

BOBBY JINDAL  
GOVERNOR



ANGELE DAVIS  
COMMISSIONER OF ADMINISTRATION

**State of Louisiana**  
Division of Administration  
**Office of Risk Management**

October 9, 2009

John H. Hines, III  
AssetWorks Inc.  
6210 Campbell Road, Suite 124  
Dallas, TX 75248

**RE:** APPROVED CONTRACT #684332  
(appraisal services on state owned buildings)  
Contract Dates: 8.21.09 – 8.20.12  
Contract Amount: \$600,000.00

Dear Mr. Hines:

Please find attached **YOUR FILE COPY** of the completely executed contract relating to the captioned matter.

Please refer to the contract number when corresponding and/or submitting invoices.

If you have any questions pertaining to your contract, please contact the Office of Risk Management at (225)342-8659 or [bonnie.fuller@la.gov](mailto:bonnie.fuller@la.gov).

Thank you very much for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Bonnie Fuller".

Bonnie Fuller  
ORM Contracts Unit

c/Susan West, ORM

## TRANSACTION REPORT

OCT/09/2009/FRI 01:46 PM

FAX(TX)

#	DATE	START T.	RECEIVER	COM.TIME	PAGE	TYPE/NOTE	FILE
001	OCT/09	01:43PM	914122911945	0:02:31	7	OK	ECM 0052

«

# Fax

**To:** «Michael Borello

**From:** Bonnie Fuller

**Fax:** 412.291.1945

**Pages:** 7 (including cover sheet)

**Phone:**

**Date:** 10/9/2009

**Re:** Approved Contract

**CC:**

**Urgent**     **For Review**     **Please Comment**     **Please Reply**     **Please Recycle**

● **Comments:** Attached is a copy of the approved contract for appraisal services. An approved contract with the original signatures and approval will follow by mail. Thank you.

Bonnie Fuller (ORM)

225.342.8659

Bonnie.Fuller@La.Gov



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**State of Louisiana**  
Division of Administration  
Office of Contractual Review

September 30, 2009

Mr. Julian Thompson, Director  
Division of Administration  
Office of Risk Management  
Post Office Box 91106  
Baton Rouge, LA 70821-9106

Dear Mr. Thompson:

Enclosed are approved copies of the following contract received in our office on September 09, 2009.

**Division of Administration**

**OCR # 804-003266      CFMS # 684332      Assetworks, Inc.**

The numbers listed prior to the contractor's name have been assigned by this office and are used as identification for the contract. Please use these numbers when referring to the contract in correspondence or amendment(s).

**For succeeding fiscal years of these contracts, FY 11/12, a BA-22 specifying the funds available for that particular year shall be submitted by September 30th to the Office of Contractual Review.**

Approval of continuing services contracts is contingent upon the receipt of a final performance evaluation report on the prior contract as required under Revised Statute 39:1500.

The Internal Revenue Service (IRS) may find that this contract creates an employment relationship between your agency and the contractor. You should be advised that your agency is responsible for all taxes and penalties if such a finding is forthcoming. It is incumbent upon your agency to determine if an employee/employer relationship exists. Your agency must make the appropriate withholdings in accordance with law and IRS regulations, if applicable.

We appreciate your continued cooperation.

Sincerely,

  
Sandra G. Gillen, CPPB  
Director

SGG/cg

Enclosure

**STATE OF LOUISIANA CONTRACT**

CFMS # 684332

**BE IT KNOWN**, the Office of Risk Management, Division of Administration, Office of the Governor, State of Louisiana, (hereinafter sometimes referred to simply as "State") and **AssetWorks Inc, 6210 Campbell Road, Suite 124, Dallas, Texas 75248** (hereinafter sometimes simply referred to as "Contractor"), and represented by **John H. Hines, III, President**, do hereby enter into contract under the following terms and conditions.

**SCOPE OF SERVICES**Overview

Conduct appraisals on state owned buildings. The appraisal on each building would include the replacement cost, without consideration of the land, and the flood zone on which the building is situated. A list of the buildings to be appraised, their physical location, square footage and construction type will be sent as a separate attachment entitled "STATE OF LOUISIANA BUILDINGS TO BE APPRAISED".

DELIVERABLES

The services delivered will be to provide the following:

1. Appraisals on state owned buildings
2. Reports

Services and Requirements

The Contractor shall provide the following services:

1. Commercial Property Appraisal with replacement cost, excluding land (buildings to be physically measured wherever possible)
2. Determination of Federal Zone
3. Adhoc reports as reasonably requested

Reporting Requirements

1. Submit status reports every other week to include the appraisals completed, the replacement cost values and flood zones.
2. Reports should be submitted in an Excel or Access database and type-written format.

**GOALS AND OBJECTIVES**

Conduct appraisals on state owned buildings. The appraisal on each building will include the replacement cost, without consideration of the land, and the flood zone on which the building is situated. A list of the buildings to be appraised, their physical location, square footage and construction type will be submitted as a separate attachment.

**PERFORMANCE MEASURES**

The performance of this contract will be measured by ORM State Risk Administrator or her designee, who is authorized on behalf of the State, to evaluate the Contractor's performance against the criteria contained in the Scope of Services.

Outcome One

Contractor will provide ORM with appraisals on state owned buildings.

Performance Indicator

Submission of status reports within the time period established by the contract.

Monitoring Plan

ORM State Risk Administrator or her designee will review status reports for adherence to requirements, completeness and reasonableness.

**TERM OF CONTRACT**

**The term of the contract shall be scheduled to begin on 8/21/09 for a period three (3) years.**

**PAYMENT TERMS**

Maximum Amount of Contract

In consideration of the services described above, State hereby agrees to pay the Contractor a maximum fee of **\$600,000.00**. Payments are predicated upon successful completion and written approval by the State of the described tasks and deliverables as provided in the Scope of Services. Payments will be made only on approval of ORM State Risk Administrator or her designee.

Billing Rate

The State will pay the Contractor the following:

Group One	1 to 250 buildings	\$95.00 per building
Group Two	251 to 500 buildings	\$95.00 per building
Group Three	501 to 750 buildings	\$95.00 per building
Group Four	751 to 1000 buildings	\$95.00 per building
Group Five	1001 to 1250 buildings	\$95.00 per building

This rate is inclusive of all expenses, including travel expenses.

**TAXES**

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this Contract and/or legislative appropriation shall be contractor's obligation and identified under federal tax identification number 46-0521049.

**TERMINATION FOR CAUSE**

The State may terminate this Contract for cause based upon the failure of Contractor to comply with the terms and/or conditions of the Contract; provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, the Contractor shall not have either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may at its option, place the Contractor in default and the Contractor shall terminate on the date specified in such notice. Contractor may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this contract; provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the state to cure the defect.

## **TERMINATION FOR CONVENIENCE**

The State may terminate the Contract at any time without penalty by giving thirty (30) days written notice to the Contractor of such termination or negotiating with the Contractor an effective date thereof. Contractor shall be entitled to payment for deliverables in progress to the extent work has been performed satisfactorily.

## **TERMINATION FOR NON-APPROPRIATION OF FUNDS**

The continuation of this contract is contingent upon the appropriation of funds by the legislature to fulfill the requirements of the contract. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds have not been appropriated. Such termination shall be without penalty or expense to the State except for payments which have been earned prior to the termination.

## **REMEDIES FOR DEFAULT**

Any claim or controversy arising out of this contract shall be resolved by the provisions of LSA-R.S. 39:1524-1526.

## **NON-ASSIGNABILITY**

No contractor shall assign any interest in this contract by assignment, transfer, or novation, without prior written consent of the State. This provision shall not be construed to prohibit the Contractor from assigning his bank, trust company, or other financial institution any money due or to become due from approved contracts without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

## **OWNERSHIP**

All records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State, and shall, upon request, be returned by Contractor to State, at Contractor's expense, at termination or expiration of this contract.

## **SUB-CONTRACTING INFORMATION**

The State shall have a single prime Contractor, and that prime Contractor shall be responsible for all deliverables.

The prime Contractor shall not contract with any other party unless approved by ORM.

## **AUDITORS**

It is hereby agreed that the Legislative Auditor of the State of Louisiana and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all accounts of Contractor, which relate to this contract.

## **AMENDMENTS**

All amendments to the contract will be by mutual agreement of the contract parties and shall be in writing, and signed by duly authorized representatives of both parties and approved by the Director of Contractual Review, Division of Administration.

## **INSURANCE REQUIREMENT**

The Contractor shall maintain General Liability, Auto Liability, Workers' Compensation, Errors and Omissions coverage with limits of at least \$1,000,000.00 per occurrence for each coverage period for the duration of the contract. Proof of such coverage is required and must be submitted each policy period during the duration of the contract.

## **GOVERNING LAW**

This contract shall be construed in accordance with and governed by the laws of the State of Louisiana.

## **ENTIRE AGREEMENT CLAUSE**

This contract, together with the RFP and addenda issued thereto by the State, the proposal submitted by the Contractor in response to the State's RFP, and any exhibits specifically incorporated herein by reference, constitute the entire agreement between the parties with respect to the subject matter.

## **ORDER OF PRECEDENCE**

In the event of any inconsistent or incompatible provisions, this signed agreement (excluding the RFP and Contractor's proposal) shall take precedence, followed by the provisions of the RFP, and then by the terms of Contractor's proposal.

## **SPECIAL WARRANTIES, REPRESENTATIVES AND DUTIES**

The Contractor shall be required under the terms of the contract to make the following special warranties and representatives:

1. The personnel assigned by the Contractor to perform services shall be qualified to perform the assigned duties. The key staff shall be identified by name along with their education and work experience. Key personnel will not be removed from the contract without prior notice to ORM. Key personnel will not be added to contract without prior approval of ORM. Resumes must be submitted with request for approval of additional personnel.
2. The Contractor assumes responsibility for its personnel providing services hereunder and will make all deductions for social security and withholding taxes, contributions for employment compensation funds, and shall maintain at the Contractor's expense all necessary insurance for its employees including, but not limited to workers' compensation and liability insurance.
3. The Contractor shall notify the ORM State Risk Claims Administrator in writing fifteen (15) days prior to personnel changes removing any officer or key employee whose responsibilities include significant activities related to the contract.
4. The Contractor shall warrant that all agents, whether an officer or employee, will act in an independent capacity concerning the terms of the contract and will not act as or be considered employees of the State nor be entitled to any benefits or privileges accorded to public employees, insofar as such benefits and privileges are related to the contract.

5. Neither party shall be responsible for delays or failure in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to acts of God, strikes, riots, lockouts, acts of war, epidemics, governmental regulations superimposed after the fact, fire, communication line failures, power failures, earthquakes or other disasters.
6. Allow ORM to have an independent organization audit or evaluate the firm's performance under the terms and conditions of the contract. (ORM has not contracted with an independent organization for this task, but will do so if the need arises.)

#### **LIMITATION OF LIABILITY**

Contractor shall be fully liable for the actions or its agents, employees, partners or subcontractors and shall fully indemnify and hold harmless the State from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by Contractor, its agents, employees, partners or subcontractors without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the State.

For all other claims against the Contractor where liability is not otherwise set forth in the contract as being "without limitation", and regardless of the basis on which the claim is made, Contractor's liability for direct damages shall be two (2) times the charges for services rendered by the Contractor under the Contract.

In no event shall Contractor, its affiliates, employees, actuaries, agents, and brokers, be liable to the State for any incidental, special, punitive, or consequential damages of any kind (including without limitation, loss of income, loss of profits, or other pecuniary loss); or for any losses or expenses resulting from any inaccuracy in or omission from any information or data supplied to Contractor in connection with the services provided under this contract. The provisions of this paragraph shall survive the expiration or termination of this contract.

#### **INDEMNIFICATION OF THE STATE**

The Contractor agrees to protect, defend, indemnify, save, and hold harmless the State of Louisiana, all State Departments, Agencies, Boards and Commissions, its officers, agents, servants and employees, including volunteers from and against any and all claims, expenses and liability arising in any way grow out of any act or omission of Contractor, its agents, servants, and employees, or any and all reasonable costs, expenses and/or attorney fees incurred by Contractor as a result of any claims, demands, and/or causes of action except those claims, demands, and/or causes of action arising out of the negligence of the State of Louisiana, all State Departments, Agencies, Boards, Commissions, its agents, representatives, and/or employees.

#### **LIASON**

The Contractor will designate one or more persons from his staff who shall have the duty of acting as a point of contact with ORM to assure the expeditious execution of this agreement. The Contractor, if a corporation, shall secure and attach to the contract a formal and dated Board Resolution indicating the signatory as a corporate representative and authorized to sign said documents.

#### **SECURITY**

The Contractor will at all times comply with all security regulations in effect at ORM which are made known in writing by ORM to the Contractor.

**ACCESS TO INFORMATION**

ORM will allow the Contractor's personnel timely access to all necessary records, data and papers.

**RECORD RETENTION**

The Contractor agrees to retain all records and other documents relevant to this contract in accordance with the Louisiana Public Records Law, LA R.S. 44:1 et seq.

**CONFIDENTIALITY OF STATE INFORMATION**

All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this contract, or which become available to the contract in carrying out this contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective security requirements as are applicable to the State. The Contractor shall not be required under the provisions of the paragraph to keep confidential any data or information that is or becomes publicly available, is already rightfully in the Contractor's possession, is independently developed by the Contractor outside the scope of the contract, or is rightfully obtained from third parties.

**REPRODUCTION, PUBLICATION AND USE OF MATERIAL**

ORM shall have unrestricted authority to reproduce, publish, distribute and otherwise use in whole or in part, any manuals, reports, data or other materials prepared in connection with this contract or in performance hereof.

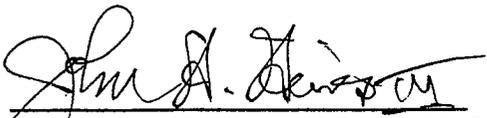
**DISCRIMINATION CLAUSE**

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

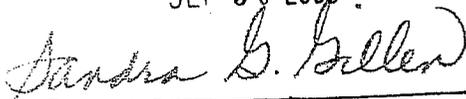
Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities.

Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

**ASSETWORKS INC**

  
**JOHN H. AIMES**  
PRESIDENT  
Office of the Governor  
Office of Contractual Review

SEP 30 2009

  
DIRETOR

**OFFICE OF RISK MANAGEMENT**

  
**J.S. THOMPSON, JR.**  
STATE RISK DIRECTOR

**DIVISION OF ADMINISTRATION**

  
**ANGELE DAVIS**  
COMMISSIONER OF ADMINISTRATION