To All Potential Bidders:

This addendum is issued to modify the previously issued bid document and/or given for informational purposes, and is hereby made a part of the bid documents. Please attach this addendum to the documents in your possession. The original RFP Documents remain in full force and effect, except as modified by this Addendum, which is hereby made part of the RFP. Respondents shall take this Addendum into consideration when preparing and submitting its Proposal. **Per the RFP, the proposer shall acknowledge receipt of any and all addenda, if any, per instructions Section 4/Appendix One.**

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### SECTION 1

1.4 Contract and Service Agreement - PAGE 5 -8

The following clauses are being **removed** from the RFP:

1.4 **Contract and Service Agreement**

   Proposer, if any, will be required to enter into a contract with KC to include the following:

   **Time for Commencement and Completion**

   The term of this Agreement will be a total of ten (10) years; a five (5) year initial term, plus five (5) one-year optional renewals

   **Insurance**

   Proposer, consistent with its status as an independent Proposer will carry and will cause its subProposers to carry, at least the following insurance in the form, with companies admitted to do business in the State of Texas and having an A.M. Best Rating of A-:VII or better, and in amounts (unless otherwise specified), as KC may require:

   **Workers Compensation Insurance with statutory limits, and Employer’s Liability Insurance with limits of not less than $1,000,000:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers Liability - Each Accident</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Employers Liability - Each Employee</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Employers Liability - Policy Limit</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>
Policies must include (a) Other States Endorsement to include TEXAS if business is domiciled outside the State of Texas, and (b) a waiver of all rights of subrogation and other rights in favor of KC;

**Commercial General Liability Insurance with limits of not less than:**
- Each Occurrence Limit: $1,000,000
- Damage to Rented Premises: $100,000
- Medical Expenses (any one person): $10,000
- Personal & Advertising Injury: $1,000,000
- General Aggregate: $2,000,000
- Products - Completed Operations Aggregate: $2,000,000

Policy will include independent Proposer’s liability, covering, but not limited to, the liability assumed under the indemnification provision of this contract, fully insuring Proposer’s (or SubProposer’s) liability for bodily injury (including death) and property damage. Proposer’s Risk Management will issue a letter naming KC as an insured for liability purposes.

**Professional Liability Insurance with limits of not less than $1,000,000 per claim to include Violations of Privacy.**

Proposer will deliver to KC:

Evidence satisfactory to KC in its sole discretion, evidencing the existence of all insurance after the execution and delivery of this Agreement and prior to the performance or continued performance of any services to be performed by Proposer under this Agreement.

Additional evidence, satisfactory to KC in its sole discretion, of the continued existence of all insurance not less than thirty (30) days prior to the expiration of any insurance. Insurance policies, with the exception of Workers’ Compensation and Employer’s Liability, will be endorsed and name KC as an Additional Insured. All policies will be endorsed to provide a waiver of subrogation in favor of KC. All policies with the exception of Workers’ Compensation and Employer’s Liability will be endorsed to provide primary and non-contributory coverage. No policy will be canceled until after thirty (30) days’ unconditional written notice to KC.

Proposer will be responsible for providing to KC immediate notice of its receipt of a notice of cancellation, termination, material change, or non-renewal relating to any insurance policy required herein. This requirement may be satisfied by providing a copy of the notice received by the Proposer to the KC within two business days or by endorsement of the policy to require notice to the KC to be provided by the insurer.
The insurance policies required in this Agreement will be kept in force for the periods specified below:

Commercial General Liability Insurance; will be kept in force until receipt of Final Payment by KC to Proposer; and

Workers’ Compensation Insurance and Employer’s Liability Insurance will be kept in force until the Work has been fully performed and accepted by KC in writing.

Miscellaneous

Assignment and Subcontracting - This Agreement is a personal service contract for the services of Proposer. The Proposer’s interest in this Agreement (including Proposer’s duties and obligations under this Agreement, and the fees due to Proposer under this Agreement) may not be subcontracted, assigned, delegated, or otherwise transferred to a third party, in whole or in part, and any attempt to do so will (a) not be binding on KC; and (b) be a breach of this Agreement. The benefits and burdens of this Agreement are assignable by KC.

Franchise Tax Certification - If Proposer is a taxable entity as defined by Chapter 171, Texas Tax Code (“Chapter 171”), then Proposer certifies that it is not currently delinquent in the payment of any taxes due under Chapter 171, or that Proposer is exempt from the payment of those taxes, or that Proposer is an out-of-state taxable entity that is not subject to those taxes, whichever is applicable.

Taxes - Proposer will pay when due all taxes or assessments applicable to Proposer. Proposer will comply with the provisions of all Applicable Laws related to taxes and taxing authority.

Proposer represents and warrants that neither Proposer nor any firm, corporation or institution represented by Proposer, nor anyone acting for that firm, corporation or institution, (1) has violated the antitrust laws of the State of Texas, Chapter 15, Texas Business and Commerce Code, or federal antitrust laws, or (2) has communicated directly or indirectly the content of Proposer’s response to KC’s procurement solicitation to any competitor or any other person engaged in a similar line of business during the procurement process for this Agreement.

Changes to the Agreement; Modifications - This agreement and each of its provisions will be binding upon the parties and may not be modified, waived or amended unless mutually agreed to in writing by the persons who executed this Agreement or their replacements or designees.

Loss of Funding - Performance by KC under this Agreement may be dependent upon the appropriation and allotment of funds by the Texas State Legislature (the “Legislature”) and allocation of funds by KC. If the Legislature fails to appropriate or allot the necessary funds, or KC fails to allocate the necessary funds, then KC will issue written notice to Proposer and KC may terminate this Agreement without further duty or obligation hereunder. Proposer acknowledges that appropriation, allotment, and allocation of funds are beyond the control of KC.

Entire Agreement - This Agreement supersedes all prior agreements, written or oral, between Proposer and KC and will constitute the entire Agreement and understanding between the parties with respect to the subject matter of this Agreement.

Force Majeure – The performance of either party’s obligations will be suspended to the extent and for the length of time that the party is prevented from performing due to acts of nature, fires, governmental actions, changes in the Service requirements which directly contribute to a delay, or other events beyond its reasonable control. In the event of any occurrence that a party considers to be the cause of a delay or failure of performance, the party affected shall promptly notify the other party.

Captions - The captions of sections and subsections in this Agreement are for convenience only and will not be considered or referred to in resolving questions of interpretation or construction.

Venue; Governing Law - Gregg County, Kilgore Texas, will be the proper place of venue for suit on or in respect to this Agreement. This Agreement and all of the rights and obligations of the
parties and all of the terms and conditions will be construed, interpreted and applied in accordance with and governed by and enforced under the laws of the State of Texas.

Waivers - No delay or omission in exercising any right accruing upon a default in performance of this Agreement will impair any right or be construed to be a waiver of any right. A waiver of any default under this Agreement will not be construed to be a waiver of any subsequent default under this Agreement.

This clauses will remain in effect:

Indemnification

TO THE FULLEST EXTENT PERMITTED BY LAW, PROPOSER WILL AND DOES HEREBY AGREE TO INDEMNIFY, PROTECT, DEFEND WITH COUNSEL APPROVED BY KC, AND HOLD HARMLESS KC, AND THEIR RESPECTIVE AFFILIATED ENTERPRISES, BOARD OF TRUSTEES, OFFICERS, DIRECTORS, ATTORNEYS, EMPLOYEES, REPRESENTATIVES AND AGENTS (COLLECTIVELY “INDEMNITEES”) FROM AND AGAINST ALL DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS, EXPENSES, AND OTHER CLAIMS OF ANY NATURE, KIND, OR DESCRIPTION, INCLUDING REASONABLE ATTORNEYS’ FEES AND COSTS INCURRED IN INVESTIGATING, DEFENDING OR SETTLING ANY OF THE FOREGOING (COLLECTIVELY “CLAIMS”) BY ANY PERSON OR ENTITY, ARISING OUT OF, CAUSED BY, OR RESULTING FROM PROPOSER’S PERFORMANCE UNDER OR BREACH OF THIS AGREEMENT AND THAT ARE CAUSED IN WHOLE OR IN PART BY ANY MALPRACTICE, NEGLIGENT ACT, NEGLIGENT OMISSION OR WILLFUL MISCONDUCT OF PROPOSER, ANYONE DIRECTLY EMPLOYED BY PROPOSER OR ANYONE FOR Whose ACTS PROPOSER MAY BE LIABLE. THE PROVISIONS OF THIS SECTION WILL NOT BE CONSTRUED TO ELIMINATE OR REDUCE ANY OTHER INDEMNIFICATION OR RIGHT WHICH ANY INDEMNITEE HAS BY LAW OR EQUITY.

Equal Opportunity - Pursuant to Applicable Laws, Proposer represents and warrants that it is an Equal Opportunity Employer and does not discriminate on the basis of race, color, religion, national origin, age, mental or physical disability, or sex.