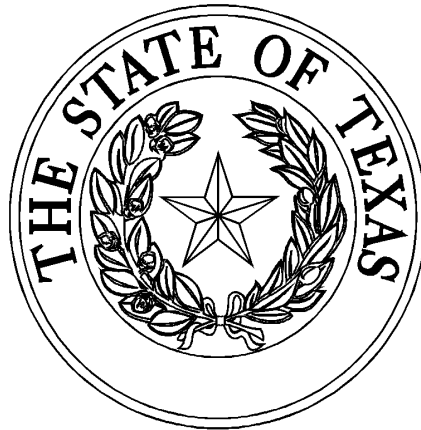


**PUBLIC UTILITY COMMISSION OF TEXAS
REQUEST FOR PROPOSALS
FOR A CONTRACTOR TO MANAGE THE
TEXAS ENERGY FUND PROGRAMS**



**Public Utility Commission of Texas
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78711**

**Closing Time and Date:
November 17, 2023
8:00 a.m., Central Time**

**RFP Number: 473-23-00008a
Project Number: 55562**

**NIGP Class Item: 946-49, 958-77, 961-00, 918-00, 918-04, 918-21, 918-31,
918-32, 918-90, 918-97**

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SECTION 1 – INTRODUCTION

The Public Utility Commission of Texas (PUC) is issuing a Request for Proposals (RFP) to administer the Texas Energy Fund (TEF) programs. The Statement of Work contains detailed information concerning the contractor’s responsibilities.

Senate Bill 2627—passed during the 88th Session of the Texas Legislature—created the Texas Energy Fund (TEF) to support the construction, maintenance, modernization, and operation of electric facilities. Specifically, Public Utility Regulatory Act¹ (PURA) § 34.0104 authorizes the PUC to use TEF funds to provide loans to finance upgrades for existing dispatchable generating facilities and the construction of new dispatchable generating facilities within the Electric Reliability Council of Texas (ERCOT) power region. PURA §34.0105 authorizes the PUC to provide completion bonus grants for the construction of dispatchable electric generating facilities in the ERCOT power region. In addition, PURA § 34.0103 authorizes the PUC to award grants for transmission and distribution infrastructure and electric generation facilities outside of the ERCOT power region. Finally, PURA § 34.201 establishes the Texas backup power package program, which will allow the PUC to award grants and loans for certain multi-day backup power sources that can be used for islanding from the power grid and stand-alone generation for the host facility.

SECTION 2 – DEFINITIONS

As used in this RFP, the following terms have the meanings specified:

- 1) “**Contractor**” means the person or entity that contracts with the PUC for the services contemplated by this RFP.
- 2) “**May**” means “is authorized to.”
- 3) “**Proposer**” means “a person, organization, business entity, or other entity that submitted a proposal.”
- 4) “**PUC**” or “**the commission**” means “the Public Utility Commission of Texas, an agency of the state of Texas.”
- 5) “**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.”
- 6) “**Vendor Performance Tracking System**” means “the system the Texas Comptroller of Public Accounts is required to provide under Section 2262.055, Texas Government Code, for evaluating vendor performance.” The Vendor Performance Tracking System is located at: <http://txsmartbuy.com/vpts>
- 7) “**Backup Power Package Advisory Committee**” means the advisory committee described in PURA § 34.0203, which is expected to be established by commission rule in 16 TAC § 25.515 in November 2023.
- 8) “**ERCOT Power Region**” means the ERCOT region, as defined in 16 TAC § 25.5 (49).

¹ Texas Utilities Code, §§ 11.001-66.017 (2023).

- 9) "**Interconnection**" means the process a generator follows to connect to a grid, as referenced in PURA § 35.005 (d), (e), and (g).
- 10) "**SB 2627 Programs**" means all funding mechanisms, including all grant, loan, and completion bonus grant programs, to support the construction, maintenance, modernization, and operation of electric generating facilities, created by Senate Bill 2627 (88th Legislature, R.S.).
- 11) "**Texas Energy Fund**" means the fund in the Texas state treasury outside the general revenue fund to be administered and used by the commission for the purposes authorized in Chapter 34 of the Public Utility Regulatory Act (PURA 34.0102), pending anticipated November 2023 voter approval of the constitutional amendment proposed by the 88th Legislature providing for the creation of the fund.
- 12) "**Texas Treasury Safekeeping Trust Company**" means the trust company established in Texas Government Code § 404.102.

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SECTION 3 – STATEMENT OF WORK

1. Overview

- 1.1. Introduction. Subject to the PUCT’s oversight and supervision, the Contractor must establish, administer, and manage all aspects of the programs created by Senate Bill 2627 (SB 2627). This Statement of Work identifies the key tasks associated with SB 2627 programs in Parts 2 through 5 of this Statement of Work described below, then presents rulemaking requirements and general obligations applicable to all of the SB 2627 programs. The amount of work required will fluctuate, and the Contractor will be required to complete many tasks on an as-needed basis, as described in more detail in this Statement of Work. Proposers should take into consideration that all requirements of loan or grant recipients described in this Statement of Work are tentative, pending PUCT rulemaking on these programs, unless they are specifically required by statute. The Contractor will be expected to develop program systems that can accommodate all program rules.
- 1.2. Instructions for Proposers. This Statement of Work is intentionally written to describe broad goals and expected outcomes. The PUCT expects proposers to describe the processes and methods they would use to accomplish these goals and outcomes within the legal and practical constraints that apply to the SB 2627 programs. Proposers should propose enforceable deliverables with specific deadlines (deadlines may be specific dates or tied to specific contingencies) they can agree to. The PUCT will negotiate contract enforcement mechanisms, such as tying payments to specific milestones and, where appropriate, specifying liquidated damages for late or unsatisfactory work if the anticipated harm caused by the failure to meet deadlines or quality expectations cannot be measured by an estimated monetary amount.
- 1.3. Minimum Contractor Knowledge and Experience. Proposers must demonstrate knowledge and work experience in the following areas:
 - 1.3.1. The Contractor must have significant familiarity with the terms of commercial lending and physical infrastructure financing. The Contractor must have experience in borrower due diligence and creditworthiness analysis.
 - 1.3.2. The Contractor must have experience in the administration of government-run grant programs, including the evaluation and scoring of grant applications.
 - 1.3.3. The Contractor must have expertise in developing and administering electronic systems to receive and organize applicant data in a manner that allows for data analysis sufficient to make judgments about eligibility for loan and grant awards.
 - 1.3.4. The Contractor must have experience in compliance monitoring for loan and grant recipients.
- 1.4. Preferred Contractor Knowledge and Experience. Proposers should demonstrate knowledge and work experience in the following areas, if possible. If the chosen proposer

lacks experience in any of these areas, the proposer will be expected to attain and apply the knowledge as part of the performance of the contract:

- 1.4.1. Proposers should have experience navigating Texas laws governing state agencies, including rulemaking under the Administrative Procedure Act, state government transparency requirements, procurement requirements, and contracting prohibitions.
 - 1.4.2. Proposers should understand the significant phases of generation build-out including site assessment, permitting, and electric grid interconnection. Proposers should also have a general understanding of facility maintenance for electric generation and delivery systems, including facility weatherization, resiliency enhancement, facility modernization, and vegetation management.
 - 1.4.3. Proposers should have a general understanding of the operation of the ERCOT wholesale markets.
 - 1.4.4. The PUCT prefers the proposer to have experience administering grant programs implemented by Texas state agencies.
- 1.5. PUCT Program Support. Section 18.75 of the 2023 Texas General Appropriations Act (HB 1) authorizes the PUCT to hire up to seven full time employees to assist in implementation of the Texas Energy Fund Programs. The PUCT anticipates hiring a project manager and other personnel to oversee the Contractor's performance. The PUCT invites proposers to identify areas where PUCT employees to be hired may provide support to the Contractor in carrying out its duties as described in this Statement of Work and describe the expertise and support needed.

2. Grants for Facilities Outside of the ERCOT Power Region

- 2.1. Application. The Contractor must develop and administer an electronic application system that allows qualifying applicants to apply for grants to be used for transmission and distribution infrastructure and electric generating facilities inside Texas, but outside of the ERCOT power region as described in PURA § 34.0103. The application system must conform to PUCT rules adopted in accordance with SB 2627 programs. The application system must allow applicants to upload relevant application information in a manner that maintains the confidentiality of that information. The application system must include an applicant login mechanism that will allow applicants to develop the application over multiple use sessions without losing information previously completed in the application.
- 2.2. Evaluation. The Contractor must develop a method of compiling and reporting application information in a manner that allows the PUCT to appraise the merits of grant applications. The evaluation system must conform to PUCT rules and must limit eligible applications to grants for facility modernization, facility weatherization, reliability and resiliency enhancements, or vegetation management. The evaluation system must promote fairness and avoid unfair bias. In consultation with the PUCT, the Contractor must develop a scoring rubric to rate applications and make recommendations to the PUCT on which

applicants should receive program grants. The PUCT has final approval of the scoring rubric to be used. Additionally, the PUCT alone has the ability to make final decisions regarding grant award.

2.3. Award and Monitoring. In coordination with the Texas Treasury Safekeeping Trust Company (Trust Company), the Contractor must develop systems for facilitating the delivery of grant funds upon award. The Contractor must develop systems for monitoring and reporting recipients' use of funds to ensure compliance with program eligibility. The Contractor must create an electronic repository to house grant application data and grant recipient monitoring and reporting data.

2.3.1. The Contractor must develop a grant agreement in consultation with the PUCT to bind each recipient of grant funds to conditions relating to authorized use of funds, reporting requirements, and facility inspection. The agreement must include claw-backs and penalty provisions for noncompliance that conform to legal requirements, including PURA, the Comptroller of Public Accounts' Texas Grant Management Standards, and applicable PUCT rules. The Contractor must obtain PUCT approval of the grant agreement before it is used.

2.3.2. The Contractor must create a mechanism to report any event of grant agreement noncompliance to the PUCT so that the PUCT can exercise any noncompliance remedies described in the grant agreement.

2.3.3. The Contractor must develop a system for tracking amounts awarded to ensure that grant disbursements do not exceed the fund limits authorized by law.

2.3.4. The Contractor must coordinate with the Trust Company to track cash flows out of the TEF based on projected and actual grant disbursements under this program.

2.4. Grant Closeout Process. The Contractor must work with the PUCT to design a grant closeout process to be completed for each grant recipient when both of the following have been completed for the grant: all funds are disbursed, and all grant recipient responsibilities are completed.

3. Loans for the ERCOT Power Region. SB 2627 requires that the PUCT begin accepting loan applications for this program no later than June 1, 2024. In addition, the PUCT must approve or deny each loan application and disburse initial loan funds for approved applicants no later than December 31, 2025. Therefore, the task items in this Part 3 must be completed and operational in time to meet these statutory deadlines.

3.1. Application. The Contractor must develop and administer an electronic application system that allows applicants to apply for loans to finance (1) upgrades to existing dispatchable electric generating facilities or (2) construction of new dispatchable electric generating facilities providing power for the ERCOT power region as described in PURA § 34.0104. The application system must conform to PUCT rules adopted in accordance with SB 2627 programs. The application system must allow applicants to upload relevant application information in a manner that maintains the confidentiality of that information. The

application system should include an applicant login that will allow applicants to develop the application over multiple use sessions without losing information previously completed in the application. SB 2627 requires that the PUCT begin accepting applications no later than June 1, 2024, so the electronic application system must be fully functional by that date.

- 3.1.1. Notice of Intent to Submit Application. The application system must include a mechanism that allows interested persons to submit notice of intent to apply for a loan under PURA § 34.0104 in advance of the application period in accordance with PUCT rules. This notice of intent mechanism must accommodate the June 1, 2024, application deadline.
- 3.2. Evaluation. The Contractor must develop a method of compiling and reporting application information in a manner that allows the PUCT to appraise the merits of loan applications. The appraisal system must conform to PUCT rules and evaluate factors listed in PURA § 34.0104(c). In consultation with the PUCT, the Contractor must develop a scoring rubric to rate applications and make recommendations to the PUCT on which applicants should receive program loans. In consultation with PUCT personnel, the Contractor will make recommendations for which loans should be approved. The PUCT has final approval of the scoring rubric to be used. Additionally, the PUCT alone has the ability to make final decisions regarding loan approval.
- 3.3. Award and Monitoring. The PUCT will submit approval of final awards and disbursement amounts to the Texas Treasury Safekeeping Trust Company (Trust Company) for payment(s). The PUCT anticipates entering into an agreement with the Trust Company that will accommodate communication between the Contractor and the Trust Company. The Contractor must communicate with the Trust Company in the manner described in the agreement to facilitate award disbursement. The Contractor must develop systems for monitoring and reporting borrowers' use of funds to ensure compliance with program guidelines. The Contractor must create an electronic repository to house borrower monitoring and reporting data. The Contractor must implement a method to service the loans through closeout. The Contractor must coordinate with the PUCT to track cash flows into and out of the TEF based on loan disbursement, projected debt service, and actual repayment.
 - 3.3.1. Phased Loan Disbursement. The Contractor must establish a process for phased loan disbursement that is keyed to significant construction milestones or other defined events. This will necessitate a monitoring program in which the Contractor substantiates completion of defined construction events as a condition to loan disbursements.
 - 3.3.2. Borrower Deposit. In consultation with the Texas Comptroller of Public Accounts (Comptroller), the Contractor must establish a mechanism to direct borrowers on how to transfer the borrower deposit described in PURA § 34.0104(g) into an

escrow account maintained by the Comptroller. The Contractor must have the ability to track the deposit.

- 3.3.2.1. Withdrawal of Deposit. In consultation with the Comptroller, the Contractor must establish a mechanism to allow the borrower to withdraw the deposit upon PUCT authorization for withdrawal. For deposits that do not receive PUCT authorization for withdrawal, the Contractor must establish a method to transfer the deposit from the Comptroller's escrow account to the TEF.
- 3.3.3. Event of Default. The Contractor must create a mechanism to report any default to the PUCT so that the PUCT can exercise default remedies described in PURA § 34.0108.
- 3.3.4. Loan Closeout Process. The Contractor must work with the PUCT to design a loan closeout process to be completed for each borrower when all of the following have been completed for the loan: all funds are disbursed; all funds have been repaid; and all other loan-recipient responsibilities are completed.
- 3.3.5. Report to ERCOT to Facilitate Interconnect. The Contractor must develop a mechanism to promptly report the award of a loan under this program to ERCOT and develop a mechanism to report completion of the work under the loan agreement so that ERCOT may begin any activity necessary to facilitate interconnection of the facility.
- 3.4. Loan Agreements. The Contractor must create all necessary loan documents for each borrower that receives a loan under this program. The PUCT envisions that these documents will be standardized, allowing PUCT staff to approve the standard form, and any variations necessary. However, proposers should propose a process for creating the necessary loan documents and describe how individualized or standardized they anticipate the documents will be and why. Proposers should also describe the process they will use to ensure the PUCT has sufficient ability to review and approve loan documents. The loan terms must conform to the requirements in PURA § 34.0104(f). Without limitation, the loan documents must include the following attributes.
 - 3.4.1. The loan agreement must describe the funds disbursement schedule based on specified construction events. The loan agreement must account for receipt of the deposit and include terms for its withdrawal.
 - 3.4.2. Borrowers must consent to construction reporting requirements and facility monitoring, including on-site inspections.
 - 3.4.3. Each loan agreement must require the borrower to enter into a debt covenant that requires the borrower to meet facility performance standards adopted by the PUCT in accordance with PURA § 34.0106(c). The loan agreement must require the facility to participate in the ERCOT wholesale electricity market.

- 3.4.4. The loan agreement must describe events of default and any applicable opportunity for cure. The loan agreement must require the borrower to consent to statutory remedies described in PURA § 34.0108. The loan agreement must include provisions requiring borrowers to return disbursed loan funds to the TEF upon the sale of facility assets but cannot allow the state-affiliated entities described in PURA § 34.0108(b) to retain an ownership interest in borrower projects or facilities.
 - 3.4.5. For loans that finance construction of new facilities, the loan agreement must ensure that the loan is to be the senior debt secured by the facility.
 - 3.5. Sale of Assets After Default. The Contractor must develop a mechanism that can facilitate the proceeds of any asset sale to be returned to the TEF in the event of a receiver's sale of borrower assets.
 4. **Completion Bonus Grants Inside the ERCOT Power Region**. Completion bonus grants will be available to qualifying dispatchable electric generating facilities in the ERCOT power region that did not meet the planning model requirements necessary to be included in ERCOT's Capacity, Demand, and Reserves before June 1, 2023. Under PURA § 34.0105, grant recipients may begin receiving grant disbursements on the first anniversary of commercial operations of the facility qualifying for the grant. The tasks described in this Part 4 must be completed and operational in time to meet the application and disbursement schedule described in PURA § 34.0105.
 - 4.1. Applications. The Contractor must develop and administer an electronic application system that allows applicants to apply for completion bonus grants for the construction of dispatchable electric generating facilities in the ERCOT power region as described in PURA § 34.0105. Pending a rulemaking on the application criteria it is the PUCT's interpretation that applicants for completion bonus grants are not required to also be borrowers under PURA § 34.0104. The application system must conform to PUCT rules adopted in accordance with SB 2627 programs. The application system must allow applicants to upload relevant application information and facility performance data in a manner that maintains the confidentiality of that information. The application system should include an applicant login that will allow applicants to develop the application over multiple use sessions without losing information previously completed in the application.
 - 4.2. Evaluation. The Contractor must develop a method of compiling and reporting application information in a manner that allows the PUCT to determine which entities should receive completion bonus grants based on the factors listed in PURA § 34.0105(c) and (d) as well as PUCT rules adopted in accordance with SB 2627 programs. In consultation with the PUCT, the Contractor must develop a scoring rubric to rate applications and make recommendations to the PUCT on which applicants should receive completion bonus grants as well as the amount of each grant. The PUCT has final approval of the scoring rubric to be used. Additionally, the PUCT alone has the ability to make final decisions regarding the recipients and amounts of completion bonus grants.

- 4.2.1. Performance. The proceeds of any completion bonus grant are to be disbursed to the grant recipient in equal annual payments over a 10-year period beginning on the first anniversary of commercial operations of the facility qualifying for the grant. The Contractor must develop a system to disburse completion grants to grant recipients so long as recipients annually meet or exceed the median performance standards adopted by PUCT rule in accordance with PURA § 34.0105(i). The Contractor must evaluate the performance of a grant recipient's qualifying facility for each of the 10 years that a grant disbursement may be made. The Contractor must make a recommendation to the PUCT on whether a grant recipient should receive an annual grant payment and whether that payment should be discounted for performance below the optimal performance standard.
- 4.3. Award and Monitoring. The PUCT will submit approval of final awards and disbursement amounts to the Trust Company. The Contractor must communicate with the Trust Company in the manner described in the PUCT-Trust Company agreement to facilitate award disbursement. The Contractor must coordinate with the Trust Company to track cash flows out of the TEF based on projected and actual grant disbursements.
 - 4.3.1. The application system described in Part 4.1 must accommodate the upload of annual facility performance data during the 10-year period when an applicant is eligible for grant disbursement.
 - 4.3.2. Report to ERCOT to Facilitate Interconnect. The Contractor must develop a mechanism to promptly report the award of a grant under this program to ERCOT so that ERCOT may begin any activity necessary to facilitate interconnection of the facility.
- 4.4. Grant Closeout Process. The Contractor must work with the PUCT to design a grant closeout process to be completed for each grant recipient when both of the following have been completed for the grant: all funds are disbursed, and all grant recipient responsibilities are completed.

5. **Texas Backup Power Package**

- 5.1. Applications. The Contractor must develop electronic application systems for grants and loans in accordance with PUCT rules adopted under PURA §§ 34.0201 – .0205. PURA § 34.0203 contemplates the convention of an advisory committee to recommend criteria for the PUCT to employ in making a grant or loan. The Contractor must create application systems that accommodate any recommendations from the advisory committee that the PUCT adopts.
- 5.2. Grants and Loans. The Contractor must develop and administer electronic application systems that will allow entities to apply for grants and loans to be used fund the design, procurement, installation, and use of Texas backup power packages. The Contractor systems must be able to accommodate applications for grants and loans. The application systems must conform to PUCT rules adopted in accordance with PURA §§ 34.0201 –

.0205. The application system must allow applicants to upload relevant application information and facility performance data in a manner that maintains the confidentiality of that information. The application system should include an applicant login that will allow applicants to develop the application over multiple use sessions without losing information previously completed in the application.

5.3. Evaluation. The Contractor must develop a method of compiling and reporting application information in a manner that allows the PUCT to determine which entities should receive grants or loans for backup power packages that meet the characteristics described in PURA §§ 34.0204 and .0205 as well as PUCT rules adopted in accordance with PURA §§ 34.0201 – .0205. In consultation with the PUCT, the Contractor must develop a scoring rubric to rate applications and make recommendations to the PUCT on which applicants should receive grants or loans, including the amount and terms of those grants or loans. The PUCT has final approval of the scoring rubric to be used. Additionally, the PUCT alone has the ability to make final decisions regarding grant and loan approval, including the amount and terms of the grants or loans.

5.4. Awards and Monitoring. The Contractor must develop separate systems for the award and monitoring requirements associated with grants and loans for this program.

5.4.1. Grants. The PUCT will submit approval of final awards and disbursement amounts to the Texas Treasury Safekeeping Trust Company (Trust Company) for payment(s). The Contractor must communicate with the Trust Company in the manner described in the PUCT-Trust Company agreement to facilitate award disbursement. The Contractor must develop systems for monitoring and reporting recipients' use of funds to ensure compliance with program eligibility. The Contractor must create an electronic repository to house grant recipient monitoring and reporting data. The Contractor must coordinate with the Trust Company to track cash flows out of the TEF based on projected and actual grant disbursements.

5.4.1.1. The Contractor must develop a grant agreement to bind each recipient of grant funds to conditions relating to authorized use of funds, reporting requirements, and facility inspection. The agreement must include claw-backs and penalty provisions for noncompliance that conform to PURA and applicable PUCT rules.

5.4.2. Loans. The PUCT will submit approval of final awards and disbursement amounts to the Trust Company. The Contractor must communicate with the Trust Company in the manner described in the PUCT-Trust Company agreement to facilitate award disbursement. The Contractor must develop systems for monitoring and reporting borrowers' use of funds to ensure compliance with program guidelines. The Contractor must implement a method to service the loans through closeout. The Contractor must coordinate with the Trust Company to track cash flows into and out of the TEF based on loan disbursement, projected debt service, and actual repayment.

- 5.4.3. Loan Agreements. The Contractor must create all necessary loan documents for each borrower that receives a loan under this program. The loan terms must conform to the requirements described in PURA §§ 34.0204 and .0205 as well as PUCT rules adopted under this program. Without limitation, the loan agreements must include the following attributes.
- 5.4.3.1. Borrowers must consent to construction and backup power operation reporting requirements as well as requirements for facility monitoring, including on-site inspections.
 - 5.4.3.2. The loan agreement must describe events of default and any applicable opportunity for cure. The loan agreement must require the borrower to consent to statutory remedies described in PURA § 34.0108. The loan agreement must include provisions requiring borrowers to return disbursed loan funds to the TEF upon the sale of facility assets but cannot allow the state-affiliated entities described in PURA § 34.0108(b) to retain an ownership interest in borrower projects or facilities.
 - 5.4.3.3. The loan agreement must prohibit the borrower from using the backup power system for the sale of energy or ancillary services.
- 5.4.4. Sale of Assets after Default. The Contractor must develop a mechanism that can facilitate the proceeds of any asset sale to be returned to the TEF in the event of a receiver's sale of borrower assets.
- 5.4.5. Grant and Loan Closeout Process. The Contractor must work with the PUCT to design closeout processes to be completed for each grant or loan recipient. The grant closeout process must be completed for each grant recipient when both of the following have been completed for the grant: all funds are disbursed, and all grantee responsibilities are completed. The loan closeout process must be completed for each borrower when all of the following are completed: all funds are disbursed; all funds have been repaid; and all other borrower responsibilities are completed. Alternately, if a borrower defaults, the loan closeout process must be completed after the completion of any sale of assets after default and the receipt by the TEF of any funds that will be received from that sale.
- 5.5. Advisory Committee. The Contractor must provide non-confidential information it obtains during the course of its work to the Backup Power Package Advisory Committee upon Advisory Committee Request. The Contractor must send at least one personnel member to each of the Advisory Committee meetings to provide consultation to the Advisory Committee that will assist the Advisory Committee in achieving its purpose.
- 5.6. Research Entity Contract. PURA § 34.0203(c) requires the PUCT to contract with a research entity with experience in microgrid design to analyze critical facility characteristics and requirements for backup power packages. The Contractor must advise the PUCT on the types of entities suitable to serve as the research entity, and upon PUCT

request, the Contractor must develop a scope of work to define the research entity's task requirements. The Contractor must review the research entity's analysis in the Contractor's development and implementation of systems described in this Part 5 of the Statement of Work.

5.7. Report to Electric Utility for Facility Interconnect. The Contractor must develop mechanism to promptly report the award of a grant or loan under this program to the applicable electric utility so the utility may begin any activity necessary to facilitate interconnection of the backup power package in accordance with PUCT rules adopted in accordance with PURA §§ 34.0201 – .0205.

6. **Rules Support and Consultation.** SB 2627 authorizes the PUCT to adopt rules to implement the various SB 2627 programs. The Contractor must provide consultation on each of the rulemaking projects associated with SB 2627 programs as described in this Part 6 of the Statement of Work. The Contractor must participate in any workshops the PUCT finds necessary to in the advancement of SB 2627 rules. The Contractor must also assist in the drafting and adoption of program rules to ensure that they are compatible with all systems the Contractor intends to develop when undertaking the tasks described in this Statement of Work. Rule assistance and drafting includes, without limitation, development of questions for public comment, preparation of proposed rule language, review of comments in response to rule proposals, drafting responses to comments, and preparation of rule text to be submitted to PUCT commissioners for consideration.

6.1. Grants for Facilities Outside of the ERCOT Power Region. The Contractor must assist in the development of rules allowing applicants to seek and obtain grants to be used for transmission and distribution infrastructure and electric generation facilities inside Texas, but outside of the ERCOT power region as described in PURA § 34.0103.

6.2. Loans for the ERCOT Power Region. The Contractor must assist in the development of rules allowing applicants to seek and obtain loans to finance (1) upgrades to existing dispatchable electric generating facilities or (2) construction of new dispatchable electric generating facilities providing power for the ERCOT power region as described in PURA § 34.0104. The rules adopted under this program are likely to include a notice of intent mechanism whereby applicants must submit a pre-application notice as a condition of eligibility for a loan under this program. Without limitation, rules adopted under this program must include requirements applicable to borrower deposits described in PURA § 34.0104(g)-(j). The rules under this program must be adopted on a schedule that allows the PUCT to begin accepting applications no later than June 1, 2024. The PUCT anticipates that it will issue a proposal for publication presenting a proposed rule for this program before onboarding the contractor selected through this solicitation. The Contractor will be expected to develop program systems that can accommodate the PUCT's proposed rule. The Contractor will be expected to provide assistance in a timely manner to facilitate on-time adoption of the final rule.

6.3. Completion Bonus Grants Inside the ERCOT Power Region. The Contractor must assist in the development of rules allowing applicants to seek and obtain completion bonus grants for the construction of qualifying dispatchable electric generating facilities in the ERCOT power region as described in PURA § 34.0105. Rules adopted under this program must incorporate standards and disbursement eligibility for grant recipients based on reliability metrics for facility performance described in PURA § 34.0105(i). The rules under this program must be adopted in time to meet the application and disbursement schedule described in PURA § 34.0105. The Contractor will be expected to provide assistance in a timely manner to facilitate on-time adoption.

6.4. Texas Backup Power Package.

6.4.1. The Contractor must assist in the development of rules allowing applicants to seek and obtain grants and loans to be used fund the design, procurement, installation, and use of Texas backup power packages as described in PURA § 34.0204.

6.4.2. The Contractor must assist in the development of rules addressing procedures to expedite an electric utility interconnection request for a backup power package in accordance with PURA § 35.005(g).

7. Application Walk Through, Applicant Communication, Information Access, and Reports

7.1. Application System Review. For all programs described in Parts 2 through 5 of this Statement of Work, the Contractor must do a “walk through” of each application system with the PUCT Contract Administrator and other PUCT staff at the direction of the PUCT Contract Administrator. The “walk through” must show each portion of the application system that an applicant will encounter, as if the PUCT Contract Administrator were completing an application. After the “walk through” the PUCT may provide feedback to the Contractor and may require changes to the application system. The “walk through” should be done prior to User Acceptance Testing (UAT) and will be for the purpose of evaluating content, rather than usability.

7.2. Applicant Guidance Materials. The Contractor must develop guidance documents, materials, and tutorials to educate applicants for the programs described in this Statement of Work. These materials must be consistent with PUCT rules adopted in accordance with SB 2627 programs. Proposers must propose a schedule for development of these documents, to include review of drafts, feedback, and final approval by the PUCT Contract Administrator or designee.

7.3. Data Repository and Access. The Contractor must make all data generated during its undertaking of this Statement of Work immediately available to the PUCT. Upon instruction from the PUCT, the Contractor must make any such data available to the Trust Company.

7.4. Execution of Documents. The Contractor must utilize a broadly accessible electronic signature system to facilitate the execution of applicant documents necessary to carry out

the tasks described in this Statement of Work. The system must not require applicants to purchase software or a subscription to use the electronic signature system.

- 7.5. Information Security. The Contractor must describe the procedures it will maintain to ensure the security of all information collected in connection with the tasks described in this Statement of Work.
- 7.6. Development, Accessibility, and Usability of Electronic Application Systems. Proposals must describe how the proposer will ensure accessibility and usability of Electronic Application Systems. At a minimum, proposals must describe:
 - 7.6.1. How the proposer will meet applicable legal electronic accessibility requirements, to include 1 TAC chapters 206 and 213, and any other applicable requirements.
 - 7.6.2. How the proposer will ensure and measure usability of Electronic Application Systems, to include minimizing down-time of systems, ensuring web-based applications are functional on commonly-used browsers, and any other usability metrics the proposer will consider.
- 7.7. Annual TEF Cash Flow Report. Beginning in 2024, the Contractor must annually prepare a report to be provided to the Trust Company providing a forecast of the cash flows into and out of the TEF. The Contractor must also provide updates to the forecasts as appropriate to ensure that the Trust Company is able to achieve its objective as described in PURA § 34.0107(b). The Contractor must provide a copy of this report to the PUCT and obtain PUCT approval before delivery to the Trust Company.
- 7.8. Monthly TEF Cash Flow Reports. Beginning with the first disbursement from the TEF, the Contractor must prepare a monthly cashflow report for the PUCT showing actual flows into and out of the TEF. The monthly report should also include rolling six-month and one-year cashflows forecast identifying amounts expected to be disbursed from the TEF and expected to be deposited into TEF.
- 7.9. SB 2627 Program Report. Beginning in 2024, the Contractor must develop an annual report to the PUCT describing the status of all SB 2627 programs. Without limitation, this report should identify the number of applicants for each program; the number of awards for each program; the range and average of each award by program type; the type of electrical facility or upgrade supported by each award; the operation date of each facility supported by an award; the capacity increase attributable to loans awarded under PURA § 34.0104; and any other information the PUCT determines is appropriate for tracking SB 2627 programs.
- 7.10. The Contractor must participate in routine status meetings as determined by the PUCT in connection with either of the four programs described above and in SB 2627.

8. Miscellaneous

- 8.1. Compliance with Texas Contracting Laws. As applicable, the Contractor must ensure that all agreements developed in the course of this Statement of Work comply with the Texas

Comptroller of Public Accounts' State of Texas Procurement and Contract Management Guide in its most current format as of the time the agreement is developed.

- 8.2. Compliance with Texas Grant Management Standards. As applicable, the Contractor must ensure that all grant activity undertaken through SB 2627 programs meets the Texas Comptroller of Public Accounts' Texas Grant Management Standards in its most current format as of the time the agreement is developed.
- 8.3. Required Grant and Loan Agreement Provisions. All agreements binding end-users of the SB 2628 programs must include provisions requiring compliance with applicable provisions of PURA Chapter 34.
- 8.4. Reporting to PUCT Commissioners, PUCT Management, and Advisory Committees. The Contractor must be available to deliver status reports to PUCT Commissioners and PUCT Management on an as-needed basis. The Contractor must designate one personnel member to serve as the main point of contact for PUCT communications. The designated personnel member must be available throughout the term of the Contract to communicate with the PUCT on an as-needed basis. The Contractor must designate a personnel member to serve as a liaison to communicate with the Texas Energy Fund Advisory Committee established in PURA § 34.0109 as well as the Texas Backup Power Package Advisory Committee established under PURA § 34.0203(a). The Contractor has personnel available to attend each of the meetings of the Texas Energy Fund Advisory Committee and Texas Backup Power Package Advisory Committee.
- 8.5. Communications with PUCT Commissioners. The Contractor must comply with the Texas Open Meetings Act and legal restrictions on *ex parte* communications in all communications with PUCT commissioners and their advisors.
- 8.6. Transition of Services. This solicitation contemplates a contract term that will end before all work contemplated by SB 2627 is completed. The Contractor must develop a transfer plan to allow a new contractor to set up systems and processes to continue operations described in this Statement of Work upon the selection of a new contractor, if any, or upon assumption of some or all of the contractual duties by PUCT staff. Proposers must include a description of how they will ensure a smooth transition of operations of the SB 2627 programs upon the termination of the contract.
- 8.7. Ownership of Data. The Contractor must disclaim any ownership interest in applicant data accumulated while undertaking this Scope of Work.
- 8.8. Fraud Prevention. In undertaking tasks described in this Statement of Work, the Contractor must take reasonably prudent steps to prevent fraudulent use of SB 2627 programs.
- 8.9. Funds Management Agreement. The Trust Company will require the Contractor to consent to the terms of their funds management agreement. This agreement is necessary to perform the work of the contract. Failure to execute a funds management agreement with the Trust Company will result in termination of the contract.

8.10. Reporting. In addition to the reports required in this Statement of Work, the Contractor may be required to produce other reports on a regular or ad hoc basis to enable the PUCT to oversee the SB 2627 programs. The PUCT Contract Administrator will give directives for reports as the need arises and, whenever possible, will develop requirements for the reports in consultation with the Contractor in order to ensure they are not unduly burdensome.

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SECTION 4 – ELIGIBILITY AND EVALUATION CRITERIA

4.A. EEO and HUB Statement

The PUCT is an equal employment opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, veteran status, age, or disability in employment or in the provision of services. This commitment extends to proposers, vendors, and their employees as well.

The PUCT encourages Historically Underutilized Businesses (HUBs) to compete for this award.

4.B. Minimum Eligibility Requirements

4.B.1. To pass the initial screening criteria, proposals must demonstrate that the proposer has: a minimum of ten years' experience similar to that described in Section 3, Statement of Work.

An entity or company with fewer than ten years' experience as an entity is eligible to submit a proposal if each key member of the proposal team, including subcontractors, has ten years' experience.

Additionally, proposals must:

- meet all deadlines set out in this RFP;
- follow the appropriate process for submitting proposals (see Section 6 of this RFP, Required Components and Format);
- include all required components described in this RFP (see Section 6); and
- meet all format requirements set out in this RFP (see Section 6).

4.B.2. Under Texas law, vendors may be barred from participating in state contracts that are subject to Texas Government Code Chapter 2155, Subchapter B (General Purchasing Requirements, Procedures, and Programs). TEX. GOV'T. CODE § 2155.077. If a proposer is barred from participating in state contracts, its proposal will be disqualified and will receive no further consideration.

4.B.3. The PUCT is required to purchase goods and services that provide the best value to the state. TEX. GOV'T. CODE § 2155.074. To that end, the PUCT will review information in the statewide Vendor Performance Tracking System regarding proposers' past performance. Any of the following conditions may result in a proposer being disqualified from consideration for this RFP:

- having a score of less than a C in the Vendor Performance Tracking System;
- currently being under a corrective action plan through the Texas Comptroller of Public Accounts;
- having repeated negative Vendor Performance Reports for the same or similar reason; or
- having purchase orders that have been cancelled in the previous 12 months for non-performance (for example, late delivery or failing to meet quality standards).

4.C. Evaluation Criteria

The PUCT will make the selection and award on the basis of the proposer's demonstrated knowledge, competence, and qualifications to provide the services described in Section 3,

Statement of Work. A description of the categories under which each proposal will be judged, and the percentage of weight given to each category are as follows:

- **Proposal Substance – 40%**
 - Proposal demonstrates a clear understanding of the objectives, as described in Section 3 – Statement of Work.
 - Proposed approach is both thorough and practical.
 - Proposed approach for meeting objectives is desirable.
 - Conditions included in the proposal are acceptable.

- **Competence and Knowledge – 40%**
 - Competence and experience are demonstrated by the qualifications described in the proposal.
 - Management structure is well-suited to the objectives described in Section 3 – Statement of Work.
 - Assigned staffing for prime and subcontractors is desirable to meet the objectives described in Section 3 – Statement of Work.
 - The proposer has the capacity and financial resources to perform the contract and meet deadlines without delay or interference.
 - The proposal demonstrates the team’s qualifications and experience, drawing on lessons learned and best practices.
 - Assigned staffing for prime and subcontractors is desirable to meet the objectives described in Section 3 – Statement of Work.

- **Proposed Compensation – 20%**

4.D. Texas Vendor Preference

All other factors being equal, preference will be given to a proposer who meets one or more of the following criteria:

- Proposer is incorporated in Texas;
- Proposer’s principal place of business is in Texas; or
- Proposer has an established physical presence in Texas.

Proposers who may qualify for the Texas Vendor Preference should provide information establishing the applicable criteria as part of the proposal package.

4.E. References

The PUCT may check references as part of the evaluation process. This is a pass/fail criteria, and may be conducted at any time between receipt of a proposal and acceptance or rejection of a proposal. Information gained through reference checks can be used as grounds for disqualification of a proposal if the information casts doubt upon the ability of the proposer to successfully meet the objectives of the RFP. However, any information obtained through a reference check that is discriminatory on the basis of race, color, religion, sex, national origin, sexual orientation, veteran status, age, or disability will not be considered.

SECTION 5 – SCHEDULE AND PROCESS

5.A. Anticipated Schedule

Disclaimer: Dates are subject to change at the PUCT’s discretion. Changes to proposer deadlines will be posted on the Electronic State Business Daily (ESBD) website and the PUCT’s Procurement webpage, along with any other RFP modifications and addenda. It is the proposer’s responsibility to periodically check the websites prior to submitting a proposal. A proposer’s failure to review additional information posted on the ESBD and PUCT websites will not release the proposer from requirements described in those postings and could result in disqualification of a proposal or additional costs to meet the requirements of the contract should the proposer be selected for the contract.

PUCT Procurement Webpage:

<http://www.puc.texas.gov/agency/about/procurement/Default.aspx>

ESBD Website: <https://www.txsmartbuy.com/esbd>

<u>Event</u>	<u>Anticipated Date</u>
RFP Release	October 17, 2023
**Proposers Conference	October 19, 2023, 8am CT
Last day to submit written questions regarding the RFP	October 20, 2023, 3 pm CT
Deadline for submission of proposals	November 17, 2023, 8 am CT
Post-proposal interviews or presentations, if required	November 28, 2023
Staff recommendation for selection	November 30, 2023
Selection approved	December 1, 2023
Contract negotiations	December 2023
Contract period begins	Upon contract execution

**** Propersers Conference will be held October 19, 2023 8 am – 9:30 am CT**

Commissioners Hearing Room 7-100

Travis Building – 1701 N. Congress Ave, Austin, Texas 78711 7th Floor

5.B. PUCT Contact Person

Jay Stone, CTCD, CTCM, is the only permitted PUCT point of contact regarding this RFP. Contact or attempted contact with other PUCT employees, including commissioners and their staffs, may result in a proposer’s immediate disqualification. Proposers will be notified if circumstances require a designated substitute contact for this RFP.

5.C. Process for Asking Questions

The PUCT will only accept written questions and requests for clarification. Requests must be sent by email to RFPCorrespondence@puc.texas.gov, attention: Jay Stone, CTCD, CTCM. Inquiries and comments must reference RFP No. 473-23-00008a.

The PUCT aims to answer all questions within two business days after receipt. Answers to all questions will be provided through an addendum posted on the ESBD and agency procurement websites.

5.D. Process for Submitting Proposals

5.D.1. Proposers must submit their proposals by email to RFPCorrespondence@puc.texas.gov before the stated closing date and time. Proposals will not be considered if received in the RFPCorrespondence@puc.texas.gov email inbox after 8:00 am, central time, on November 17, 2023. All required information must be provided at that time. Supplements will only be allowed if information is requested by the PUCT after the closing date of the RFP.

Jay Stone, CTCD, CTCM, or his designated substitute will file the sealed proposals confidentially in Project Number 55562 with the PUCT's Central Records Division.

5.D.2. Confidential filing is required because this RFP is conducted using a sealed bid process. Confidential filing does not guarantee confidentiality after the RFP has ended and a contract has been executed. Any portion of the proposal considered to be confidential after the RFP has been cancelled or a contract has been awarded (for example, trade secrets) must be marked with the word, "**CONFIDENTIAL**" in all-caps and bold on each page considered to contain confidential information.

5.D.3. Proposers are advised to seek legal counsel regarding the best way to protect any trade secrets or other proprietary information.

5.D.4. For more information about how the PUCT will respond to PIA requests relating to this RFP, please see Section 7.C. of this RFP, Public Information Act Notice.

5.E. PUCT's Standard Process for Selecting Vendors

5.E.1. The PUCT will assemble an evaluation team that will begin proposal evaluation as soon as practicable after the submission deadline. Evaluation team members will score each proposal individually based on the factors of Proposal Substance and Competence and Knowledge, described under Section 4.C. of this RFP, Evaluation Criteria. Maximum point values will be assigned to each scoring factor according to the percentage of weight given to that factor and evaluators will assign a point value up to the maximum allowed for each factor. The purchaser will calculate scoring for compensation. The compensation score will be calculated using the following formula:

Compensation Score = (Lowest Price / Price of Response Being Evaluated) multiplied by the Maximum Number of Available Points for Compensation. Evaluation team members will not have access to compensation information while they are reviewing and scoring the proposals.

5.E.2. After individual scoring, the evaluation team will email their scoring sheets to the purchaser. The purchaser will review the individual scoring sheets and compile a summary scoring sheet combining all evaluation team scoring and including the compensation scoring to calculate overall scores.

5.E.3. After overall scores are calculated, the evaluation team, with guidance from the purchaser, will then take one of the following actions: recommend selection of a specific proposer, gather more information before selecting a specific proposer, or recommend that the RFP be withdrawn or reposted.

5.E.4. If the evaluation team needs more information to make a decision, the PUCT may request any of the following from one or more proposers: additional information or clarification, an interview, an oral presentation, or a best and final offer. Additional information, clarification, interviews, oral presentations or best and final offers will be used to re-score proposals, based on the same criteria used to score the initial proposals, unless different criteria is specified by the purchaser when the additional information is requested.

5.E.5. The PUCT may require selected proposers to participate in conference calls, attend meetings in Austin, Texas, give presentations, or participate in all these activities to provide additional information about their proposals. Any cost associated with any such call, meeting, or presentation will be borne solely by the proposer.

5.E.6. If clarification, presentations, or best and final offers are requested, the evaluation team may request the clarification, presentations, or best and final offers from the top-ranked proposer or proposers only, or all of the proposers, at the discretion of the evaluation team.

5.E.7. Final recommendations will be presented to the Executive Director of the PUCT. The Executive Director may do one of the following: approve the recommended selection in whole or in part, disapprove the recommendation, or defer action on the selection.

5.E.8. The PUCT will begin contract negotiations shortly after the Executive Director approves a recommendation to select a specific proposer. The PUCT may negotiate any portion of any proposal, including: the proposed fee, a final schedule for performance to be incorporated into the contract, and any terms of the contract.

5.E.9. The PUCT will notify each proposer of the final action taken upon execution of the contract with the selected proposer.

5.E.10. No questions about the status of the proposals will be answered while proposals are under evaluation.

5.E.11. The PUCT may reject any and all proposals, amend this RFP, or cancel this RFP at any time. After the proposal due date, the PUCT will only notify proposers who submitted a proposal prior to the proposal submission deadline of amendments to the RFP.

SECTION 6 – REQUIRED COMPONENTS AND FORMAT

6.A. Components

Proposals must include all required attachments and certifications. The PUCT will not accept attachments or certifications submitted after the proposal deadline. Proposals that do not include all required information will be considered non-responsive and will be disqualified.

Proposals must include the contents described in 6.A.1 through 6.A.10 with each section clearly defined on a table of contents page.

6.A.1. Statement of the Requirements

In this section, each proposer must succinctly state its understanding of the RFP's requirements and describe how it would perform the tasks described in Section 3, Statement of Work.

6.A.2. Competence and Knowledge

Each proposer must provide a detailed work plan to demonstrate how it intends to fulfill the requirements identified in Section 3, Statement of Work. The proposal must include an organizational chart identifying functions and reporting relationships of the personnel who will be assigned to this work. The proposer should also describe any prior experience proposer's organization has in providing similar services.

6.A.3. Qualifications

For each person a proposer identifies to perform the work described in this RFP, the proposer must provide a detailed resume that describes the services they would perform, their qualifications, and their experience.

6.A.4. Compensation

Each proposer must propose pricing to provide the services identified in Section 3, Statement of Work.

Compensation for the services identified in Section 3, Statement of Work must be proposed as a firm fixed price with two separate components:

- 1) Initial development of systems
- 2) Ongoing program monitoring

The proposal must include detailed information that establishes the basis for the price proposed.

Unless otherwise approved in writing by the PUCT, payments will be made based upon the invoicing and payment terms of the resulting contract. The PUCT will not reimburse any out-of-pocket expenses or expenses not contemplated at the time of contract execution.

Proposer must demonstrate how elements of the price correspond to elements of the proposed work plan.

6.A.5. References

Each proposer must provide at least three references. Proposers must include a phone number and email address for each reference.

The PUCT prefers references from clients for whom the proposer has performed similar work, including other state commissions or boards.

Proposers must not use the PUCT or any individuals employed by the PUCT as a reference.

6.A.6. Conflicts Statement

Proposers must be neutral and impartial. No entity that has a direct interest in the PUCT's regulation, other than as a consumer of electric, telecommunication, water, or sewer service in

the State of Texas, may submit a proposal. Proposers must not have a direct financial interest in the provision of electric, telephone, water, or sewer service in the state of Texas. Additionally, proposers should be aware that the chosen contractor will be disqualified from applying for a loan or grant that is the subject of this RFP.

Proposers having a conflict of interest, as determined by the PUCT, will not be eligible for contract award. Proposers may also be disqualified if there are facts that would create an appearance of impropriety, even if no actual conflict exists.

The PUCT will determine whether a conflict of interest or an appearance of impropriety exists from the perspective of a reasonable person uninvolved in the matters covered by the resulting contract. The PUCT is the sole arbiter of whether a conflict or an appearance of impropriety exists.

The requirements for the conflicts statement are as follows:

- It must be **signed and notarized** by the highest-ranking officer of proposer's entity having responsibility for vetting corporate conflicts of interest.
- It must identify any personal or business relationships of proposers, including all employees and subcontractors of proposers, with: any electric, telecommunications, water, or sewer utility, or any utility affiliate operating in Texas; any entity having a pending application at the PUCT to enter the Texas retail electric market, telecommunications market, water utility market, or sewer utility market; and any entity likely to have a direct interest in any of the loan or grant programs that are the subject of this RFP. It must identify the extent, nature, and time aspects of those relationships.
- If a proposer does not have any known or potential conflict of interest or appearance of impropriety, the conflicts statement must include a statement that there is no known or potential conflict of interest or appearance of impropriety. Failure to provide either a statement describing potential conflicts of interest or appearances of impropriety or a statement that no potential conflict or appearance of impropriety exists will automatically disqualify the proposer.
- The conflicts statement must address how the proposer intends to address any known conflicts of interest or appearance of impropriety.
- The conflicts statement must address how the proposer intends to ensure that no interest may arise as a result of its activities or those of its parent, affiliate, or other related entity that will conflict with the proposer's duty should it be selected to provide the services described in Section 3, Statement of Work.
- The conflicts statement must identify a proposer's lobbyists who are registered or required to register with the Texas Ethics Commission and their compensation. The conflicts statement must also describe any involvement the proposer's lobbyists will have in connection with this engagement or electric utility, telecommunication utility, water utility, or sewer utility legislation or policy.

- The conflicts statement must identify any owner, executive, board member, employee, or subcontractor of proposer who has been employed by the PUCT or another state agency in Texas fewer than four years ago. If any individual is identified under this provision, the conflicts statement must disclose: 1) the former PUCT or state agency employee's name and current position with proposer; 2) the name of the state agency; 3) the nature of the previous employment with the state agency; and 4) the dates the employment ended with the state agency and began with proposer. The PUCT is restricted in its ability to enter into contracts with individuals and entities that employ these individuals under some circumstances. *See Texas Government Code Section 669.003.*
- The conflicts statement must certify either that the proposer does not employ an individual who has been employed by the PUCT or another agency of the State of Texas at any time during the two years preceding the submission of the proposal or that it has disclosed in its proposal 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. The PUCT is restricted in its ability to enter into contracts with individuals and entities that employ certain individuals under some circumstances. *See Texas Government Code Sections 2254.033 and 2252.901.*
- If the circumstances described by a proposer change or additional information is obtained subsequent to the submission of proposals, the proposer must supplement its conflicts statement as soon as reasonably possible upon learning of any change to their statement. If a supplement to the conflicts statement is required after the deadline for submission of proposals, the supplement is exempt from the requirement that all proposal documents must be submitted before the deadline in order for the proposal to be considered.
- The PUCT encourages proposers to provide complete disclosure of any matters that might be considered a conflict of interest or appearance of impropriety. The PUCT may consider completeness of disclosure in evaluating whether a conflict of interest or an appearance of impropriety exists.

6.A.7. Historically Underutilized Business (HUB) Certification and HUB Subcontracting Plan (HSP)

Any proposer that is HUB certified by the Statewide Procurement Division (SPD) of the Comptroller of Public Accounts (CPA) or one of its predecessors must submit a copy of its HUB certificate.

Additionally, the PUCT has determined that subcontracting opportunities may be available under this contract. Therefore, all proposers, including State of Texas certified HUBs, must complete and submit a State of Texas HSP with their proposal if the total dollar amount of the proposal response is \$100,000 or more.

Proposers can find HSP forms and instructions on the Texas CPA website at:

<https://comptroller.texas.gov/purchasing/vendor/hub/forms.php>

Responses that do not include a completed HSP will be rejected as required by Texas Government Code Section 2161.252(b).

6.A.8. Certifications

Each proposal must contain a signed statement with the following certifications:

- The proposer has made a good faith effort to ensure all statements and information proposer submitted in response to this RFP are current, complete, and accurate. The proposer represents and warrants that all statements and information prepared and submitted in this document are current, complete, true, and accurate. Submitting a proposal with a false statement or making material misrepresentations during the performance of a contract is a material breach of contract and may void the submitted response and any resulting contract.
- The proposer has not given nor offered to give, and does not intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this proposal.
- The proposer is not currently delinquent in the payment of any franchise tax owed to the State of Texas.
- The proposer, the firm, corporation, partnership, institution, or other legal entity represented by the proposer, and anyone acting for such a firm, corporation, partnership, institution, or other legal entity, have not, in connection with this RFP:
 - Violated the antitrust laws of this state or federal antitrust laws;
 - Communicated directly or indirectly the bid made to any competitor or other person engaged in such line of business; or
 - Otherwise violated 15 U.S.C. Section 1, *et. seq.*, or Texas Business and Commerce Code Section 15.01, *et.seq.*
- Under Texas Government Code Section 2155.004, the proposer certifies that the individual or business entity named in this proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

(A proposer is ineligible to receive a contract award if the proposer is “ a person who received compensation from the agency to participate in preparing the specifications or request for proposals on which the bid or contract is based.” *See* Texas Government Code Section 2155.004(a).

- The proposer is in compliance with Texas Government Code Section 669.003, relating to contracting with the current or former executive head of a state agency.
- Under Texas Government Code Section 2155.006 and 2261.053, the proposer certifies that the individual or business entity named in this proposal is not ineligible to receive the

specified contract and acknowledges that any contract may be terminated and payment withheld if this certification is inaccurate.

(A proposer is ineligible to receive a contract award if the proposer has violated certain laws or been subject to certain penalties in connection with hurricane relief, recovery, or reconstruction efforts. *See* Texas Government Code Section 2155.006 and 2261.053.)

- Under Texas Family Code Section 231.006, the proposer certifies that the individual or business entity named in this proposal is not ineligible to receive payment under the proposed contract and acknowledges that any contract resulting from this proposal may be terminated and payment may be withheld if this certification is inaccurate.

(A child support obligor who is more than 30 days delinquent in paying child support, or a business entity in which the obligor is a sole proprietor, partner, shareholder, or owner with an ownership interest of at least 25 percent, is not eligible to receive payments from state funds under a contract to provide property, materials, or services. *See* Texas Family Code Section 231.006(a).)

- If a proposer includes a Texas address in its proposal, the proposer must certify whether or not it qualifies as a Texas Resident Bidder, as defined in Texas Administrative Code, Title 34, Part 1, Chapter 20.
- Proposer represents and warrants that it is not aware of any court or government agency actions, proceedings or investigations pending or threatened against proposer or any of the individuals or entities included in the response within the five calendar years immediately preceding the submission of the proposal that would or could impair respondent's performance under the contract, relate to the solicited or similar goods or services, or otherwise be relevant to the PUCT's consideration of the proposal. If proposer is unable to make the preceding representation and warranty, then proposer instead represents and warrants that it has included as a detailed attachment in its proposal a complete disclosure of any such court or governmental agency actions, proceedings or investigations. In addition, proposer represents and warrants that it will notify the PUCT in writing within five business days of any changes to the representations or warranties in this clause and understands that failure to timely update the PUCT may result in the proposer's disqualification at the PUCT's sole discretion, or if during the performance of the contract, will constitute a breach of contract and may result in immediate termination of the contract for cause at the PUCT's sole discretion.

6.A.9. Evidence of Financial Capability

Proposer must provide evidence of financial capability. The preferred evidence of financial capability is an audited financial statement, if proposer has a current audited financial statement available or if it is practicable to obtain one for the proposal. If no audited financial statement is available, proposer must demonstrate its financial capability in whatever manner it deems appropriate. Evidence of financial capability will be considered in evaluating the competence of the proposer.

6.A.10. Other Required Items

- Any proposer incorporated in Texas must include a copy of its current franchise tax Certificate of Good Standing, issued by the Texas State Comptroller's Office, and the corporation's charter number, issued by the Texas Secretary of State's Office.
- Each proposer must provide its 9-digit Federal Employer's Identification Number (EIN) or its 5-digit State of Texas Vendor's Identification Number (VIN).
- Each proposer must provide the name and social security number of each of the following, as applicable: an individual or sole proprietor; or each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the proposal.

Proposers may decline to provide social security numbers at the time of submission but will be required to provide the information before the contract is executed.

FEDERAL PRIVACY ACT NOTICE: This notice is given pursuant to the Federal Privacy Act. Disclosure of each applicable SSN is required under Texas Family Code Sections 231.006(c) and 231.302(c)(2). The SSN will be used to identify persons that may owe child support. The SSN will be kept confidential to the fullest extent allowed under Texas Family Code Section 231.302(e).

6.B. Format Requirements

6.B.1. Information Sheet – The first page of the proposal submission must be an information sheet that clearly states: the name of the proposer, the name address, and telephone number of the proposer's point of contact, the project number, and the RFP title and number. The information sheet will be the only portion of the proposal that is not filed under seal. Information sheets must be filed publicly in Project No. 55562.

6.B.2 Copies and Price Information – Proposers must submit four versions of their proposals: one PDF and one Word version with the compensation component, and one PDF and one Word version without the compensation component. The PDF copy with the compensation component must be clearly marked "Original" and include all required signatures and notarized statements.

Price information must be excluded from one PDF and one Word version. This requirement is to allow the evaluation team to review proposals for the evaluation factors of Proposal Substance and Competence and Knowledge only. Each proposal will separately be given a score for pricing and that score will be applied to the scoring matrix to ensure that price does not inadvertently influence the evaluation of the other factors.

The copies of the proposal must be identical to the original except for the omission or redaction of the price information and the Word rather than PDF file format.

6.B.3. Proposers are prohibited from using the Texas State Seal or the PUCT Seal in or on the proposal.

6.B.4. Proposals must not contain any extrinsic items, such as promotional items or other things not contemplated in this Request for Proposals.

6.B.5. Page Limit – Proposals must be limited to 200 pages, including all attachments and certifications, but excluding financial capability submittal, page dividers or writing sample. The PUCT may reject any proposals longer than 200 pages without review. In any case, evaluation team members will not be provided any pages past the 200th page.

SECTION 7 – CONDITIONS

7.A. Irrevocable Offer

Proposals may be withdrawn in writing before the deadline for receipt of proposals. After the deadline, a proposal becomes an irrevocable offer to provide the services described in Section 3, Statement of Work, with the terms and conditions specified in Attachment A at the price proposed, for the shorter of: a period of 90 days from the RFP closing date or until a contract resulting from this RFP is signed. The PUCT will not return withdrawn proposals.

7.B. Proposals are the Property of the PUCT

All proposals and copies of proposals, as well as any best and final offer, and any records provided to the PUCT by the proposer associated with the evaluation of the proposal, will become the property of the PUCT after receipt and will be retained in accordance with the PUCT's records retention schedule.

7.C. Public Information Act Notice

Following the award of a contract, all proposals are public information and subject to release. If the PUCT receives a request for any information submitted to the PUCT in connection with this RFP, the PUCT will follow the requirements of the Texas Public Information Act (Texas Government Code Chapter 552). This includes notifying proposers and the Office of the Attorney General if information that the PUCT knows proposer considers to be confidential is requested under the Texas Public Information Act. The PUCT assumes no obligation to assert legal arguments on behalf of a proposer. The PUCT may release portions of proposals and other information provided by a proposer without notifying the proposer if the information is not conspicuously marked "confidential" on each page.

A copy of the contract resulting from this RFP will be posted on the PUCT's public website. Information in PUCT contracts is public information unless it is made confidential by law. *See* Texas Government Code Section 552.022(a)(3).

7.D. Publicity

Proposers are prohibited from making any public disclosures or news releases pertaining to this RFP, any resulting contract, or any results or findings based on information provided or obtained to fulfill the requirements of this RFP or resulting contract. This prohibition may only be waived by prior written approval of the PUCT for the specific disclosure or news release.

7.E. No Proposal Costs Reimbursed

Neither the PUCT nor the State of Texas will reimburse any proposer for any costs related to: preparing a response to this RFP, preparing a best and final offer, providing additional information requested as part of the evaluation of proposals, or making any presentation requested as part of the evaluation of proposals.

7.F. Contract Terms and Conditions

Any contract resulting from this RFP will use the standard general terms and conditions found in Attachment A to this RFP unless changes are negotiated in advance. Many of the terms and conditions are required by law and the PUCT will not negotiate when a term or condition is required by law. **Proposers must include any requested changes to the terms and conditions in their proposals.**

7.G. Vendor Performance Tracking System

At the end of any contract resulting from this RFP, the PUCT will input required information into the Vendor Performance Tracking System regarding the contractor's performance and whether the contractor satisfied the best value standard for this contract. This information is public and other state agencies seeking goods or services are required, under most circumstances, to use the information in the Vendor Performance Tracking System to determine whether or not a particular vendor will meet the best value standard for the purchase of the goods or services.

ATTACHMENT A – PUCT’s Standard General Terms and Conditions

Article 1. DEFINITIONS

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

- 1.1 “**PUCT**,” means the Public Utility Commission of Texas, an agency of the state of Texas, acting through its Executive Director and the agency’s designated contract administrator.
- 1.2 “**Commission**” means the governing body of the PUCT.
- 1.3 “**Contractor**” includes NAME, and any successors, heirs, and assigns.
- 1.4 “**Services**” means any and all services performed and any and all goods and products delivered by Contractor as specified in the Statement of Work.
- 1.5 “**Statement of Work**” means the description of goods and services to be provided under this contract found in Exhibit 1 to this contract.
- 1.6 “**Parties**” means PUCT and Contractor. “**Any Party**” means PUCT or Contractor.
- 1.7 “**Backup Power Package Advisory Committee**” means the advisory committee described in PURA § 34.0203, which is expected to be established by commission rule in 16 TAC § 25.515 in November 2023.
- 1.8 “**ERCOT Power Region**” means the ERCOT region, as defined in 16 TAC § 25.5 (49).
- 1.9 “**Interconnection**” means the process a generator follows to connect to a grid, as referenced in PURA § 35.005 (d), (e), and (g).
- 1.10 “**SB 2627 Programs**” means all funding mechanisms, including all grant, loan, and completion bonus grant programs, to support the construction, maintenance, modernization, and operation of electric generating facilities, created by Senate Bill 2627 (88th Legislature, R.S.).
- 1.11 “**Texas Energy Fund**” means the fund in the Texas state treasury outside the general revenue fund to be administered and used by the commission for the purposes authorized in Chapter 34 of the Public Utility Regulatory Act (PURA 34.0102), pending anticipated November 2023 voter approval of the constitutional amendment proposed by the 88th Legislature providing for the creation of the fund.
- 1.12 “**Texas Treasury Safekeeping Trust Company**” means the trust company established in Texas Government Code § 404.102.

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, as follows: [PUCT will insert summary of payment terms in final 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 the date those deliverables were provided to the PUCT. No payment will be made for administrative overhead, overtime, or other charges not directly attributable to the performance of 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 will review the invoice and any other relevant documentation to ensure the Services were performed in compliance with the contract. If Services were not performed in compliance with the contract, PUCT will notify contractor of any deductions from the payment approved. Upon approval of the invoice, the PUCT will instruct the Trust Company to pay the invoice.

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 calendar days any funds erroneously paid which are not expressly authorized under the contract.

2.5 Payments Made to Subcontractors. Contractor must pay any subcontractor hereunder 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 Section 5.1 of this contract).

2.6 Records. Contractor and its subcontractors, if any, must maintain records and books of account relating to Services provided under this contract. Contractor must, for a period of seven (7) years following the expiration or termination of this contract, maintain its records (electronic and paper) of the work performed under this contract. Records include, but are not limited to correspondence concerning the subject of this contract between Contractor and the PUCT; Contractor's internal correspondence; and correspondence between Contractor and any third

party. Contractor must make all records that support the performance of Services and payment available to PUCT, its designees, or the State Auditor during normal business hours with reasonable notice, upon the request of the PUCT contract administrator.

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, with the expectation that the PUCT 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 [insert designee here] 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, terminate, or extend 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 follows: [Insert Designee(s) Here]

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' 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 Inquiries and Prompt Referral. Contractor understands that the PUCT does not endorse any vendor, commodity, or service. Contractor, its employees, representatives, other agents, or subcontractors may not issue any media release, advertisement, publication, or public pronouncement which pertains to this contract or the Services or project to which this contract relates or which mentions the PUCT without the prior approval of 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 will provide written reports to the PUCT in the form and with the frequency specified in the Statement of Work, or as otherwise agreed in writing between the Parties.

4.2 Distribution of Consultant Reports. Contractor agrees the PUCT has the right to distribute any consultant report associated with this contract, or to allow another Texas state agency or the Texas legislature to distribute it. The PUCT will also have the right to post any consultant report associated with this contract to the PUCT's website or to the website of a standing committee of

the legislature. 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 using its own employees [or - intends to perform the Services required under this Contract using the following subcontractors:]. 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 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 according to 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 and pays for 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 signed by the last signatory to sign and will continue in effect for four years unless extended under Section 6.2 or sooner terminated under Sections 6.3 or 6.4 of this Contract.

6.2 Extension Options. The PUCT and Contractor may elect to extend this contract for up to two two-year extensions. Each extension option must be executed in writing and agreed to by both parties.

6.3 Termination for Cause by the PUCT. 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 18.12, 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 convenience.

6.4 Termination for the Convenience of the PUCT. The PUCT may, upon thirty (30) days written notice to Contractor, terminate this contract whenever the interests of the PUCT so require. The PUCT will only reimburse those expenses already incurred at the time the notice is provided or expenses approved in writing, prior to Contractor incurring those expenses, for the purpose of wrapping up the contract. The PUCT will not be liable for any damages or loss to Contractor as a result of termination for convenience.

6.5 Transfer of Duties. In the event of termination, Contractor will provide reasonable cooperation to transfer its duties under the contract to another entity without disruption to the provision of Services.

6.6 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, liquidated damages, cost projections, letter of credit proceeds, and injunctive relief may also be invoked either separately or combined with any other remedy in accordance with applicable law.

6.7 Survival. In the event that this Contract expires or is terminated pursuant to its terms, the rights and obligations of the Parties under it will end; provided that the provisions of Sections 2.3 through 2.6, 3.5, 4.2, 6.5, 6.6, 6.7, 7.5, 9.2, 9.4 through 9.6, 17.2 and 19.1 through 19.5, 19.9 and Articles 1, 10, 11, 12, 14, 15, 16, 20, 21, 23, 28, and 29 will survive in their entirety.

Article 7. ASSIGNMENT, AMENDMENTS, AND MODIFICATIONS

7.1 Material Change Requests. The PUCT may propose changes to the Statement of Work. Upon receipt of a written request from the PUCT for a change to the Statement of Work, Contractor must, within a reasonable time thereafter, submit to the PUCT a detailed written estimate of any proposed price and schedule adjustment(s) 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 Changes in Law, Rules, or Rulings. Changes in federal or state legislation, rules and regulations or rulings by the PUCT after the effective date of this contract may require modification of the terms of this contract, including an increase or decrease in Contractor's duties or compensation. In the event of changes to statutes, rules, or regulations affecting the terms of this contract, the PUCT and Contractor must negotiate the terms of a contract modification in good faith and incorporate the modification into this Contract by written amendment.

7.3 No Assignment of Duties. This contract will be binding upon and inure to the benefit of the permitted successors and assigns of any Party (including by merger of Contractor or otherwise by operation of law); provided, however, that Contractor may not otherwise, without the prior written consent of the PUCT, assign or transfer this contract or any obligation incurred under this contract. Any attempt by Contractor to assign or transfer this contract or any obligation incurred under this contract, in contravention of this article, will be voidable at the PUCT's sole discretion.

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 on Successors. The terms of this contract will be binding on any successor organization of any of the Parties.

Article 8. REPRESENTATIONS, WARRANTIES AND COVENANTS

8.1 Warranty of Performance. Contractor represents, warrants, and covenants that it will perform the Services outlined in the Statement of Work, in a professional and workmanlike manner, consistent with professional standards of practice in the professional industry.

8.2 Warranty of Services. Contractor warrants that the Services will be rendered by the qualified personnel named in Section 19.8 of this contract. If Services provided under this contract require a professional license, then Contractor represents, warrants, and covenants that the activity will be performed only by duly licensed personnel.

Article 9. RISK OF LOSS AND PROPERTY RIGHTS

9.1 Risk of Loss. The risk of loss for all items to be furnished hereunder will remain with Contractor until the items are delivered to and accepted by the PUCT, at which time the risk of loss will pass to the PUCT.

9.2 Ownership. 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 materials, deliverables, conceptions, or products created or prepared for on behalf of the PUCT and purchased by the PUCT, or on behalf of the PUCT, that the PUCT has accepted as part of the performance of Services hereunder, 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. Notwithstanding the foregoing, materials created, prepared for, or purchased exclusively by the PUCT or on behalf of the PUCT are the PUCT's exclusive property regardless of whether delivery to the PUCT is effectuated during or upon termination or expiration of this contract.

9.3 Licensed Software. With PUCT's advanced written consent, Contractor may obtain software licenses as an agent of the PUCT for software that is used by Contractor solely for the purpose of providing Services under this contract. Contractor must provide the PUCT with a copy of any software license obtained by Contractor as an agent for the PUCT for the purpose of providing Services under this contract.

9.4 Prior Works. Except as provided herein, all previously owned materials, conceptions, or products 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.

9.5 Trademarks. The Parties agree that no rights to any trademark or service mark belonging to another Party or to any non-Party are granted to any other Party by this contract, unless by separate written instrument. The PUCT acknowledges and agrees that use of any trademark

associated with any software provided by Contractor under this contract does not give the PUCT any rights of ownership in the trademark or the software.

9.6 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.

9.7 Provision to be Inserted in Subcontracts. Contractor must insert a provision containing Sections 9.2 and 9.6 of this contract in all subcontracts hereunder except altered as necessary for proper identification of the contracting Parties and the PUCT under this contract.

Article 10. PUBLIC INFORMATION

10.1 Texas Public Information Act. (Texas Government Code Chapter 552). The Parties acknowledge that notwithstanding any other provisions of this contract, the Texas Public Information Act ("PIA") governs the treatment of all information held by or under the control of the PUCT. The PUCT will notify Contractor of requests for Contractor's information as required under the PIA.

10.2 Agreement Not Confidential. 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." Contractor further acknowledges that in the event of a dispute over the release of a proposal or part of a proposal the PUCT is bound by the decision made by the Office of the Attorney General of Texas.

10.3 Contractor's Duty to Provide Public Information. Contractor is required, at no additional cost to the state, to make available in a format that is accessible by the public any information created or exchanged with the state pursuant to this contract. For the purpose of Section 10.3 of this contract, 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. 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. Additionally, the requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract and the Contractor agrees that the contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

Article 11. CONFLICTS OF INTEREST AND EMPLOYMENT RESTRICTION

11.1 No Conflicting Relationships. Contractor certifies to the PUCT that no existing or contemplated relationship exists between Contractor and the PUCT that interferes with fair competition or is a conflict of interest, and that no existing or contemplated relationship exists

between Contractor and another person or organization, whether or not located within the State of Texas, that constitutes or will constitute a conflict of interest for Contractor with respect to the PUCT.

11.2 Prohibition on Transactions with Parties Adverse to the PUCT. Contractor agrees that during the term of this contract and any extensions or renewals thereof, it will neither provide contractual services nor enter into any agreement, oral or written, to provide services to a person or organization that is regulated or funded by the PUCT or that has interests that are directly or indirectly adverse to those of the PUCT. The PUCT may waive this provision in writing if, in the PUCT's sole judgment, such activities of the Contractor will not be adverse to the interests of the PUCT. The PUCT may waive the other's right to prohibit a transaction between Contractor and any person or organization that is regulated or funded by the PUCT or that has interests that are directly or indirectly adverse to those of the PUCT.

11.3 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 its best 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.

11.4 Prohibited Employment. Contractor agrees that it will not hire any person whose employment with Contractor would violate any of the employment restrictions in Texas Government Code Chapter 572 or Texas Utilities Code Chapter 12.

Article 12. INDEMNIFICATION

Contractor must indemnify, defend and hold harmless the PUCT, the State of Texas, and their officers, agents, employees, representatives, contractors, assignees, and designees from any and all liabilities, claims, suits, assessments, penalties, losses, damages, demands or causes of action, and all related costs, attorney fees and expenses of whatever kind or nature asserted by a third party and occurring in any way incident to, arising out of, or in connection with acts or omissions of Contractor, its agents, employees and subcontractors, committed in the conduct of this contract. Contractor will have the obligation to undertake the defense of any such claim, process, or legal proceeding at Contractor's expense; provided, however, that the PUCT may participate in the defense with counsel of its own choosing. Any defense must be coordinated by Contractor with the Office of the Attorney General when Texas State Agencies are named defendants in any lawsuit. Contractor may not agree to any settlement without first obtaining concurrence from the Office of the Attorney General when Texas State Agencies are named defendants in any lawsuit. Contractor and the PUCT agree to furnish timely written notice to each other of any claim.

If all or any part of the deliverables of this contract is the subject of any claim, suit, or proceeding for infringement or misappropriation of any intellectual property right, Contractor may, and in the event of any adjudication that the deliverables or any part thereof infringes or misappropriates any patent, trademark, copyright, or trade secret, or

if the licensing or use of any of the deliverables or any part thereof is enjoined, Contractor must, at its expense do one of the following things: (i) procure for PUCT the right under such patent, trademark, copyright or trade secret to fully use the deliverables or the affected part thereof; or (ii) replace the deliverable or affected part thereof with another non-infringing deliverable; or (iii) suitably modify the deliverable or affected part thereof to make it non-infringing.

Article 13. INSURANCE

13.1 Contractor Responsibility. Contractor agrees to comply with all state and federal laws applicable to 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/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); and
- c) workers' compensation insurance in accordance with the statutory limits, as follows: (i) employer's liability - \$1,000,000 each incident, (ii) disease - \$1,000,000 each employee and \$1,000,000 policy limit.
- d) cyber incident coverage to include: privacy breach related legal expenses to review and determine responsibilities under privacy breach laws; expenses related to compliance with privacy law notification requirements; credit and identification monitoring for up to 12 months after a cyber incident; expenses related to forensic investigations to investigate a system intrusion into the Contractor's computer system; and expenses to hire a public relations firm for public communications response.

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

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 bonds and insurance and confirming the amounts of such coverage within ten (10) days of the effective date of this contract, and upon request thereafter. Contractor must provide the PUCT contract administrator with timely renewal certificates as the coverage renews. 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.

Article 14. DISPUTE RESOLUTION

The Parties agree to resolve disputes arising under this contract through the dispute resolution process provided for in Chapter 2260 of the Texas Government Code and Subchapter C of the PUCT Rules for Administrative Services.

Article 15. SOVEREIGN IMMUNITY

The State of Texas and the PUCT do not waive sovereign immunity by entering into this contract and specifically retain immunity and all defenses available to them under the Constitution, the laws of the State of Texas, or the common law.

Article 16. GOVERNING LAW

Notwithstanding anything to the contrary in this contract, this contract will be deemed entered into in the State of Texas and will be governed by, construed and interpreted in accordance with the laws of the State of Texas that apply to contracts executed in and performed entirely within the State of Texas, without reference to any rules of conflict of laws. The Parties consent to the exclusive jurisdiction of the State of Texas. The Parties hereby submit to the jurisdiction of the courts located in, and venue is hereby stipulated to, the state courts located in Travis County, Texas. Each Party stipulates that it is subject to the jurisdiction of the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this contract. Further, each Party hereby waives any right to assert any defense to jurisdiction being held by the courts located in Travis County, Texas, for any cause of action arising from any act or omission in the performance of this contract.

Article 17. COMPLIANCE WITH LAW

17.1 General. Contractor must comply with all federal, state, and local laws, executive orders, regulations, and rules applicable at the time of performance. Contractor warrants that all Services sold hereunder will have been produced, sold, delivered, and furnished in strict compliance with all applicable laws and regulations to which they are subject, including, but not limited to, Equal Employment Opportunity laws. All laws and regulations required in agreements of this character are hereby incorporated by this reference.

17.2 Taxes. Contractor agrees to comply with any and all applicable state tax laws that may require any filing with or payment to the State of Texas as a result of any action taken as a result of this 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 Conflicts. Contractor agrees to abide by the requirements of and policy directions provided by the Texas statutes and the rules and regulations of the PUCT. Contractor agrees to inform and consult with the PUCT when further interpretations or directions are needed in order to fully implement the rules and regulations of the PUCT. In the event that Contractor becomes aware of inconsistencies between this Contract and a Texas statute or PUCT rule, Contractor will so advise the PUCT immediately and will cooperate fully to revise applicable provisions of this contract as necessary.

17.5 Compliance with Deceptive Trade Practices Act. Contractor must comply with Texas Business and Commerce Code Chapter 17.

17.6 Compliance with Americans with Disabilities Act. Contractor must comply with the Americans with Disabilities Act, 42 U.S.C. Chapter 126.

17.7 Prohibited Use of Appropriated/Other Funds. Contractor must comply with Texas Government Code Sections 556.005 and 556.0055 related to prohibited uses of appropriated and other funds.

17.8 Certificate of Interested Parties Form. At the time Contractor submits a signed contract to the PUCT, Contractor must submit a “Certificate of Interested Parties” form to the PUCT and file the form with the Texas Ethics Commission. The form and instructions for filing the form can be found at: <https://www.ethics.state.tx.us/tec/1295-Info.htm>. Contractor must not perform any work under the contract, nor receive any compensation prior to filing the form with the Texas Ethics Commission.

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 and prohibitions. Contractor understands and agrees that a false certification may lead to termination of this contract for cause.

18.1 Prohibitions on Gifts. 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 Delinquent Obligations. Contractor is not currently delinquent in the payment of any franchise or sales tax owed to the State of Texas, and is not delinquent in the payment of any child support obligations under applicable state law.

18.3 Terrorist Financing. The PUCT is federally mandated to adhere to the directions provided in the President’s Executive Order (EO) 13224, Executive Order on Terrorist Financing – Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 9/24/2001 and any subsequent changes made to it, via cross referencing proposers/vendors with the Federal General Services Administration’s System for Award Management (SAM), <https://www.sam.gov/>, which is inclusive of the United States Treasury’s Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list. <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

Contractor certifies that the Contractor and its principals are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Contractor is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at: <https://www.sam.gov/>

Contractor further certifies 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. Neither Contractor nor anyone acting for Contractor has violated the antitrust laws of this state, codified in Section 15.01, et seq. of the Texas Business and Commerce Code or the Federal Antitrust Laws, nor has Contractor or anyone acting for Contractor communicated directly or indirectly to any competitor or any other person engaged in such line of business for the purpose of obtaining an unfair price advantage.

18.5 Family Code. Contractor has no principal who is ineligible to receive funds under Texas Family Code Section 231.006 and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate.

18.6 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.

18.7 Government Code. Under Texas Government Code Section 2155.004, 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 or payment withheld if this certification is inaccurate.

18.8 Outstanding Obligations. Payments due under the contract will be applied towards any debt that is owed to the State of Texas, including but not limited to delinquent taxes and child support.

18.9 Contracting with Executive Head of State Agency. Contractor certifies this contract is in compliance with Texas Government Code Section 669.003 relating to contracting with the executive head of a State agency. If Texas Government Code Section 669.003 applies, bidder will provide the following information in order for the bid to be evaluated: Name of Former Executive; Name of State Agency; Date of Separation from State Agency; Position with Bidder; and Date of Employment with Bidder.

18.10 Buy Texas. Contractor will comply with Texas Government Code Section 2155.4441, pertaining to service contracts regarding the use of products produced in the state of Texas.

18.11 Hurricane Recovery. Under Texas Government Code Section 2155.006 and 2261.053, Contractor certifies that the individual or business entity named in this proposal is not ineligible to receive the specified contract and acknowledges that this contract may be terminated, and payment withheld if this certification is inaccurate.

18.12 E-Verify. Contractor certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

1. All persons hired to perform duties within Texas, during the term of the contract; and
2. All persons (including subcontractors) hired by the proposer to perform work pursuant to the contract, within the United States of America.

The Contractor must provide, upon request of PUCT, an electronic or hardcopy screenshot of the confirmation or tentative non-confirmation screen containing the E-Verify case verification number for attachment to the Form I-9 for the three most recent hires that match the criteria above, by the Contractor, and Contractor's subcontractors, as proof that this provision is being followed.

If this certification is falsely made, the contract may be immediately terminated, at the discretion of the state and at no fault to the state, with no prior notification. The Contractor will also be responsible for the costs of any re-solicitation that the state must undertake to replace the terminated contract.

This term should not be construed to require Contractor to utilize E-Verify to determine the eligibility of existing employees, or otherwise use E-Verify in violation of the law.

18.13 Debarred Vendors List. Contractor certifies that it is not on the Debarred Vendors List located at http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/.

18.14 COVID-19 Vaccine Passport Prohibition. Contractor certifies that Contractor is not ineligible to receive this contract under Texas Health and Safety Code Section 161.0085.

18.15 Human Trafficking Prohibition. Contractor certifies that Contractor is not ineligible to receive this contract under Texas Government Code Section 2155.0061 and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.

18.16 Does Not Boycott Israel. If Contractor is required to make a certification pursuant to Texas Government Code Section 2270.002, Contractor certifies that Contractor does not boycott Israel and will not boycott Israel during the term of the contract resulting from this solicitation. If Contractor does not make that certification, Contractor certifies that it provided a statement to the PUCT, prior to signing this contract, stating why the certification is not required.

18.17 Does Not Boycott Energy Companies. If Contractor is required to make a certification pursuant to Texas Government Code Section 2274.002, Contractor certifies that Contractor does not boycott energy companies and will not boycott energy companies during the term of the contract resulting from this solicitation. If Contractor does not make that certification, Contractor certifies that it provided a statement to the PUCT, prior to signing this contract, stating why the certification is not required.

18.18 Does Not Discriminate Against Firearm Entities. If Contractor is required to make a certification pursuant to Texas Government Code Section 2274.002, Contractor certifies that Contractor (1) does not have a practice, policy, guidance, or directive that discriminates against a

firearm entity or firearm trade association and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. If Contractor does not make that certification, Contractor must indicate so and state why the certification is not required.

18.19 Data Management and Security Controls. In accordance with Texas Government Code Section 2054.138, Contractor certifies that it will comply with the security controls required under this contract and will maintain records and make them available to the PUCT as evidence of Contractor's compliance with the required controls.

Article 19. GENERAL PROVISIONS

19.1 Relationship of Parties. Contractor is and will remain at all times an independent contractor, and nothing in this contract will be deemed to create a joint venture, partnership, employment, franchise, master-servant, or agency relationship between the Parties. Notwithstanding anything to the contrary, the Parties will have principal-agent relations as described in the Statement of Work. Except as expressly provided to the contrary elsewhere in this contract, no Party has any right or authority to act on behalf of another Party, nor to assume or create any obligation, liability or responsibility on behalf of another Party. Under no circumstances will the relationship of employer and employee be deemed to arise between the PUCT and Contractor's personnel. Contractor will be solely responsible for achieving the results contemplated by this contract, whether performed by Contractor, its agents, employees or subcontractors.

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 PUCT from acquiring 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 FedEx, with proper postage affixed and (d) deemed effective upon the third business day after deposit of the notice in the U.S. Mail.

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:

ADDRESS

CITY, STATE, ZIP CODE

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 Export Laws. Contractor represents, warrants, agrees and certifies that it (a) will comply with the United States Foreign Corrupt Practices Act (regarding, among other things, payments to government officials) and all export laws and rules and regulations of the United States Department of Commerce or other United States or foreign agency or authority and (b) will not knowingly permit any non-Party to directly or indirectly, import, export, re-export, or transship any intellectual property or any third Party materials accessed by Contractor during the course of this contract in violation of any such laws, rules or regulations.

19.7 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.

19.8 Specific Personnel. Contractor has identified the personnel for this assignment ("Team"), as follows: [list]

Contractor warrants that it will use its best 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.

19.9 No Felony Criminal Convictions. Contractor represents and warrants that neither Contractor, nor any of its employees, agents, or representatives, including any subcontractors and employees, agents or representatives of such subcontractors, has been convicted of a felony criminal offense or that if such a conviction has occurred Contractor has fully advised PUCT of the facts and circumstances surrounding the conviction.

19.10 Publicity. Contractor understands and agrees that the PUCT does not endorse any vendor, commodity, or service. Contractor understands and agrees that Contractor, its employees, representatives, other agents, or subcontractors may not issue any public disclosure, media release, advertisement, or publication without prior written approval of the PUCT: which pertains to this contract or any services or project to which this contract relates; or which pertains to any results or findings based on information provided, created, or obtained to fulfill the requirements of this contract; or which mentions the PUCT.

19.11 No Third Party Beneficiaries. Nothing contained in the contract, either express or implied, is intended to confer on any person other than the Parties, or their respective permitted successors, assigns, or transferees any interests, rights, remedies, obligations or liabilities.

19.12 Prompt Payment. All payments to Contractor by PUCT, 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, commonly known as the Texas Prompt Payment Act.

Article 20. NO IMPLIED WAIVER

The failure of any party, at any time, to enforce a provision of this contract will not constitute a waiver of that provision; will not affect the validity of this contract or any part of it; and will not affect the right of any party to enforce each and every provision.

Article 21. ORDER OF PRECEDENCE

In the event of conflicts or inconsistencies between the provisions of this contract and any attachment(s) and exhibit(s), the following are given preference in the order listed below:

- 1) The terms and conditions of this contract;
- 2) The Statement of Work, including any exhibits;
- 3) The Request for Proposals;
- 4) The Contractor's proposal.

Article 22. FORCE MAJEURE

Neither the PUCT nor Contractor will be considered in default in the performance of its obligations under this contract to the extent that the performance of such obligations is prevented or delayed by any cause beyond the reasonable control of the affected party, which such party

could not, by due diligence have avoided, including but not limited to acts of God, severe weather, explosions, riots, acts of war, or orders of legal authority. Such causes will not relieve either party of liability in the event of its failure to use due diligence to remedy the situation and remove the cause in an adequate manner, with all reasonable dispatch, and to give notice and full particulars of the same in writing to the other party as soon as possible after the occurrence of the cause that prevented or delayed performance of the obligations. If the event of Force Majeure continues for a period of more than one hundred and eighty (180) days, either party thereafter may terminate this contract upon giving at least ten (10) days prior written notice to the other party.

Article 23. SEVERABILITY

If any provision of this contract is held unlawful or otherwise unenforceable, that provision will be severed and deemed deleted and the remainder of this contract will continue in full force and effect, as if the provision had never existed.

Article 24. FUNDING OUT CLAUSE

This contract is contingent upon the continued availability of funding. If funds become unavailable through lack of appropriations, legislative or executive budget cuts, amendment of the Appropriations Act, state agency consolidations, or any other disruptions of current appropriations, provisions of Section 6.3 of this contract will apply. Any contract resulting from this solicitation is contingent upon the continued availability of lawful appropriations by the Texas Legislature. See Texas Constitution, Article III Section 49, State Debts; and Texas General Appropriations Act for the 2022-2023 Biennium, Article IX, Section 6.03, Excess Obligations Prohibited.

Article 25. DRUG FREE WORKPLACE POLICY

Contractor must maintain a drug-free work environment policy. Contractor must enforce its drug-free work environment policy during the pendency of this contract. Contractor must provide the PUCT a copy of its drug-free work environment policy upon request.

Article 26. SUBSTITUTIONS

Substitutions are not permitted without written approval of the PUCT.

Article 27. RIGHT TO AUDIT

Pursuant to Section 2262.003 of the Texas Government Code, the State Auditor may conduct an audit or investigation of Contractor or any other entity or person receiving funds from the state directly under this Contract or indirectly through a subcontract under this contract. The acceptance of funds by Contractor or any other entity or person directly under this contract or indirectly through a subcontract under this 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, Contractor or any other 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. Contractor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through the vendor and the requirement to cooperate is included in any subcontract awards.

Article 28. SIGNATORIES

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

Article 29. ENTIRE AGREEMENT

This contract, including the Statement of Work, 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:

Thomas J. Gleeson
Executive Director

Name
Title

Date Signed: _____

Date Signed: _____