

THE STATE OF TEXAS §

COUNTY OF HARRIS §

I. PARTIES

A. Address

THIS AGREEMENT FOR PROFESSIONAL SERVICES ("Agreement") is made by and between the **CITY OF HOUSTON, TEXAS** ("City"), a Home Rule City located principally in Harris County, and **JOHNSON AND JOHNSON**, a partnership, doing business in Texas ("Contractor").

The initial addresses of the Parties, which one party may change by giving written notice to the other party, are as follows:

<u>City</u>	<u>Contractor</u>
Director, Intergovernmental Relations City of Houston P. O. Box 1562 Houston, Texas 77251	Johnson and Johnson Robert E. Johnson, Jr. 1122 Colorado Street, Suite 208 The Westgate Building Austin, Texas 78701

The Parties agree as follows:

B. Table of Contents

The Parties agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

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EXHIBITS

- A. Scope of Services**
- B. Equal Employment Opportunity**
- C. Parts Incorporated

The above-described sections and exhibits are incorporated into this Agreement.

- D. Controlling Parts

If a conflict among the sections and exhibits arises, the sections control over the exhibits.

E. Signatures

The Parties have executed this Agreement in multiple copies, each of which is an original.

WITNESS:

JOHNSON AND JOHNSON

By: _____
Name:
Title:

By: _____
Name:
Title:

ATTEST/SEAL:

CITY OF HOUSTON, TEXAS
Signed by:

City Secretary

Mayor

APPROVED:

COUNTERSIGNED BY:

Director, Intergovernmental Relations

City Controller

APPROVED AS TO FORM:

DATE COUNTERSIGNED:

Assistant City Attorney
L.D. File No. 0420800098002_____

II. DEFINITIONS

As used in this Agreement, the following terms have the meanings set out below:

"Agreement" means this contract between the Parties, including all exhibits and any written amendments authorized by City Council and Contractor.

"City" is defined in the preamble of this Agreement and includes its successors and assigns.

"Contractor" is defined in the preamble of this Agreement and includes its successors and assigns.

"Countersignature Date" means the date shown as the date countersigned on the signature page of this Agreement.

"Director" means the City=s Director of Intergovernmental Relations, or the person he designates.

"Parties" mean all the entities set out in the Preamble, who are bound by this Agreement.

III. DUTIES OF CONTRACTOR

A. Scope of Services

In consideration of the payments specified in this Agreement, Contractor shall provide all labor, material and supervision necessary to represent the City before the Texas Legislature and State agencies as fully described in Exhibit "A."

B. Coordinate Performance

Contractor shall coordinate its performance with the Director and other persons that the Director designates. Contractor shall promptly inform the Director and other person(s) of all significant events relating to the performance of this Agreement.

C. Reports

Contractor shall submit all reports and progress updates required by the Director.

D. Payment of Subcontractors

Contractor shall make timely payments to all persons and entities supplying labor, services, materials or equipment for the performance of this Agreement. CONTRACTOR SHALL DEFEND AND INDEMNIFY THE CITY FROM ANY CLAIMS OR LIABILITY ARISING OUT OF CONTRACTOR'S FAILURE TO MAKE THESE PAYMENTS.

E. Personnel of the Contractor

Contractor may, but is not required to, negotiate to subcontract with or for the services of the persons approved in writing by the Director to provide services related to representation of the City before the Texas Legislature and State agencies as described above and in Exhibit "A":

The Contractor may subcontract with additional persons, subject to the Director's prior written approval of each new individual and shall add additional subcontractors at the Director's request. The Contractor may terminate its subcontract with any approved subcontractor on 24 hours' written notice to the subcontractor, but only for cause, including, but not limited to, failure to complete work assignments in a timely professional manner, failure to return phone calls and failure to attend meetings. In addition, the Director may direct, in writing or otherwise, the Contractor to terminate its subcontract with any of Contractor's subcontractors on 24 hours' written notice to the subcontractor.

F. RELEASE

CONTRACTOR AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS AND LEGAL REPRESENTATIVES (COLLECTIVELY IN THIS SECTION THE CITY) FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

G. Warranties

Contractor's performance shall conform to the professional standards prevailing in Travis County, Texas, with respect to the scope, quality, due diligence, and care of the services and products Contractor provides under this Agreement.

H. Confidentiality - Protection of City's Interest

Contractor, its agents, employees, contractors and subcontractors shall hold all City information, data and documents (collectively, the Information) that they receive, or to which they have access, in strictest confidence. Contractor, its agents, employees, contractors and subcontractors (collectively referred to as "Contractor" within this Section) shall not disclose, disseminate or use the Information unless the Director authorizes it in writing. Contractor shall obtain written agreements from its agents, employees, contractors and subcontractors which bind them to the terms in this Section. Contractor shall be bound by the terms of this Section during this Agreement and twelve months after the termination of this Agreement. Contractor shall not disclose

to any party who is not a City employee or not bound by the same conditions as in this Section any information, whether or not confidential by law related to any City department, that may give a competitive advantage to any current or prospective bidder, contractor, or party currently doing business with the City or which may seek to do business with the City in the future. The Director may grant limited exceptions of this Section H of Article III by written instruction if the Director determines sharing this information is in the best interest of the City.

I. Use of Work Products

(1) The City may use all documents that Contractor prepares or obtains under this Agreement.

(2) Contractor shall deliver the original documents to the Director on request. Within five working days after this Agreement terminates, Contractor shall deliver to the Director the original documents, if any, and all other files and materials Contractor produces or gathers during its performance under this Agreement.

J. Licenses and Permits

Contractor shall obtain, maintain and pay for all licenses, permits and certificates including all professional licenses required by any statute, ordinance, rule or regulation. Contractor shall immediately notify the Director of any suspension, revocation or other detrimental action against his or her license.

K. Compliance with Laws

Contractor shall comply with all applicable state and federal laws and regulations and the City Charter and Code of Ordinances.

L. Compliance with Equal Opportunity Ordinance

Contractor shall comply with City's Equal Employment Opportunity Ordinance as set out in Exhibit "B".

M. Conflicts of Interest. Contractor shall eliminate any actual or perceived conflict of interest resulting from Contractor's or any subcontractor's representation of the City that may exist or could arise in the future. Contractor shall obtain written agreements from its agents, employees, contractors, and subcontractors (collectively referred to as "subcontractors" in this Section) that bind Contractor and any subcontractors to the terms in this Section. Contractor shall use due diligence to review its actions and the actions of its subcontractors to avoid any actual or perceived conflict of interest. Conflicts of interest include:

- (1) representing the interests of any third party before the City, including any City officials or employees, whether in meetings, telephone, or electronic communications;
- (2) owning an interest greater than 10% in any company or business venture that performs work on any contract, subcontract, or purchase order for the City other than the company contracting under this Agreement; or
- (3) acting as an officer or employee of any company or business ventures that performs work on any contract, subcontract, or purchase order for the City other than this Agreement.

IV. DUTIES OF CITY

A. Payment Terms

The City shall pay for the services and expenses attributable to Contractor in accordance with the following fee schedule:

December 1, 2010 - December 31, 2010 \$10,729.17

January 1, 2011 - May 31, 2011	\$110,639.17 monthly
June 1, 2011 - November 30, 2012	\$10,729.17 monthly

The City's payment for all Contractor's services and expenses under this Agreement, including those performed by Contractor's subcontractors and agents, shall not exceed **\$757,050.00**.

B. Taxes

The City is exempt from payment of Federal Excise and Transportation Tax and Texas Limited Sales and Use Tax. Contractor's invoices to the City must not contain assessments of any of these taxes. The Director will furnish the City's exemption certificate and federal tax identification number to Contractor if requested.

C. Method of Payment

The Contractor will be paid on the basis of monthly invoices submitted by the Contractor and approved by the Director showing the appropriate monthly amount due. The City shall pay Contractor within thirty (30) days of the receipt and approval by the City of such invoices. If the City disputes any items in an invoice Contractor submits for any reason, including lack of supporting documentation, the Director shall temporarily delete the disputed item and pay the remainder of the invoice. The Director shall promptly notify Contractor of the dispute and request remedial action. After the dispute is settled, Contractor shall include the disputed amount on a subsequent regularly scheduled invoice or on a special invoice for the disputed item only.

D. Limit of Appropriation

(1) The City's duty to pay money to Contractor for any purpose under this Agreement is limited in its entirety by the provisions of this Section.

(2) In order to comply with Article II, Sections 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated the sum of

\$574,654.19 to pay money due under this Agreement (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Agreement, but they are not obligated to do so. Therefore, the parties have agreed to the following procedures and remedies.

(3) The City makes a supplemental allocation by sending a notice signed by the Director and the City Controller to Contractor in substantially the following form:

"NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS"

TO: [Name of Contractor]
FROM: City of Houston, Texas (the "City")
DATE: [Date of notice]
SUBJECT: Supplemental allocation of funds for the purpose of the "[title of this Agreement]" between the City and (name of Contractor) countersigned by the City Controller on (Date of Countersignature) (the "Agreement").

I, (name of City Controller), City Controller of the City of Houston, certify that the supplemental sum of \$_____, upon the request of the Director, has been allocated for the purposes of the Agreement out of funds appropriated for this purpose by the City Council of the City of Houston. This supplemental allocation has been charged to such appropriation.

The aggregate of all sums allocated for the purpose of such Agreement, including the Original Allocation and all supplemental allocations (including this one), as of the date of this notice, is \$_____.

SIGNED:

(Signature of the City Controller)
City Controller of the City

REQUESTED:

(Signature of the Director)
Director

(4) The Original Allocation plus all supplemental allocations are the Allocated Funds. The City shall never be obligated to pay any money under this Agreement in excess of the Allocated

Funds. Contractor must assure itself that sufficient allocations have been made to pay for services it provides. If Allocated Funds are exhausted, Contractor=s only remedy is suspension or termination of its performance under this Agreement and it has no other remedy in law or in equity against the City and no right to damages of any kind.

E. Access to Data

The City shall, to the extent permitted by law, allow Contractor to access and make copies of documents in the possession or control of the City or available to it that are reasonably necessary for Contractor to perform under this Agreement.

The City does not, however, represent that all existing conditions are fully documented, nor is the City obligated to develop new documentation for Contractor=s use.

V. TERM AND TERMINATION

A. Agreement Term

This Agreement is effective on December 1, 2010 and remains in effect until November 30, 2012, unless sooner terminated under this Agreement.

B. Termination for Convenience by City

The Director may terminate this Agreement at any time by giving 30 days' written notice to Contractor. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future.

On receiving the notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement. As soon as practicable after receiving the termination notice, Contractor shall submit an invoice showing in detail the services performed under this Agreement up to the termination date. The City shall then pay the fees to Contractor for services actually

performed, but not already paid for, in the same manner as prescribed in Section IV-A unless the fees exceed the allocated funds remaining under this Agreement.

TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE CONTRACTOR'S ONLY REMEDIES FOR THE CITY'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. CONTRACTOR WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED IN THIS SECTION), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE CITY'S TERMINATION FOR CONVENIENCE.

C. Termination for Cause by the City

If Contractor defaults under this Agreement, the Director may either terminate this Agreement or allow Contractor to cure the default as provided below. The City's right to terminate this Agreement for Contractor's default is cumulative of all rights and remedies which exist now or in the future. Default by Contractor occurs if:

- (1) Contractor fails to perform any of its duties under this Agreement;
- (2) Contractor becomes insolvent;
- (3) all or a substantial part of Contractor's assets are assigned for the benefit of its creditors; or
- (4) a receiver or trustee is appointed for Contractor.

If a default occurs, the Director may, but is not obligated to, deliver a written notice to Contractor describing the default and the termination date. The Director, at his or her sole option, may extend the termination date to a later date. If the Director allows Contractor to cure the default and Contractor does so to the Director's satisfaction before the termination date, then the

termination is ineffective. If Contractor does not cure the default before the termination date, then the Director may terminate this Agreement on the termination date, at no further obligation of the City.

To effect final termination, the Director must notify Contractor in writing. After receiving the notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement, and promptly cancel all orders or subcontracts chargeable to this Agreement.

D. Termination for Cause by Contractor

Contractor may terminate its performance under this Agreement only if the City defaults and fails to cure the default after receiving written notice of it. Default by the City occurs if the City fails to perform one or more of its material duties under this Agreement. If a default occurs and Contractor wishes to terminate the Agreement, then Contractor must deliver a written notice to the Director describing the default and the proposed termination date. The date must be at least 30 days after the Director receives notice. Contractor, at its sole option, may extend the proposed termination date to a later date. If the City cures the default before the proposed termination date, then the proposed termination is ineffective. If the City does not cure the default before the proposed termination date, then Contractor may terminate its performance under this Agreement on the termination date.

VI. MISCELLANEOUS

A. Independent Contractor

Contractor shall perform its obligations under this Agreement as an independent contractor and not as an employee of the City.

B. Severability

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party.

C. Entire Agreement

This Agreement merges the prior negotiations and understandings of the Parties and embodies the entire agreement of the Parties. No other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind exist between the Parties regarding this Agreement.

D. Written Amendment

Unless otherwise specified, this Agreement may be amended only by written instrument executed on behalf of the City (by authority of an ordinance adopted by the City Council) and Contractor. The Director is only authorized to perform the functions specifically delegated to him or her in this Agreement.

E. Applicable Laws

This Agreement is subject to the laws of the State of Texas, the City Charter and Ordinances, the laws of the federal government of the United States, and all rules and regulations of any regulatory body or officer having jurisdiction.

Venue for any litigation relating to this Agreement is Harris County, Texas.

F. Notices

All notices required or permitted by this Agreement must be in writing and are deemed delivered on the earlier of the date actually received or the third day following: (1) deposit in a United States Postal Service post office or receptacle; (2) with proper postage (certified mail, return receipt requested); and (3) addressed to the other party at the address set out in the preamble of this

Agreement or at such other address as the receiving party designates by proper notice to the sending party.

G. Captions

Captions contained in this Agreement are for reference only and, therefore, have no effect in construing this Agreement. The captions are not restrictive of the subject matter of any section in this Agreement.

H. Non-Waiver

If either party fails to require the other to perform a term of this Agreement, that failure does not prevent the party from later enforcing that term and all other terms. If either party waives the other's breach of a term, that waiver does not waive a later breach of this Agreement.

An approval by the Director, or by any other employee or agent of the City, of any part of Contractor's performance does not waive compliance with this Agreement or establish a standard of performance other than that required by this Agreement and by law. The Director is not authorized to vary the terms of this Agreement.

I. Inspections and Audits

City representatives have the right to perform, or have performed, audits of Contractor's books and records. Contractor shall keep its books and records available for this purpose for at least three years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

J. Enforcement

The Director or his or her designee may enforce all legal rights and obligations under this Agreement without further authorization. Contractor shall provide to the Director all documents and records that the Director requests to assist in determining Contractor's compliance with this

Agreement, with the exception of those documents made confidential by federal or State law or regulation.

K. Ambiguities

If any term of this Agreement is ambiguous, it shall not be construed for or against any party on the basis that the party did or did not write it.

L. Survival

Contractor shall remain obligated to the City under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement.

M. Parties In Interest

This Agreement does not bestow any rights upon any third party, but binds and benefits the City and Contractor only.

N. Successors and Assigns

This Agreement binds and benefits the Parties and their legal successors and permitted assigns; however, this provision does not alter the restrictions on assignment and disposal of assets set out in the following paragraph. This Agreement does not create any personal liability on the part of any officer or agent of the City.

O. Business Structure and Assignments

Contractor shall not assign this Agreement at law or otherwise or dispose of all or substantially all of its assets without the Director=s prior written consent. Nothing in this clause, however, prevents the assignment of accounts receivable or the creation of a security interest as described in '9.406 of the Texas Business & Commerce Code. In the case of such an assignment, Contractor shall immediately furnish the City with proof of the assignment and the name, telephone number, and address of the Assignee and a clear identification of the fees to be paid to the Assignee.

Contractor shall not delegate any portion of its performance under this Agreement without the Director=s prior written consent.

P. Remedies Cumulative

Unless otherwise specified, the rights and remedies contained in this Agreement are not exclusive, but are cumulative of all rights and remedies which exist now or in the future. Neither party may terminate its duties under this Agreement except in accordance with its provisions.

Q. Records

Notwithstanding any other provision of this Agreement, the City shall have no right of access to the subcontract agreements entered into between the Contractor and its subcontractors.

R. Contractor Debt

IF CONTRACTOR, AT ANY TIME DURING THE TERM OF THIS AGREEMENT, INCURS A DEBT, AS THE WORD IS DEFINED IN SECTION 15-122 OF THE HOUSTON CITY CODE OF ORDINANCES, IT SHALL IMMEDIATELY NOTIFY THE CITY CONTROLLER IN WRITING. IF THE CITY CONTROLLER BECOMES AWARE THAT CONTRACTOR HAS INCURRED A DEBT, SHE SHALL IMMEDIATELY NOTIFY CONTRACTOR IN WRITING. IF CONTRACTOR DOES NOT PAY THE DEBT WITHIN 30 DAYS OF EITHER SUCH NOTIFICATION, THE CITY CONTROLLER MAY DEDUCT FUNDS IN AN AMOUNT EQUAL TO THE DEBT FOR ANY PAYMENTS OWED TO CONTRACTOR UNDER THIS AGREEMENT, AND CONTRACTOR WAIVES ANY RECOURSE THEREFOR.

EXHIBIT "A"
SCOPE OF SERVICES

The Contractor shall represent the City before the Texas Legislature while in regular session and State agencies and perform the following services:

A. Proactive Legislation

Contractor shall:

1. Work with the Director to identify and prepare potential proactive legislation.
2. Assist in developing a strategy to pass the proactive legislation including, but not limited to, meeting with other organizations to provide grassroots support.
3. Meet with groups that may oppose the legislation to try to address their concerns while maintaining a strong position on behalf of the City.
4. Assist in drafting proposed legislation.
5. Help secure authors, co-authors, sponsors and co-sponsors of the proactive legislation.
6. Brief the Governor, Lt. Governor, Speaker and other legislative leaders on the importance of the legislation.
7. Identify witnesses and prepare a strategy for committee action prior to the bills being heard in the appropriate committees.
8. If requested, assist in preparing a bill analysis on proactive legislation.
9. Work with the Director in support of the City's position and coordinate all aspects of the legislative strategy.
10. Pursue all necessary steps to obtain final enactment into law of the proactive legislation.

B. Adverse Legislation

Contractor shall:

1. Negotiate with the opposition groups during the legislative session. The Contractor shall work to advance the City=s legislation early in the session and attempt to address the opposition=s concerns to avoid legislative battles.
2. Prepare a strategy to defend against any adverse legislation and implement a legislative strategy involving floor leaders, witnesses and leadership opposition to the adverse legislation.
3. Brief the Governor=s staff regarding the impact of the negative legislation and develop and implement a strategy to obtain the appropriate action by the Governor.

C. Filed Legislation

Contractor shall:

1. In consultation with the Director, monitor filed legislation to identify bills which may be adverse to the City.
2. Consult with the Director and other appropriate individuals to develop a strategy to defeat unanticipated negative legislation filed during the legislative session.
3. Assist in identifying unanticipated damaging amendments that may be offered and in developing a strategy to defeat hostile floor amendments in the House or Senate.
4. Help prepare all witnesses for committee testimony in the House and Senate.
5. Brief legislative committee members in advance of any legislation being considered, especially the City of Houston delegation members.
6. Attempt to address the concerns of the members of the appropriate committees, in advance of committee hearings, regarding any legislation or amendments they propose or intend to propose.
7. Organize floor action and help develop grassroots support for the delegation members on all proactive City legislation.

8. When all bills pass both Houses of the Legislature, work with the Governor=s staff to secure the Governor's signature or veto.

D. General Services

Contractor shall:

1. Build on its working relationships with members of the Houston delegation. Additionally, the Contractor will work with City Council members to develop a system of personal contacts and grassroots support during critical times during the legislative process.
2. Coordinate with the representatives of other cities on mutually beneficial legislative issues.
3. Upon request, be active in the appropriations process on behalf of the City.
4. Conduct legislative negotiations, on the City's behalf, based on the Director's instructions on matters of interest to the City.
5. Represent the City at fundraisers, receptions and other related functions in Austin and Houston.
6. Assist the City in handling regulatory matters that may arise in state agencies.
7. Represent the City and its interests in the formulation of interim studies on municipal issues of interest.
8. Perform other state governmental relations activities as requested by the City.
9. Maintain a written bill-tracking system to monitor all proactive and negative legislation daily during the legislative session.
10. Assist the City in any matters of interest that arise during Special Sessions.

EXHIBIT "B"

EQUAL EMPLOYMENT OPPORTUNITY

1. The contractor, subcontractor, vendor, supplier, or lessee will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or age. The contractor, subcontractor, vendor, supplier, or lessee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, sex, national origin, or age. Such action will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The contractor, subcontractor, vendor, supplier or lessee agrees to post in conspicuous places available to employees, and applicants for employment, notices to be provided by the City setting forth the provisions of this Equal Employment Opportunity Clause.
2. The contractor, subcontractor, vendor, supplier, or lessee states that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin or age.
3. The contractor, subcontractor, vendor, supplier, or lessee will send to each labor union or representatives of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer advising the said labor union or worker's representative of the contractor's and subcontractor's commitments under Section 202 of Executive Order No. 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
4. The contractor, subcontractor, vendor, supplier, or lessee will comply with all provisions of Executive Order No. 11246 and the rules, regulations, and relevant orders of the Secretary of Labor or other Federal Agency responsible for enforcement of the equal employment opportunity and affirmative action provisions applicable and will likewise furnish all information and reports required by the Mayor and/or Contractor Compliance Officer(s) for purposes of investigation to ascertain and effect compliance with this program.
5. The contractor, subcontractor, vendor, supplier, or lessee will furnish all information and reports required by Executive Order No. 11246, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to all books, records, and accounts by the appropriate City and Federal Officials for purposes of investigations to ascertain compliance with such rules, regulations, and orders. Compliance reports filed at such times as directed shall contain information as to the employment practice policies, program, and work force statistics of the contractor, subcontractor, vendor, supplier, or lessee.
6. In the event of the contractor's, subcontractor's, vendor's, supplier's, or lessee's non-compliance with the non-discrimination clause of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor, subcontractor, vendor, supplier, or lessee may be declared ineligible for further City contracts in accordance with procedures provided in Executive Order No. 11246, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as may otherwise be provided by law.
7. The contractor shall include the provisions of paragraphs 1-8 of this Equal Employment Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations, or orders of

the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the contractor becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

8. The contractor shall file and shall cause his or her subcontractors, if any, to file compliance reports with the City in the form and to the extent as may be prescribed by the Mayor. Compliance reports filed at such times as directed shall contain information as to the practices, policies, programs, and employment policies and employment statistics of the contractor and each subcontractor.