

CONTRACT NO. 473-25-00003
BETWEEN
THE PUBLIC UTILITY COMMISSION OF TEXAS
AND MOSS ADAMS LLP

This contract engages a Contractor to perform a management audit of CenterPoint Energy Houston Electric, LLC's procurement activities, emergency planning, customer need analysis, and policies, procedures, and management activities associated with the lease and operation of mobile generation facilities.

The parties to this contract are the Public Utility Commission of Texas (PUCT), an agency of the State of Texas, located at 1701 N. Congress Ave., Austin, Texas 78701 and Moss Adams LLP, with offices located at 500 Dallas Street, Suite 1900, Houston, Texas, 77002.

Article 1. DEFINITIONS

When used in this contract, the following terms have the following meanings:

(1) **Business day** means a day other than: (i) a Saturday or Sunday; (ii) a national holiday under Texas Government Code § 662.003(a); or (iii) a state holiday under Texas Government Code § 662.003(b). Unless described as a '**business day**', a '**day**' means a calendar day.

(2) **Commission** means the governing body of the PUCT.

(3) **Contractor** means the person, organization, business entity, or other entity that is selected for the contract contemplated by RFP 473-25-00003.

(4) **May** means 'is authorized to.'

(5) **Parties** means PUCT and Contractor. **Party** means PUCT or Contractor.

(6) **Proposer** means a person, organization, business entity, or other entity that submitted a proposal in response to RFP 473-25-00003.

(7) **PUCT** means the Public Utility Commission of Texas, an agency of the state of Texas.

(8) **Services** means any and all services performed and any and all goods and products delivered by Contractor as specified in the Statement of Work, attached hereto as Exhibit A.

(9) **Statement of Work** means the description of goods and services to be provided as specified in Exhibit A to this contract.

(10) **Vendor** means a person, organization, business entity, or other entity that has been selected for or entered into a contract with a Texas state agency.

(11) **Week** means seven consecutive calendar days.

Article 2. COMPENSATION

2.1 Compensation. Contractor agrees to provide all Services (including labor, expenses, and any other services) described in the Statement of Work, attached as Exhibit A, for the fixed price of \$73,170 for the duration of the contract. The total price of this contract shall not exceed \$73,170 for the term of the contract. Contractor understands that the PUCT is not responsible for payment of any costs or expenses exceeding this amount.

If Contractor believes that changes in the scope of Services to be performed will require Contractor to increase its fee, it must request the PUCT's written authorization to increase its fee. Contractor must document the changes in the scope of Services and why they will require additional effort. The PUCT must approve the increase in fee by written amendment to this contract before Contractor performs any Services or may invoice the increased fee.

2.2 Payment Process. Contractor must submit an invoice to the PUCT contract administrator no later than the final day of the month after the month that all the Services have been performed and completed. The invoice must contain the name of the person performing Services and a brief description of work performed, including a description of any applicable deadlines for deliverables during the period invoiced and the date those deliverables were provided to the PUCT. No payment will be made for administrative overhead, overtime, or other costs not specifically described in this contract.

On the statement or invoice, Contractor must include a statement that the invoice accurately describes the Services performed and the Services were performed in compliance with the contract. The statement or invoice must include the vendor identification number issued by the Texas Comptroller or Contractor's federal taxpayer identification number, a description of the Services provided, and the name and division of the PUCT contract administrator.

Contractor must submit the invoice to the PUCT as follows:

By email to: Payables@puc.texas.gov

Or by mail to: Accounts Payable

Public Utility Commission of Texas

P.O. Box 13326

Austin, TX 78711-3326

The PUCT contract administrator will review the invoice and any other relevant documentation to ensure the Services were performed in compliance with the contract. If the invoice does not contain required information or documentation, or if the PUCT disputes that the Services were performed in compliance with the contract, the PUCT will reject the invoice and give the contractor its reasons and the opportunity to submit a corrected invoice.

Upon approval of the invoice, the PUCT will direct the payment of the invoice.

The PUCT reserves the right to withhold payment of any invoice(s) for default or non-compliance with the terms of the contract, without penalty to the PUCT. In such event, PUCT will notify Contractor in writing of the default and allow Contractor an opportunity to cure the default.

Payment(s) may be withheld until the default or non-compliance is resolved in a manner satisfactory to the PUCT. The Contractor will not be entitled to any additional compensation from the PUCT for any damages or expenses incurred as a result of withheld payment(s) under this section.

2.3 Release of Claims. Contractor's acceptance of payment releases the PUCT of all claims for compensation owed in connection with this contract.

2.4 Refund. Contractor will promptly refund or credit within thirty (30) calendar days any funds erroneously paid by PUCT which are not expressly authorized under the contract.

2.5 Payments Made to Subcontractors. Contractor must pay its subcontractors, if any, the appropriate share of payments received not later than the 10th day after the date Contractor receives the payment. The subcontractor's payment is overdue on the 11th day after the date Contractor receives the payment. The PUCT must approve Contractor's use of any subcontractor before Contractor engages the subcontractor (see paragraph 5.1 of this contract).

2.6 Records Retention. Contractor shall maintain and retain all records relating to the performance of the contract, including supporting fiscal documents adequate to ensure that claims for contract funds are in accordance with applicable State of Texas requirements. These records will be maintained and retained by Contractor for a period of seven (7) years after the contract expiration date or until all audit, claim, and litigation matters are resolved, whichever is later.

2.7 Sole Compensation. Payments under this Article are Contractor's sole compensation under this contract. Contractor must not incur expenses not contemplated under the Statement of Work, attached hereto as Exhibit A, with the expectation that the PUCT, the State of Texas, or any other agency of the State of Texas will pay the expense.

Article 3. CONTRACT ADMINISTRATION

3.1 PUCT Contract Administration. The PUCT designates Hayley Hall to serve as its primary point of contact and contract administrator throughout the term of this contract. Contractor acknowledges that the PUCT contract administrator does not have any authority to amend this contract on behalf of the PUCT, except as expressly provided herein. Contractor further acknowledges that such authority is exclusively held by the Commission exercising its authority through a vote in an open meeting, or the Executive Director of the PUCT as the Commission's authorized designee.

3.2 Contractor Contract Administration. Contractor designates its contract administrator as Maria Stroth, Senior Manager.

3.3 Reporting. Contractor must report directly to the PUCT contract administrator and must perform all activities in accordance with the reasonable instructions, directions, and requests conveyed to Contractor by the PUCT contract administrator.

3.4 Cooperation. The Parties' respective contract administrators must handle all communications between them in a timely and cooperative manner. The Parties must timely notify each other by email or other written communication of any change in designee or contact information.

3.5 Media Releases. Neither party may use the other party's name, logo, or other likeness in any press release, marketing material, or other announcement without the other party's prior written approval, except that the PUCT may respond to Public Information Act requests and other inquiries from state and federal regulatory bodies and the Governor's office as necessary without seeking Contractor's prior permission. The PUCT does not endorse any vendor, commodity, or service. Contractor is not authorized to make or participate in any media releases or public announcements pertaining to this procurement, the response, or the services to which they relate without the PUCT's prior written consent, and then only in accordance with explicit written instructions from the PUCT. Contractor will promptly refer all inquiries regarding this contract received from state legislators, other public officials, the media, or anyone else not a Party to this contract to the PUCT contract administrator.

Article 4. REPORTS AND RECORDS

4.1 Written Reports. Contractor must provide written reports to the PUCT in the form and with the frequency specified in the Statement of Work, attached hereto as Exhibit A, or as otherwise agreed in writing between the Parties.

4.2 Distribution of Reports. Contractor agrees that the PUCT has the right to distribute any report associated with this contract. This provision does not waive any right to confidentiality that the PUCT may assert for the report or any portion thereof.

Article 5. SUBCONTRACTING PARTIES

5.1 Use of Subcontractors. The Parties acknowledge and agree that, at the time of execution of this contract, Contractor intends to perform the Services required under this contract without the use of subcontractors. Contractor may not subcontract any or all of the work and/or obligations due under the contract without prior written approval of the PUCT. Subcontracts, if any, entered into by the Contractor shall be in writing and consistent with the requirements of this contract. Should Contractor subcontract any of the services required in the contract, Contractor expressly understands and acknowledges that in entering into such subcontract(s), the PUCT is in no manner liable to any subcontractor(s) of the Contractor. In no event shall this provision relieve Contractor of the responsibility for ensuring that the services performed under all subcontracts are rendered in compliance with the contract.

Contractor will notify the PUCT contract administrator of any other proposed subcontract and will work with the PUCT HUB Coordinator to procure such other subcontractor and to submit appropriate HUB subcontractor selection documentation for approval prior to engaging any other subcontractor, such approval not to be unreasonably withheld. Any subcontract not contemplated at the initiation of this contract and any subsequent substitution of a subcontractor must be approved by an amendment in accordance with the terms of Article 7.

5.2 Sole Responsibility. Contractor is solely responsible for the quality and timeliness of the work produced by all subcontractors that Contractor may engage to provide Services hereunder and for

the timely payment for all work produced by all subcontractors that the PUCT accepts in accordance with the terms of this contract.

5.3 Prime Vendor Contract. The Parties expressly agree that this contract is intended to constitute a prime vendor contract, with Contractor serving as the prime vendor for delivery of the Services made the subject hereof. Contractor acknowledges and agrees that it is fully liable and responsible for timely, complete delivery of the Services described in this contract, notwithstanding the engagement of any subcontractor to perform an obligation under this contract.

Article 6. TERM AND TERMINATION

6.1 Term. The term of this contract will begin on the date of the last signatory to sign the contract and will continue for one (1) year, unless sooner terminated under Sections 6.2 or 6.3 of this contract. Any extension of the contract must be agreed to by the Parties in writing.

6.2 Termination for Cause. If Contractor fails to provide the goods or services contracted for according to the provisions of the contract or fails to comply with any terms or conditions of the contract, the PUCT may serve upon Contractor written notice requiring Contractor to cure such default. Unless within thirty (30) days after receipt of said notice by Contractor, said default is corrected or arrangements satisfactory to the PUCT, as applicable, for correcting the default have been made by Contractor, the PUCT may terminate this contract for default and will have all rights and remedies provided by law and under this contract. If the PUCT terminates Contractor for a violation of Section 18.20 of this contract, the PUCT need not provide any notice or opportunity for curing the default. The PUCT will not be liable for any damages or loss to Contractor as a result of termination for cause.

6.3 Termination for Convenience. Each party reserves the right to terminate the contract at any time, in whole or in part, without cost or penalty, by providing thirty (30) calendar days' advance written notice to the other party. In the event of such a termination, Contractor must, unless otherwise mutually agreed upon in writing, cease all work immediately upon the effective date of termination. The PUCT shall be liable for payments limited only to the portion of work the PUCT authorized in writing and which Contractor has completed, delivered to the PUCT, and which has been accepted by the PUCT. All such work shall have been completed, in accordance with contract requirements, prior to the effective date of termination. The PUCT shall have no other liability, including no liability for any costs associated with the termination.

6.4 Remedies for Breach. All remedies available to the PUCT for breach or anticipatory breach of this contract by Contractor are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy will not be deemed an election of such remedy to the exclusion of other remedies. Actual damages and injunctive relief may also be invoked either separately or combined with any other remedy in accordance with applicable law.

6.5 Survival. Expiration or termination of the contract for any reason does not release Contractor from any liability or obligation set forth in the contract that is expressly stated to survive any such expiration or termination, that by its nature would be intended to be applicable following any such expiration or termination, or that is necessary to fulfill the essential purpose of the contract,

including without limitation the provisions regarding warranty, indemnification, confidentiality, and rights and remedies upon termination.

Article 7. ASSIGNMENT, AMENDMENTS, AND MODIFICATIONS

7.1 Material Change Requests. The PUCT may propose changes to the Statement of Work attached hereto as Exhibit A. Upon receipt of a written request from the PUCT for a change to the Statement of Work, Contractor must, within the deadline specified in the request, or if no deadline is specified within a reasonable time after the request, submit to the PUCT a detailed written estimate of any proposed price and schedule adjustments to this contract. No changes to the Statement of Work will occur without the Parties' written consent as provided in accordance with the terms stated in this contract.

7.2 Change in Law and Compliance with Laws. Contractor shall comply with all laws, regulations, requirements and guidelines applicable to the services Contractor provides as may be required by the contract to the State of Texas, as these laws, regulations, requirements and guidelines currently exist and as amended throughout the term of the contract. The PUCT reserves the right, in its sole discretion, to unilaterally amend the contract prior to award and throughout the term of the contract to incorporate any modifications necessary for the PUCT's compliance, as an agency of the State of Texas, with all applicable state and federal laws, regulations, requirements, and guidelines.

7.3 Assignment. Contractor shall not assign its rights under the contract or delegate the performance of its duties under the contract without prior written approval from the PUCT. Any attempted assignment in violation of this provision is void and without effect.

7.4 Amendments and Modifications. This contract may not be amended or modified in any manner except by written instrument executed by authorized representatives of the Parties in accordance with the terms of this contract.

7.5 Binding Effect. The contract shall be binding upon and shall inure to the benefit of the PUCT and Contractor and to their representatives, successors, and assigns.

Article 8. REPRESENTATIONS

8.1 Performance. Contractor represents that it will perform the Services outlined in the Statement of Work attached hereto as Exhibit A in a professional and workmanlike manner, consistent with professional standards of practice in the professional industry.

8.2 Services. Contractor represents that the Services will be rendered by the qualified personnel named in Section 19.7 of this contract. If Services provided under this contract require a professional license, then Contractor represents that the activity will be performed only by duly licensed personnel.

Article 9. RISK OF LOSS AND PROPERTY RIGHTS

9.1 Property Rights. Except for materials where any intellectual property rights are vested in a third party, such as software or hardware, in which case such rights remain the property of the third party, all finished and final reports and deliverables created or prepared for or on behalf of the

PUCT and delivered to and purchased by the PUCT, or on behalf of the PUCT, that the PUCT has accepted as part of the performance of Services hereunder, excluding any Contractor Materials (defined below in this paragraph) contained or embodied therein, (hereinafter in this paragraph, "Deliverables") will be the PUCT's property exclusively and will be given to the PUCT either at the PUCT's request during the term of the contract or upon termination or expiration of the contract. However, the PUCT may not alter or amend any Deliverables issued under Contractor's name. Contractor may retain a copy of Deliverables for archival purposes. Contractor shall own: (i) its working papers and any internal engagement documentation; and (ii) any general skills, know-how, expertise, ideas, concepts, methods, techniques, processes, software, materials, or other intellectual property which may have been discovered, created, received, or developed by Contractor either prior to or as a result of providing services under the contract (collectively, in this paragraph, "Contractor Materials"). The PUCT shall have a non-exclusive, non-transferable license to use Contractor Materials for its own internal use and only for the purposes for which they are delivered to the extent they form part of a Deliverable. Notwithstanding anything to the contrary in this Agreement, Contractor and its personnel are free to use and employ their general skills, know-how, and expertise, and to use, disclose, and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of the contract so long as they acquire and apply such information without any unauthorized use or disclosure of confidential or proprietary information of the PUCT.

9.2 Prior Works. Except as provided herein, all previously owned materials, conceptions, or products prior to execution of the contract will remain the property of Contractor and nothing contained in this contract will be construed to require Contractor to transfer ownership of such materials to the PUCT.

9.3 Trademark Ownership. Contractor hereby acknowledges and agrees that trademarks remain the exclusive property of the PUCT, that all right, title, and interest in and to the trademarks are exclusively held by the PUCT, and all goodwill associated with such trademarks inures solely to the PUCT.

9.4 Program Information. Program information, data, and details relating to Contractor's Services under this contract must be maintained separately from Contractor's other activities. Contractor must undertake all reasonable care and precaution in the handling and storing of this information.

Article 10. PUBLIC INFORMATION ACT

10.1 Public Information Act. Contractor understands that the PUCT will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material in connection with the solicitation of, or this resulting contract, may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Contractor is required to make any information created or exchanged with the State pursuant to the contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State. For the purpose of this paragraph, paper documents, Adobe Portable Document Format files (.pdf), Microsoft Excel spreadsheets (.xls), Microsoft Word documents

(.docx), and Hypertext Markup Language (.html) files will be considered “accessible by the public,” unless another format is specified by the PUCT, at the PUCT’s sole discretion.

The Parties acknowledge that not all terms of this contract may be confidential under the PIA, regardless of whether those terms are marked "Proprietary," "Trade Secret," or "Confidential." The PUCT will notify Contractor of requests for Contractor’s information as required under the PIA. If information created or exchanged with the state pursuant to this contract is excepted from disclosure under the PIA, Contractor will not be required to make the information available to the public but may be required to facilitate the PUCT’s provision of the information to the Texas Attorney General for a decision on the information’s confidentiality. The PUCT has no duty or responsibility to argue a defense of confidentiality to Contractor’s information or data; it will be Contractor’s sole responsibility to do so.

Article 11. CONFLICTS OF INTEREST AND EMPLOYMENT RESTRICTIONS

11.1 No Conflicts of Interest. Contractor represents that the provision of goods and services or other performance under the contract will not constitute an actual or potential conflict of interest or reasonably create an appearance of impropriety.

11.2 Notice of Conflict. Contractor agrees to promptly notify the PUCT of any circumstance that may create a real or perceived conflict of interest, whether arising prior to or during the term of the contract. Contractor agrees to use commercially reasonable efforts to resolve any real or perceived conflict of interest to the satisfaction of the PUCT. If Contractor fails to do so, it will be grounds for termination of this contract for cause, pursuant to Section 6.2 of this contract.

11.3 Prohibited Employment. Contractor agrees that it will not hire any person whose employment with Contractor would violate any of its employment policies or any Texas state law applicable to Contractor.

Article 12. INDEMNIFICATION

CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE PUCT, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES TO THE EXTENT CAUSED BY THE NEGLIGENT OR WRONGFUL ACTS OR OMISSIONS OF CONTRACTOR IN THE PERFORMANCE OF ITS OBLIGATIONS UNDER THE CONTRACT. CONTRACTOR HAS NO OBLIGATION OF INDEMNITY UNDER THIS PARAGRAPH IF ANY LOSSES ARE CAUSED BY THE NEGLIGENCE (WHETHER SOLE, CONCURRENT OR CONTRIBUTORY) OF THE PUCT.

THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. CONTRACTOR AND THE PUCT AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

Article 13. INSURANCE

13.1 Contractor Responsibility. Contractor agrees to comply with all state and federal laws applicable to its services, which may include the liability and payment of Contractor and Contractor's employees, including laws regarding wages, taxes, insurances, and workers' compensation. Neither the PUCT nor the State of Texas will be liable to the Contractor, its employees, agents, or others for the provision of unemployment insurance or workers' compensation or any benefit available to a state employee.

13.2 Minimum Insurance. Contractor must, at its sole cost and expense, secure and maintain as a minimum, from the effective date of this contract and thereafter during the term of this contract and any renewals or extensions thereof, for its own protection and the protection of the PUCT and the State of Texas:

- a) commercial liability insurance, covering, at a minimum, the following categories of liability within the following limits: (i) bodily injury and property damage - \$1,000,000 limit per occurrence, \$2,000,000 aggregate, (ii) medical expense - \$5,000 limit per person, (iii) personal injury and advertising liability - \$1,000,000 limit, (iv) products or completed operations – \$2,000,000 aggregate, (v) damage to premises rented - \$50,000 limit;
- b) automobile liability coverage for vehicles driven by Contractor's employees (\$500,000 per occurrence);
- c) workers' compensation insurance in accordance with the statutory limits, as follows: (i) employer's liability - \$1,000,000 each incident; and (ii) disease - \$1,000,000 each employee and \$1,000,000 policy limit; and
- d) cyber incident coverage to include: expenses related to compliance with privacy law notification requirements; credit and identification monitoring for up to 12 months after a cyber incident or as required by law; and expenses related to forensic investigations.

The PUCT and the State of Texas must be named an additional insured on the commercial liability and automobile policies, blanket endorsement acceptable.

Insurance coverage must be from companies licensed by the State of Texas to provide insurance with an "A-" rating from A.M. Best and authorized to provide the corresponding coverage.

13.3 Certificates of Insurance. Contractor must furnish to the PUCT certificates of insurance and any applicable endorsements, signed by authorized representatives of the surety or insurers, of all such insurance and confirming the amounts of such coverage within ten (10) days of the effective date of this contract, and upon request thereafter. Upon request, Contractor must provide the PUCT contract administrator with renewal certificates. Failure to maintain such insurance coverage specified herein, or to provide such certificates or endorsements promptly, will constitute a material breach of this contract. Contractor must provide thirty (30) days written notice of any notice for renewal or cancellation of insurance; provided, however, that Contractor shall not be obligated to provide such notice if, concurrently with such renewal or cancellation, Contractor obtains coverage from another insurer meeting the requirements described herein.

Article 14. DISPUTE RESOLUTION

The dispute resolution process provided for in Chapter 2260 of the Texas Government Code may be used to attempt to resolve any dispute arising under the contract.

Article 15. SOVEREIGN IMMUNITY

Nothing in the contract shall be construed as a waiver of the PUCT's or the State's sovereign immunity. This contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the PUCT or the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the PUCT or the State of Texas under the contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies, or immunities or be considered as a basis for estoppel. The PUCT does not waive any privileges, rights, defenses, or immunities available to the PUCT by entering into the contract or by its conduct prior to or subsequent to entering into the contract.

Article 16. GOVERNING LAW AND VENUE

The contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the PUCT.

Article 17. COMPLIANCE WITH LAW

17.1 General. Contractor must comply with all federal, state, and local laws, executive orders, regulations, and rules applicable to its services at the time of performance. Contractor represents that all Services provided hereunder comply with all applicable laws and regulations to which they are subject. Contractor represents its compliance with all applicable duly enacted state and federal laws governing equal employment opportunities.

17.2 Taxes. Purchases made for State of Texas use are exempt from the State Sales Tax and Federal Excise Tax. The PUCT will furnish Tax Exemption Certificates upon request. Contractor represents that it shall pay all taxes or similar amounts resulting from the contract, including, but not limited to, any federal, State, or local income, sales or excise taxes of Contractor or its employees. The PUCT shall not be liable for any taxes resulting from the contract.

17.3 Workers' Compensation. Contractor agrees that it will be in compliance with applicable state workers' compensation laws throughout the term of this contract and any renewals or extensions thereof.

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

17.5 Americans with Disabilities Act. Contractor represents its compliance with the requirements of the Americans With Disabilities Act and its implementing regulations, as each may be amended.

17.6 Lobbying Prohibition. Contractor represents that the PUCT's payments to Contractor and Contractor's receipt of appropriated or other funds under the contract are not prohibited by Sections 556.005 or 556.0055 of the Texas Government Code.

17.7 Disclosure of Interested Parties. Contractor represents that if applicable, it will submit to the PUCT a Certificate of Interested Parties prior to contract execution in accordance with Section 2252.908 of the Texas Government Code.

Article 18. CONTRACTOR'S CERTIFICATION

By accepting the terms of this contract, Contractor certifies that, to the extent applicable, it is in compliance with the following requirements. Contractor understands and agrees that a false certification may lead to termination of this contract for cause.

18.1 Dealings with Public Servants Affirmation. Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this contract.

18.2 Debts and Delinquency Affirmation. Contractor agrees that any payments due under the contract shall be applied towards any debt or delinquency that is owed to the State of Texas.

18.3 Excluded Parties. Contractor certifies that it is not listed in the prohibited vendors list authorized by Executive Order No. 13224, "Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism", published by the United States Department of the Treasury, Office of Foreign Assets Control.

Contractor further represents that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.

18.4 Antitrust. Contractor represents that, in accordance with Section 2155.005 of the Texas Government Code, neither Contractor nor the firm, corporation, partnership, or institution represented by Contractor, or anyone acting for such a firm, corporation or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws; or (2) communicated directly or indirectly the contents of RFP 473-25-00003, its proposal, or this contract to any competitor or any other person engaged in the same line of business as Contractor.

18.5 Prohibited Compensation. Contractor has not received compensation from the PUCT, or any agent, employee, or person acting on the PUCT's behalf for participation in the preparation of this contract.

18.6 Financial Participation Prohibited Affirmation. Under Section 2155.004(b) of the Texas Government Code, Contractor certifies that the individual or business entity named in this contract

is not ineligible to receive the specified contract and acknowledges that the contract may be terminated and payment withheld if this certification is inaccurate.

18.7 Child Support Obligation Affirmation. Under Section 231.006 of the Family Code, the Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified payments and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate in addition to other remedies set out in § 231.006(f).

18.8 Executive Head of State Agency Affirmation. In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Contractor certifies that it is not (1) the executive head of the PUCT, (2) a person who at any time during the four years before the date of the contract was the executive head of the PUCT, or (3) a person who employs a current or former executive head of the PUCT.

Further, Contractor represents that to the best of its knowledge, none of its employees including providing services directly to the PUCT under this the contract, were former employees of the PUCT during the twelve (12) month period immediately prior to the date of execution of the contract.

18.9 Buy Texas Affirmation. In accordance with Section 2155.4441 of the Texas Government Code and if applicable, Contractor agrees that during the performance of a contract for services it shall purchase products and materials produced in Texas when they are available at a price and time comparable to products and materials produced outside this state.

18.10 Prior Disaster Relief Contract Violation. Under Sections 2155.006 and 2261.053 of the Texas Government Code, the Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

18.11 E-Verify Program. Contractor certifies that for contracts for services, it shall utilize the U.S. Department of Homeland Security's E-Verify system during the term of the contract to determine the eligibility of:

1. all persons employed by Contractor to perform duties within Texas; and
2. all persons, including subcontractors, assigned by Contractor to perform work pursuant the contract within the United States of America.

18.12 Suspension and Debarment. Contractor certifies that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in the contract by any state or federal agency.

18.13 Entities that Boycott Israel. Contractor represents that (1) it does not, and shall not for the duration of the contract, boycott Israel; or (2) the verification required by Section 2271.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify the PUCT.

18.14 COVID-19 Vaccine Passport Prohibition. Under Section 161.0085 of the Texas Health and Safety Code, Contractor certifies that the individual or business entity named in this contract is not ineligible to receive this contract.

18.15 Human Trafficking Prohibition. Under Section 2155.0061 of the Texas Government Code, the Contractor certifies that the individual or business entity named in this contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

18.16 Energy Company Boycott. Contractor represents that: (1) it does not, and will not for the duration of the contract, boycott energy companies; or (2) the verification required by Section 2276.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify the PUCT.

18.17 Firearm Entities and Trade Associations Discrimination. Contractor verifies that: (1) it does not, and will not for the duration of the contract, have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; or (2) the verification required by Section 2274.002 of the Texas Government Code does not apply to the contract. If circumstances relevant to this provision change during the course of the contract, Contractor shall promptly notify the PUCT.

18.18 Critical Infrastructure Affirmation. Pursuant to Texas Government Code § 2275.0102, Contractor certifies that neither it nor its parent company, nor any affiliate of Contractor or its parent company, is: (i) majority owned or controlled by citizens or governmental entities of China, Iran, North Korea, Russia, or any other country designated by the Governor under Texas Government Code § 2275.0103; or (ii) headquartered in any of those countries.

18.19 Disaster Recovery Plan. Upon request of the PUCT, Contractor shall provide information about its business continuity and disaster recovery plans.

18.20 False Statements. Contractor represents that all statements and information prepared and submitted in this document are current, complete, true, and accurate. Submitting a contract with a false statement or material misrepresentations made during the performance of a contract is a material breach of contract and may void any resulting contract.

18.21 Compliance with Executive Order GA 48. In accordance with Executive Order GA 48, Contractor certifies that it, and if applicable, any of Contractor's holding companies or subsidiaries, is not: (a) Listed in Section 889 of the 2019 National Defense Authorization Act (NDAA); or (b) Listed in Section 1260H of the 2021 NDAA; or (c) Owned by the government of a country on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R. § 791.4; or (d) Controlled by any governing or regulatory body located in a country on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R. § 791.4.

18.22 Disclosure of Prior State Employment. In accordance with Section 2254.033 of the Texas Government Code, relating to consulting services, Contractor certifies that it does not employ an individual who provides services under this contract and who has been employed by the PUCT or another agency at any time during the two years preceding the submission of the response to RFP 473-24-00003 or, in the alternative, Contractor has disclosed in its response the following: (i) the nature of the previous employment with the PUCT or the other agency; (ii) the date the employment was terminated; and (iii) the annual rate of compensation for the employment at the time of its termination.

Article 19. GENERAL PROVISIONS

19.1 Independent Contractor. Contractor and Contractor's employees, representatives, agents, and subcontractors shall serve as independent contractors in providing the services under the contract. Neither Party is an agent of the other and neither may make any commitments on the other party's behalf. Should Contractor subcontract any of the services required in the contract, Contractor expressly understands and acknowledges that in entering into such subcontract(s), the PUCT is in no manner liable to any subcontractor(s) of Contractor. In no event shall this provision relieve Contractor of the responsibility for requiring that the services performed under all subcontracts are rendered in compliance with the contract. Contractor shall have no claim against the PUCT for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind. The contract shall not create any joint venture, partnership, agency, or employment relationship between the Parties.

19.2 Non-Exclusivity. Nothing in this contract is intended nor will be construed as creating any exclusive arrangement between Contractor and PUCT. This contract will not restrict the PUCT from acquiring any similar, equal, or like goods or services from other entities or sources.

19.3 Taxes and Statutory Withholdings. Contractor acknowledges that it is not a PUCT employee but is an independent contractor. Accordingly, it is Contractor's sole obligation to report as income all compensation received by Contractor under the terms of this contract. Contractor is solely responsible for all taxes (federal, state, or local), withholdings, social security, unemployment, Medicare, Workers' Compensation insurance, and other similar statutory obligations (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Contractor must defend, indemnify and hold the PUCT harmless to the extent of any obligation imposed by law on the PUCT to pay any tax (federal, state, or local), withholding, social security, unemployment, Medicare, Workers' Compensation insurance, or other similar statutory obligation (of any governmental entity of any country) arising from, relating to, or in connection with any payment made to Contractor under this contract. Further, Contractor understands that neither it nor any of its individual employees is eligible for any PUCT employee benefit, including but not limited to holiday, vacation, sick pay, withholding taxes (federal, state, local), social security, Medicare, unemployment or disability insurance, Workers' Compensation, health and welfare benefits, profit sharing, 401(k) or any employee stock option or stock purchase plans. Contractor hereby waives any and all rights to any such PUCT employment benefit.

19.4 Notice. Except as otherwise stated in this contract, all notices provided for in this contract must be (a) in writing; (b) addressed to a Party at the address set forth below (or as expressly designated by such Party in a subsequent effective written notice referring specifically to this contract); (c) sent by a national carrier with tracking capability (e.g. FedEx or Certified U.S. Mail); with proper postage; and (d) deemed effective upon the third business day after deposit of the notice with the carrier.

IF TO THE PUCT:

ATTENTION: Executive Director
1701 N. Congress Ave., 7th Floor
Austin, TX 78701

With copies to the PUCT contract administrator and Jay Stone CTCD, CTCM, at the same address.

IF TO CONTRACTOR:

ATTENTION: Maria Stroth, Senior Manager
500 Dallas Street, Suite 1900
Houston, Texas, 77002

19.5 Headings. Titles and headings of articles and sections within this contract are provided merely for convenience and must not be used or relied upon in construing this contract or the Parties' intentions with respect thereto.

19.6 Preprinted Forms. The use of preprinted forms, such as purchase orders or acknowledgments, in connection with this contract is for convenience only and all preprinted terms and conditions stated thereon are void and of no effect. The terms of this contract cannot be amended, modified, or altered by any conflicting terms, provisions, or conditions contained in a proposal or a preprinted form, such as purchase orders or acknowledgements. If any conflict exists between this contract and any terms and conditions on a proposal, purchase order, acknowledgment, or other preprinted form, the terms and conditions of this contract will govern.

19.7 Specific Personnel. Contractor has identified the personnel for this assignment ("Team"), as follows: Maria Stroth, Senior Manager; Tammy Lohr-Schweitzer, Director; Colleen Rozillis, Partner; Kenny Wilks, CPA, Partner; Julie Desimone, CPA, Partner; Jenny Fox, CPA, Senior; and Micky Nguyen, Senior.

Contractor represents that it will use commercially reasonable efforts to avoid any changes to the Team during the course of this contract. Should personnel changes occur during the term of this contract or any extensions or renewals thereof, Contractor will recommend to the PUCT personnel with comparable experience and required qualifications and training. The PUCT must approve any change in personnel on this project in writing. Contractor must provide individuals qualified to perform the tasks assigned to such individual. At the PUCT's request, Contractor must remove from the project any individual whom the PUCT finds unacceptable for any reason in the PUCT's sole discretion. Contractor must replace such individual with another individual satisfactory to the PUCT as soon as practicable.

19.8 No Felony Criminal Convictions. Contractor represents that neither Contractor, nor any of its employees, agents, or subcontractors has been convicted of a felony criminal offense.

19.9 No Third-Party Beneficiaries. Nothing contained in the contract, either expressed or implied, is intended to confer on any person other than the Parties, or their respective permitted successors, assigns, transferees or delegates, any interests, rights, remedies, obligations or liabilities pursuant to, or by reason of, this contract.

19.10 Prompt Payment. All payments to Contractor, any payments by Contractor to any subcontractor, and any payments by a subcontractor to any other person or entity that provides goods or services under this contract must be made in compliance with Chapter 2251 of the Texas Government Code and 34 Texas Administrative Code § 20.487.

Article 20. NO IMPLIED WAIVER

The failure of a Party to insist at any time upon the strict performance of any covenant or agreement or to exercise any option, right, power, or remedy contained in the contract shall not be construed as a waiver or a relinquishment thereof for the future.

Article 21. ORDER OF PRECEDENCE

In the event of conflicts or inconsistencies between the provisions of this contract and any exhibits, the following are given preference in the order listed below:

- 1) The terms and conditions of this contract;
- 2) The Statement of Work, attached hereto as Exhibit A;
- 3) RFP 473-25-00003 and any related addendums; and
- 4) The Contractor's proposal and any revised responses.

Article 22. FORCE MAJEURE

Neither Party shall be liable to the other for any delay in, or failure of performance, of any requirement included in the 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, fires, explosions, hurricanes, floods, failure of transportation, 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.

Article 23. SEVERABILITY

If any provision of the contract is construed to be illegal or invalid, such construction will not affect the legality or validity of any of its other provisions. The illegal or invalid provision will be deemed severable and stricken from the contract as if it had never been incorporated herein, but all other provisions will continue in full force and effect.

Article 24. EXCESS OBLIGATIONS PROHIBITED

The contract is subject to termination or cancellation, without penalty to the PUCT, either in whole or in part, subject to the availability of state funds. The PUCT is a state agency whose authority

and appropriations are subject to actions of the Texas Legislature. If the PUCT becomes subject to a legislative change, revocation of statutory authority, or lack of appropriated funds that would render either Party's delivery or performance under the contract impossible or unnecessary, the contract will be terminated or cancelled and be deemed null and void. In the event of a termination or cancellation under this Article, the PUCT will not be liable to Contractor for any damages that are caused or associated with such termination or cancellation, and the PUCT will not be required to give prior notice.

Article 25. DRUG FREE WORKPLACE POLICY

If applicable, Contractor must comply with the applicable provisions of the Drug-Free Work Place Act of 1988, 41 U.S.C. § 8102, et seq., and 48 CFR § 52.223-6 Drug-Free Workplace) and maintain a drug-free work environment. The requirements of the Drug Free Workplace Act and the rules interpreting it are incorporated by reference and Contractor must comply with the relevant provisions thereof, including any amendments that may hereafter be issued.

Article 26. SUBSTITUTIONS

Substitutions are not permitted without written approval of the PUCT.

Article 27. STATE AUDITOR'S RIGHT TO AUDIT

The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under the contract or indirectly through a subcontract under the contract. The acceptance of funds directly under the contract or indirectly through a subcontract under the contract 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. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

Article 28. LIMITATION OF LIABILITY.

THE TOTAL LIABILITY OF EACH PARTY, AND ITS OFFICERS, DIRECTORS, PARTNERS, PRINCIPALS, MEMBERS, EMPLOYEES, SUBCONTRACTORS, AND AGENTS (COLLECTIVELY, "PERSONS"), TO THE OTHER PARTY FOR ANY AND ALL DAMAGES WHATSOEVER ARISING OUT OF THIS AGREEMENT FROM ANY CAUSE, INCLUDING BUT NOT LIMITED TO NEGLIGENCE, ERRORS, OMISSIONS, STRICT LIABILITY, BREACH OF CONTRACT, OR BREACH OF WARRANTY SHALL NOT, IN THE AGGREGATE, EXCEED THE FEES PAID OR PAYABLE TO CONTRACTOR UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTHS PRIOR TO THE ACT OR OMISSION THAT CAUSED THE LOSS. THIS LIMITATION WILL NOT APPLY TO THE EXTENT LOSSES ARE CAUSED BY A PARTY'S FRAUD OR WILLFUL MISCONDUCT. IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Article 29. NO THIRD PARTY BENEFICIARIES.

The PUCT and Contractor are the only parties to this contract and are the only parties entitled to enforce its terms. Nothing in this contract gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly or otherwise, to third persons.

Article 30. SIGNATURE AUTHORITY

The undersigned signatories represent and warrant that they have full authority to enter into this contract on behalf of the respective parties.

Article 31. ENTIRE AGREEMENT

This contract, including the Statement of Work attached hereto as Exhibit A, constitutes the entire agreement and understanding between the parties with regard to its subject matter and supersedes and merges all prior discussions, writings, negotiations, understandings, and agreements concerning the provision of these Services. Any terms and conditions attached to a solicitation will not be considered unless incorporated into this contract by specific reference.

In WITNESS WHEREOF both parties by their duly authorized representatives have executed this contract effective as of [DATE].

The Public Utility Commission of Texas

Contractor

By:

By:

Connie Corona
Executive Director

Colleen Rozillis

Name Colleen Rozillis
Title Partner, Moss Adams LLP

Date Signed: _____

Date Signed: 1-18-25

Exhibit “A”

Background. Texas Utilities Code § 14.202 authorizes the PUCT to audit the management of each public utility under the PUCT’s jurisdiction. CenterPoint Energy Houston Electric, LLC (CenterPoint) is a PUCT-regulated transmission and distribution utility operating in Texas.

In July of 2024, CenterPoint was unable to deliver electric service to a substantial number of customers after Hurricane Beryl damaged portions of CenterPoint’s electric delivery system. Since the enactment of Texas Utilities Code § 39.918, CenterPoint has entered into multiple leases to operate temporary emergency electric energy facilities (commonly referred to as mobile generation facilities) designed to restore power to distribution-level customers during significant power outages. In spite of these lease arrangements, CenterPoint was unable to utilize a considerable portion of its leased mobile generation fleet to provide energy to customers during power outages resulting from Hurricane Beryl.

Overview. The Contractor must perform an audit of CenterPoint’s policies, procedures, and management activities associated with the lease and operation of mobile generation facilities. This audit should incorporate a review of CenterPoint’s procurement activities, emergency planning, and customer need analysis. Upon completion of the audit review, the Contractor must prepare a report of findings, along with recommendations for management action and process changes. Without limitation, the tasks, duties, and responsibilities of the Contractor will include the following:

1. Contractor Qualifications

- 1.1. Minimum Contractor Knowledge and Experience. Proposers must demonstrate knowledge and experience in performing management audits for public companies. Proposers should demonstrate expertise in compliance, risk management, policy and procedure development, and efficient use of company resources. Proposer personnel leads overseeing the work described in this Statement of Work must have at least ten years of experience in conducting management audits.
- 1.2. Preferred Contractor Expertise. The PUCT will give preference to Proposers who demonstrate knowledge and familiarity with laws governing rate-regulated electric utilities in Texas. Proposers should identify relevant expertise related to utility operations, PUCT rules, obligations of regulated utilities, and prudent utility management.

2. Audit Scope

- 2.1. Policy and Procedure Review. The Contractor must review CenterPoint policies and procedures relating to transactions with third parties for goods and services, including applicable conflict of interest policies. This work should include an analysis of CenterPoint procurement practices generally, as well as an analysis of the implementation of those practices with respect to instances of mobile generation leasing.

2.2. Emergency Operations and Customer Needs. The Contractor must review CenterPoint's analysis of, and planning for, customer need for mobile generation during emergency conditions. This should include an appraisal of mobile generation facility characteristics [e.g., size, mobility, operability (including, without limitation, staffing and maintenance)] given distribution-level customer needs within CenterPoint's service area. The Contractor must also evaluate CenterPoint's planning for mobile generation facility operability in various weather scenarios where mobile generation is likely to be deployed.

3. Final Report to PUCT

3.1. Audit Report. The Contractor must prepare and deliver a final report of its findings, analysis, and recommendations from the audit no later than April 11, 2025. The final report must include recommendations for management action and process changes to ensure the transparent, efficient, and reliable operation of CenterPoint. The Contractor must deliver a summary report showing abbreviated contents and recommendations of the final report no later than March 21, 2025.

3.1.1. Oral Presentation at PUCT Open Meeting. The Contractor must be prepared to give an in-person, oral presentation of its final report at a PUCT open meeting to be held in April, May, or June of 2025. The date for the oral report will be determined by the PUCT.

4. Communications with the PUCT

Reporting and Routine Advising to PUCT. Upon request, the Contractor must provide status reports to the PUCT that give relevant updates related to its audit review. The Contractor must advise the PUCT of any impediment to the performance of duties in this Statement of Work at the time each impediment arises. The Contractor must advise the PUCT's executive management team as necessary to accomplish the items in this Statement of Work.