p.m., Monday through Friday, except recognized SAWS holidays, as scheduled by SAWS.
22. The Contractor shall provide suitable and competent transportation to remove the Electronic Equipment and components, and warrants that it has all permits, registrations, and licenses for transporting the materials in compliance with the local, State, and Federal regulations. The Contractor shall further ensure compliance with all local, State, and Federal notification and record keeping requirements.
23. Reporting
  - a. Annually, the Contractor will furnish to SAWS usage reports showing a summary of the services and history for the previous contract year. The report must show at a minimum, the reporting period, description and total quantity of each item reused for its original purpose, recycled/processed during the period and

dollars billed. SAWS reserves the right to request additional information, if required, when reviewing contract activity.

- b. Quarterly the Contractor shall list each subcontractor(s), facility(ies) and transporter(s) used in fulfilling this contract and , for each, shall provide a contact person, phone number, site address and the OPA ID number, if applicable. The report shall also include the process and/or procedure used for each batch or unit accepted from SAWS. The Contractor shall provide documentation describing which if any, materials were disposed, the final destination of such materials, and the method of disposal.
- c. The Contractor will track all sale, reuse, recycling and disposal transactions and include a description of the same in its quarterly report to SAWS.

24. The Contractor shall dispose all resultant waste materials, empty containers, and residues generated from disposal and/or recycling activities, in full compliance with all applicable laws and regulations, and in facilities approved by the Environmental Protection Agency (EPA), and State and local environmental regulatory agencies where applicable, including the Texas Commission on Environmental Quality (TCEQ). The Contractor shall ensure that all storage facilities and all disposal facilities utilized in the demanufacture, disassembly, evaluation, recycling and disposal process shall comply with local, State, and Federal statutes and regulations regarding these activities and shall further ensure compliance with local, State, and Federal notification and record keeping requirements

**a. Proof of Recycling/Disposal /Incineration -Certificates of Recycling, Disposal or Incineration**

The Contractor shall provide SAWS with Certificates of Recycling/Disposal (CD) and a letter on company's letterhead, stating the same information as contained on the CD. The CD must include the following information:

- the name and identification number(s) of the recycling or disposal facility,
- a description of the Electronic Equipment, components or resultant waste materials and the shipment's manifest numbers, includes manifest numbers from any SAWS generated or intermediary generated manifests,
- the date of recycling or disposal and the process used, and
- a statement signed by the recycling or disposal facility's owner or operator certifying that waste was recycled or disposed.

**b. Blended Wastes and/or Wastes Transferred or Stored Prior To Disposal**

If the Contractor blends or otherwise mixes SAWS materials or resultant wastes with that of others before disposal or stores waste at any facility prior to disposal, the Contractor shall provide SAWS (sent to the attention of the designated SAWS Facility Representative as named on the attached Compensation Schedule) with:

- a photocopy or carbon copy of the white copy of all manifests signed by the disposal facility owner or operator used to transport waste(s) resulting from the Electronic Equipment, whether in bulk, blended with the waste of others or not, to any and all other storage or disposal facilities within thirty (30) days of shipment (manifests must reference the waste resulting from the Electronic Equipment),
- a Certificate of Disposal containing the information described paragraph 24a., that is prepared by the owner or operator of the facility that performs the actual disposal,

**NOTE:** The Contractor is still subject to, and will not be released from, the obligation to ensure compliance with the 90 day limit for disposal previously specified.

**c. Residue Disposal.** The disposal (including land disposal) of the residue from processing Electronic Equipment or components which results from a thermal process shall be conducted in accordance with local, State, and Federal land disposal regulations.

25. The quantities shown are estimates only and are in no way binding upon SAWS.
26. All obligations of Contractor to defend, hold harmless, or indemnify the City of San Antonio, SAWS, or any of their respective representatives, employees, agents, officers or trustees from or against any claim, demand, cause of action, suit, loss, cost, damage, fee, fine, penalty or expense of any kind or nature shall perpetually survive the expiration or termination of this Agreement.

**EXHIBIT C.  
COMPENSATION FOR ADDITIONAL SERVICES**

**Not Applicable**

**EXHIBIT D**  
**SAWS STANDARD INSURANCE SPECIFICATIONS**

1. Commencing on the date of this Contract, the CONTRACTOR shall, at his own expense, purchase, maintain and keep in force such insurance as will protect him and the San Antonio Water System ("SAWS") and the City of San Antonio ("the City") and their employees and agents from claims, which may arise out of or result from his operations under this Contract, whether such operations are by himself, by any subcontractor, supplier or by anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable, including, without limitation, the following:

a. **Workers' Compensation (WC)** insurance that will protect the CONTRACTOR, SAWS and the City from claims under statutory Workers' Compensation laws, disability laws or such other employee benefit laws and that will fulfill the requirements of the jurisdiction in which the work is to be performed.

This insurance shall be endorsed to provide:

- Coverage for multiple jurisdictions and other such indicated coverage (U.W. Longshoremen and Harbor Workers' Admiralty, etc.) as may be applicable; and
- **Waiver of Subrogation** in favor of SAWS and the City with respect to both this insurance coverage and the **Employers' Liability (EL)** insurance (as specified immediately below in section 1.b.).

b. **Employers' Liability (EL)** insurance (**Coverage B** under standard Workers' Compensation policy) that will protect the CONTRACTOR, SAWS and the City for damages because of bodily injury, sickness, disease of vendor's employees apart from that imposed by Workers' Compensation laws. The employers' liability insurance shall have minimum limits of liability of not less than:

\$ 1,000,000.00	Bodily Injury by Accident
1,000,000.00	Bodily Injury by Disease - Each Employee
1,000,000.00	Bodily Injury by Disease - Policy Limit

c. **Commercial General Liability (CGL)** insurance that will protect the CONTRACTOR, SAWS and the City from claims for damages because of bodily injury, personal injury, sickness, disease or death and insurance that will protect the CONTRACTOR, SAWS and the City from claims for damages to or destruction of tangible property of others, including loss of use thereof.

This coverage shall:

- Include Broad Form Property Damage;
- Cover independent contractors;
- Not include any exclusions relating to blasting, explosion, collapse of buildings or damage to underground property where applicable;
- Afford coverage for Products Liability and/or Completed Operations and, Blanket Broad Form Contractual Liability specifically covering the indemnification assumed by the CONTRACTOR under this contract.

**The minimum limits of liability for this coverage shall be:**

\$ 1,000,000.00	Occurrence Limit
2,000,000.00	General Aggregate
1,000,000.00	Products/Completed Operations Aggregate
1,000,000.00	Personal and Advertising Injury
50,000.00	Fire Legal Liability
1,000,000.00	Contractual Liability

This insurance shall be endorsed:

- Naming SAWS and the City as an **Additional Insured**; and
  - To provide a **Waiver of Subrogation** in favor of SAWS and the City.
- d. **Comprehensive Automobile Liability (AL)** insurance that will protect the CONTRACTOR, SAWS and the City from claims for damages arising out of the maintenance, operation, or use of any owned, non-owned or hired vehicles. Minimum limits of liability for bodily injury and property damage **combined** shall be not less than \$1,000,000.00 per each occurrence.

This insurance shall be endorsed:

- Naming SAWS and the City as an **Additional Insured**; and
  - To provide a **Waiver of Subrogation** in favor of SAWS and the City.
- e. **Umbrella Liability (UL)** insurance in the amount of \$2,000,000.00. This policy shall be of an "Occurrence" type and the limit of liability shall be concurrent with (following form) and in excess of the **EL, CGL, and AL** insurance coverage as described in paragraphs 1.b., 1.c., and 1.d. above.
- f. **Contractor's Pollution Coverage with Transportation** (Blanket Coverage)\$5,000,000 per occurrence/\$5,000,000 annual aggregate for sudden and accidental contamination or pollution, liability for gradual emissions, and clean-up costs. The coverage shall also include a two (2) year completed operations coverage.

Section 1.1 OR

**Contractor's Pollution Remediation and Legal Liability** coverage with policy limits of \$5,000,000 per occurrence/\$5,000,000 annual aggregate for sudden and accidental contamination or pollution, liability for gradual emissions, and clean-up costs. The coverage shall also include a two (2) year completed operations coverage.

**Commercial General Liability (CGL)** insurance policy can be endorsed for sudden and accidental contamination or pollution, liability for gradual emissions, and clean-up costs with policy limits of \$5,000,000 per occurrence/\$5,000,000 annual aggregate. The coverage shall also include a two (2) year completed operations coverage.

2. CONTRACTOR shall be liable for all Subcontractor's insurance coverage appropriate to their scope of Work, and in the event a Subcontractor is not insured with respect to any and all insurance required by law, including, but not limited to, Automobile Insurance and Workers' Compensation Insurance, then the CONTRACTOR shall endorse the Subcontractor onto the applicable CONTRACTOR policies as another named insured.
3. The insurance that is required under these requirements shall be written so that SAWS and the City will be notified in writing in the event of cancellation, restrictive endorsement or non-renewal at least **thirty (30) days** prior to such action.
4. **Certificates of Insurance** shall be filed with the System **no later than 5 days** after notification of pending award of contract and **before starting any work**. Certificates should be mailed to the Purchasing Division, San Antonio Water System, P. O. Box 2449, San Antonio, Texas 78298-2449 or faxed to (210) 704-7913. **CONTRACTOR's Certificate shall reference the SAWS bid number at time of submittal.**

CONTRACTOR shall be responsible for obtaining **Certificates of Insurance** from the first tier Subcontractor, and upon request furnish copies to the SAWS.

5. CONTRACTOR is responsible for all deductibles under all of the insurance policies required by these specifications.
6. The stated limits of insurance required by these requirements are **MINIMUM ONLY** and it shall be the CONTRACTOR'S responsibility to determine what limits are adequate and the length of time this coverage shall be maintained.

**These minimum limits may be basic policy limits or any combination of basic limits and umbrella limits. The CONTRACTOR is fully responsible for all losses arising out of, resulting from or connected with the construction, and installation of the Facilities, and in support of its operations under this Contract**

**and those of its subcontractors, whether or not said losses are covered by insurance. The System's acceptance of Certificates of Insurance that in any respect do not comply with the requirements does not release the CONTRACTOR from compliance herewith.**

7. CONTRACTOR agrees that all insurance policies required by these requirements shall be with insurance companies, firms or entities that are **A.M. Best** rating of **A-** ("**A**" minus) and a **Financial Size Category** of a "**VII**" or better. All insurance policies shall be of an "Occurrence" type except for the Pollution coverage.

8. **SURVIVAL**

Any and all representations, conditions and warranties made by CONTRACTOR under this Contract including, without limitation, the provisions of Sections 1.b, 1.c. and 1.d. of these requirements are of the essence of this Contract and shall survive the execution and delivery of it, and all statements contained in any document required by SAWS whether delivered at the time of the execution, or at a later date, shall constitute representations and warranties hereunder.

**EXHIBIT E**  
**TERM AND EXTENSIONS**

- I. **The Term** shall be an Annual Agreement beginning on **Date of Award** and ending **September 30, 2005**.
  
- III. The San Antonio Water System (SAWS) reserves the right to extend the period for three (3) additional one year extensions based on the initial bid submitted or any negotiated changes orders, mutually agreeable to SAWS and the Contractor.

**EXHIBIT F**  
**LIST OF SUBCONTRACTORS**

1. **AIT Logistics**  
701 N. Rohlwing Rd  
Itasca, IL 60143
  
2. **United Parcel Service**  
55 Glenlake Pkwy., NE  
Atlanta, GA 30328
  
3. **Noranda**  
181 Bay St., Ste 200  
Toronto, Ontario M5J2T3, Canada
  
4. **Sipi Metals**  
1720 Elston Ave.,  
Chicago, IL 60622
  
5. **Inmetco**  
245 Portersville Rd.  
Ellwood, PA 16117
  
6. **Plastic Nation**  
20283 State Road 7  
Boca Raton, FL 33498
  
7. **Corning International**  
1 Riverfront Plaza  
Corning, NY 14831

## EXHIBIT G

### SECURITY REQUIREMENTS

Prime contractor employees will be required to obtain a SAWS issued contractor photo identification badge (Contractor's Badge) prior to any work performed for SAWS. SAWS Project Managers and the Prime Contractor Supervisor are jointly responsible for ensuring a Contractor Data Form (CDF) is properly completed (and maintained current status) with all the required prime contractor employee names. Sub-contractors will be listed on the CDF by company name with employee names following the company name. If multiple sub-contractors are used, they will also be listed on the CDF separately by group with company name, followed by employee names. It is the responsibility of the prime contractor supervisor and any other prime contractor employees at the work site to monitor and control all work performed by sub-contractors performing work for the prime contractor at any SAWS site. SAWS Project Managers are responsible for the accuracy of information on the form and for obtaining any and all required items (badges, parking tags if necessary, and ensuring badges are returned to SAWS Security when no longer required or at the end of the contract) necessary to fulfilling the requirements of the work scope under the contract. The Project Manager may delegate these tasks to the Prime Contractor Project Supervisor or other members of his direct staff, but the Project Manager is ultimately accountable for the information and for recovering any SAWS equipment used in support of the contract. The completed CDF form must be sent electronically to security at <mailto:SecurityGroup@saws.org> . Badge office hours are Mondays and Fridays 8:30 AM to 11:30 AM. There are certain designated SAWS sites or facilities that may require a SAWS employee to physically escort the contractor throughout his/her visit to the site, especially if SAWS is in an elevated threat level condition. If no elevated threat level (High or above) exists, the Project Manager with approval by the appropriate Vice President, may elect to dispense with escort duties as long as the Prime Contractor employees are wearing a SAWS issued badge and the sub-contracts have a photo badge with name and current photo or a state issued driver's license with photo may be used. The Prime Contractor is responsible for updating his/her CDF and to inform the SAWS Security Office anytime there are employee terminations or changes affecting the information on the CDF. The Prime Contractor is also responsible for ensuring that all badges are turned in to the SAWS Security office when they are no longer in use or required due to employment terminations. The Prime Contractor must recover all badges issued to the prime contractor employees and notify SAWS Security Office immediately (to include removals or additions to the CDF) when there is such a change in his/her contractor staff performing duties under the scope of work identified in the SAWS contract. SAWS reserves the right to change the security requirements at anytime due to national threat level increases or local threat concerns as determined by SAWS management.

**EXHIBIT H**  
**RELEASE AND INVOICE HANDLING GUIDELINES,**  
**SURPLUS ELECTRONIC AND COMPUTER EQUIPMENT**  
**MANAGEMENT SERVICES**

SAWS Personnel must follow the "San Antonio Water System Surplus Electronic and Computer Equipment Management Procedure". Pick-ups of electronics must be coordinated with Environmental Safety Division (ESD). ESD will provide the Facility Representative with a dollar estimate of the service. If the Facility decides to go forward with the pickup, the following steps must be followed and completed by the identified parties.

**Facility Representative:** The Facility Representative is responsible for doing the release against PO# \_\_\_\_\_ in the system for the estimated cost. This can be done directly in Maximo, or in GEAC and must be done within 5 working days after material has been picked up.

**Vendor:**

- Vendor will perform electronics removal and supply copies of the initial signed documentation to ESD (i.e. the shipping manifest or bill of lading).
- Vendor will then create a pickup summary spreadsheet that cross-references the Electronics with the correct "Contract Line Item" and fax it to the ESD representative. (This document should eliminate any confused billed items).
- Once the SAWS electronics are delivered to the appropriate Treatment Storage & Disposal Facility is complete, Vendor will supply to ESD the "Signed as Received" manifests so that the invoice can be approved for payment.
- Vendor will concurrently provide original invoices (referencing the PO# \_\_\_\_\_) in duplicate to Accounting and ESD. (As an added customer service feature, ESD will receive all invoices in order to simplify and expedite the payment process, as well as, to eliminate confusion).

**ESD:** ESD will verify "Signed as Received" manifests from Vendor are complete and if acceptable will send the invoices to the appropriate Facility Representatives so that invoices can be paid in full. Invoices will not be approved until this documentation is received by ESD.

**Facility Representative:** Upon receipt of the approved invoice from ESD, the Facility Representative is responsible for approving the invoice for payment in the system. They can then e-mail the Accounts Payable Clerk, that the invoice has been approved. The P.O. number, the Blanket Release number, and the corresponding invoice number should be included in the e-mail.

**Vendor:** Vendor will submit the final certificate of disposal and a properly authorized load manifest (white copy) to the saws ESD representative as soon as available.

**Accounting:** Accounting will make payment in accordance with payment terms once invoice has been approved.

**POINT-OF-CONTACTS**

**Vendor :** Image Microsystems, Point-of-Contact: \_\_\_\_\_, Phone: \_\_\_\_\_

**SAWS ESD:** (Environmental Safety Division) Point-of-Contact: Floramie Welch, 704-7493

**SAWS Purchasing:** Point-of-Contact: Yvonne Torres, 704-7909

**SAWS Accounting:** Point-of-Contact: Diana Starkey, 704-7296



CMS or Ordinance Number: OR00000200804030271

TSLGRS File Code: 1000-05

Document Title:  
ORD - A1337 Disposal of Obsolete Computers

**Ordinance Date:**  
**4/6/2008**