

CONTRACT

This contract is entered into by and between the CITY OF LAREDO, TEXAS, a municipal corporation, acting by and through its City Manager (hereinafter referred to as “City”), and **LAREDO CENTER FOR THE ARTS**, (hereinafter referred to as “Organization”), pursuant to the city’s authority to provide for the public health and welfare of its residents, as approved by the City Council on October 7, 2024.

Section 1: SCOPE OF SERVICE

The Organization shall provide those services under the promotion of the arts category as authorized by state law. Organization shall utilize funds to alleviate costs of supplies and support administration salaries that run the operations as described and set out in the scope of services (Marketing Plan) which is attached hereto as **Exhibit 1** and made a part of this contract as if incorporated herein. It is also understood that the funded project shall promote tourism and the city’s hotel and motel industry.

Section 2: PERFORMANCE STANDARDS

The Organization shall meet those performance standards described and set out in the “Goals and Objectives,” attached hereto as **Exhibit 2** and made a part of this contract as if incorporated herein, that are activities or events intended to promote tourism, hotel and convention activity. Event must be an in-person event (virtual events are not applicable), event must materialize within the contract period specified in section 3, event must follow all health guidelines as required by the City of Laredo. Organization agrees to make any necessary changes deemed by City to be necessary and in the best interest of public health.

Section 3: TERM

This contract is for a term of one year beginning on October 1, 2024, and ending on September 30, 2025.

Section 4: CONSIDERATION

Subject to compliance with the terms of this contract, the City agrees to pay not more than **\$57,000.00** for services provided by the Organization during the term of this contract as follows: For services rendered, the City shall pay the Organization the amount of **\$14,250.00** per quarter, or that amount actually billed the City by the Organization for the quarter in question not to exceed **\$57,000.00**. If the Organization should bill less than **\$14,250.00** for any one quarter, the difference in amounts may accumulate. The Organization may bill the City for services rendered for that quarter, and additional accumulated amounts in order for the full contract amount to be realized so long as such billings are for services rendered. The organization shall receive payments after event(s) materializes in person as virtual events are not valid.

Section 5: METHOD OF PAYMENT

The City shall pay the Organization for the services provided on the basis of a written request for payment submitted to the Nonprofit Management and Volunteer Center. Such written requests for payment shall include (1) a statement describing the services rendered, (2) the amount being

requested, and (3) shall have attached thereto any supporting documents, such as invoices, receipts, cancelled checks, and so forth. (4) Active Liability Insurance, **Exhibit 3** (Request for Reimbursement and Detailed Quarterly Expense Report) shall be used for this purpose, and only eligible expenses will be paid by the City. Failure to utilize the money in such manner shall require immediate reimbursement and potential disqualification from future awards.

Section 6: CONFLICT OF INTEREST

No officer or employee of the City and no member of the City governing body and no employee of the Organization and no member of the Organization's governing board and no person who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of this contract shall participate in any decision relating to this contract which affects his personal pecuniary interest. Organization covenants that it presently has no interest and shall not acquire any interest, either direct or indirect, which would conflict in any manner or degree with the provisions of this contract.

Section 7: INDEMNIFICATION

CONTRACTOR SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE CITY AND ITS OFFICIALS, EMPLOYEES AND AGENTS (COLLECTIVELY REFERRED TO AS "INDEMNITEES") FROM AND AGAINST ALL LOST, COSTS, PENALTIES, FINES, DAMAGES, CLAIMS, EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES) OR LIABILITIES (COLLECTIVELY REFERRED TO AS "LIABILITIES") BY REASON OF ANY INJURY TO OR DEATH OF ANY PERSON OR DAMAGE OR DESTRUCTION OR LOSS OF ANY PROPERTY ARISING OUT OF, RESULTING FROM, OR IN CONNECTION WITH: (1) THE PERFORMANCE OR NON-PERFORMANCE OF SERVICES CONTEMPLATED BY THIS CONTRACT BUT ONLY TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS, ERRORS, OMISSIONS, INTENTIONAL FORTS, OR A FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY CONTRACTOR OR CONTRACTORS' AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH CONTRACTOR EXERCISES CONTROL, OR ITS EMPLOYEES, AGENTS, OR SUBCONTRACTORS (COLLECTIVELY REFERRED TO AS "CONTRACTORS") AND/OR (2) THE FAILURE OF CONTRACTOR TO COMPLY WITH ANY OF THE PARAGRAPHS OR PROVISIONS OF THIS CONTRACT OR CONTRACT DOCUMENTS, OR THE FAILURE OF CONTRACTOR TO CONFORM SERVICES OR WORK TO STATUTES, ORDINANCES, OR OTHER REGULATIONS OR REQUIREMENTS OF ANY GOVERNMENTAL AUTHORITY, FEDERAL, STATE, OR LOCAL, IN CONNECTION WITH THE PERFORMANCE OF THIS CONTRACT. CONTRACTOR EXPRESSLY AGREES TO INDEMNIFY AND HOLD HARMLESS HE INDEMNITEES, OR ANY OF THEM, FROM AND AGAINST ALL LIABILITIES WHICH MAY BE ASSERTED BY AN EMPLOYEE OR FORMER EMPLOYEE OF CONTRACTOR, OR ANY OF ITS SUBCONTRACTORS, AS PROVIDED ABOVE, FOR WHICH CONTRACTORS' LIABILITY TO SUCH EMPLOYEE OR FORMER EMPLOYEE WOULD OTHERWISE BE LIMITED TO PAYMENTS UNDER STATE WORKERS' COMPENSATION OR SIMILAR LAWS. NOTHING HEREIN SHALL REQUIRE CONTRACTOR TO INDEMNIFY, DEFEND, OR HOLD HARMLESS ANY INDEMNITEE FOR THE INDEMNITEE'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. ANY AND ALL DISCHARGE OF ALL OTHER OBLIGATIONS OWED BY THE PARTIES TO EACH OTHER HEREUNDER AND SHALL APPLY PROSPECTIVELY NOT ONLY DURING THE TERM OF THIS CONTRACT BUT THEREAFTER SO LONG AS ANY LIABILITY COULD BE ASSERTED IN REGARD TO ANY ACTS OR OMISSIONS OF CONTRACT IN PERFORMING SERVICES UNDER THIS CONTRACT.

Section 8: INSURANCE

The Organization shall maintain such insurance as will protect it from any and all claims under the Worker's Compensation Laws of the Sate of Texas. The Organization shall maintain such insurance as will protect the Organization from claims for damages to because of bodily injury

including death and from claims for damage to property which may arise out of and during the conduct of the Organization's business, services, and activities. To this end, the Organization shall have and keep in effect during the term of this contract, public liability and property damage insurance in the amount of not less than **\$1,000,000.00**. Copies of such certificates of insurance as reflect the above required coverage shall be made a part of this contract as Exhibit 4. Any failure of the Organization to maintain the specified insurance coverage's during the term of this contract shall mean automatic termination of the contract. Failure to utilize the money in such manner shall require immediate reimbursement and potential disqualification from future awards.

Section 9: PURCHASING POLICIES

The Organization agrees to purchase needed goods and services in a competitive manner by using procedures for purchases that are equal to or better than the purchasing procedures used by the City. A copy of the Organization's purchasing policies and procedures is attached as **EXHIBIT 5**.

Section 10: EQUAL OPPORTUNITY

- A. Non-Discrimination. The Organization agrees that no person shall be excluded from or denied the benefits or be subjected to discrimination under any program or activity of the Organization, on the grounds of race, religion, national origin, color, sex, physical handicap, political affiliation, age, or familial status.
- B. Nonsegregated Facilities. The Organization certifies that all employee facilities under its control are provided in a manner that segregation, whether by habit, local custom, or otherwise, and whether on the basis of race, religion, color, handicap, age, sex, national origin, political affiliation, or familial status, cannot occur. Further, the Organization certifies that it will not assign or permit employees to perform series at any location under its control facilities are segregated.
- C. Employment. The Organization will not discriminate against any employee or applicant for employment because of race, religion, color, handicap, age, sex, national origin, political affiliation, or familial status, and will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to any of the same factors, moreover, the Organization will state in all solicitations or advertisements for employees that all qualified applicants will receive consideration for employment without regard to the factors listed above.

Section 11: COMPLIANCE WITH LAW

The Organization shall comply with all applicable State and Federal Laws, the ordinances of the City of Laredo, and will obtain and pay for all necessary permits, licenses, and any copyright fees.

Section 12: FUNDS ACCOUNTABILITY

The Organization will account for expenditures under this contract in such a way that Organization income and expenses can be readily identified and audited and can be easily separated from other financial activities of the Organization. Any expenditures of the Organization which are allocated to this contract shall be distributed based on the requirements and activities of the Organization

will carry out the scope of services in **EXHIBIT 1** in accordance with the detailed estimated budget per line item attached hereto as **EXHIBIT 6**. Any adjustments to the annual budget as submitted shall be approved by the Organization's Executive Board. Copies of such adjustments, as approved, shall be submitted to the City in writing within (15) calendar days of such approval. Any such adjustments in excess of 25% of the total budget will be subject to City approval within (30) calendar days of notice of such change to the City Manager.

Section 13: REPORTING REQUIREMENTS

The Organization shall provide a written report within 15 calendar days after the end of the second quarter or after the event is materialized, whichever date is sooner, being due no later than **April 17, 2025**. Such reports will include accomplishments during the previous nine months, and a financial report showing in reasonable detail how the funds have been expended, for what purposes, and the beneficial results thereof. Such reports shall be submitted along with the status report required by section 5, above. The organization shall also provide a Post Event Report to verify event information and results.

The Organization shall submit the following to the City as soon as possible following the completion of the Organization's fiscal year: (1) an annual report which shall set out clearly the kinds of services provided and the goals and objectives met during the term of this contract, and (2) annual audited financial statements which meet generally accepted accounting principles (GAAP). The financial statements must be audited in accordance with the City of Laredo's established policy. Such reports will be submitted with original and one (1) copy of each and every document required by this section to the City of Laredo.

Section 14: ALTERNATIVE FUNDING REQUIREMENTS

The Organization shall submit grant applications to entities other than the City of Laredo requesting funds for at least 10 percent of the Organization's total budget per contract year. Each decision regarding the application for a grant other than the City of Laredo must be forwarded promptly to the City.

Section 15: RIGHT OF TERMINATION

The City Council may terminate this contract at any time, upon thirty (30) calendar days written notice to the Organization. Upon termination of rental agreement and unused budget amount will be unobligated from this contract.

Section 16: CONTRACT NOT ASSIGNABLE

The Organization shall not assign this contract or any part of it nor shall it delegate the performance of any of the duties required by this contract.

Section 17: AUDIT AND INSPECTION OF RECORDS

The Organization agrees to provide access to an authorized representative(s) of the City to the files and records of the Organization. All financial records shall be maintained in accordance with generally accepted accounting principles (GAAP). All files and records shall be clearly identified

and readily accessible during reasonable working hours. The Organization further agrees to retain the records for three (3) years and (90) calendar days after the conclusion of this contract or after final payment under this contract, whichever is later.

Section 18: LIMITATION ON FUNDING

The City Council reserves the right to reduce the consideration under this contract at any time. Any additional request for City support is subject to adhere to a fee schedule cost to the organization.

Section 19: STATUTORY COMPLIANCE

The work program and the budget have been determined utilizing the provisions of the governing state law authorizing the appropriate use of City monies. It is these statutory guidelines and limitations which govern the work program under this contract. The Organization shall be responsible for ensuring that any and all expenditures are in compliance with this contract.

Section 20: CONTRACT AMENDMENT

Any amendment to this contract must be in writing and, be signed by both parties. Any increase or decrease to the estimated approved line items will not require an amendment while the budget amount stays the same but the agency must inform the department via e-mail, or letter of the proposed change. A change in the approved scope of services, or an increase to the approved budget will require a contract amendment and approval by City Council.

Section 21: AGENCY AND GRANT MANAGEMENT

The Organization shall make available a member of its management staff or board to attend (1) training on the expectations and requirements to be held after council approval of execution of contracts. Additional training seminars will be made announced through the City of Laredo Nonprofit Management and Volunteer Center.

Section 22: CONTRACT DEFAULT

If the Organization shall default in the performance of any of the terms or conditions of this agreement, it shall have thirty (30) calendar days after receiving written notice to cure such default. If the Organization fails to cure its default within such period of time, then City shall have the right to terminate this agreement. If this agreement is terminated, then City will not be responsible for obligations incurred by the Organization after the Organization receives written notice of termination or unless there was an eligible encumbrance or other legally binding obligation which existed prior to receipt of a written notice of termination. Should the Organization not adhere to any of the requirements in the signed contract the monies allocated to the Organization shall be reduced for the following year by 10%.

Section 23: DISPARAGEMENT

Each of the Parties covenants and agrees that during the term of this Agreement, and or for one year after the termination hereof, none of its respective officers, employees or directors shall in any way defame, slander, or publicly criticize, disparage, or make any negative statement, whether

orally or in writing, about the other Party or such other Parties' officers, employees, directors or business practices.

Section 24: EVENT PASSES

The Organization/Corporation shall provide the City at no charge and upon request with a minimum of twenty-four (24) VIP tickets/admission passes to any event hosted or co-hosted by the Organization for officials hosts (members of city council, management, or city staff) and their spouse/guest that have confirmed their attendance at least three (3) days before the event. These tickets/admissions passes will be provided in order to allow the official hosts for the City of Laredo and their spouse/guest the opportunity to be represented at the events. The Organization further acknowledges and agrees to provide additional tickets/admission passes for any City staff, speaker, presenter, or special guest that has been identified by the City of Laredo as being pertinent to the event and that has confirmed their attendance at least three (3) days before the event.

Section 25: CONTRACT NOTICES

All notices required to be given under this contract shall be mailed or personally delivered, as follows:

CITY OF LAREDO

Joseph W. Neeb
City Manager
City of Laredo
1110 Houston St.
Laredo, TX 78040

ORGANIZATION

Laredo Center for the Arts
Chairman or Executive Director
500 San Agustin
Laredo, TX 78040

SIGNED by the parties, in triplicate originals on the ____ day of _____, 20____.

CITY OF LAREDO

By: _____

Joseph W. Neeb
City Manager

ORGANIZATION

By: _____

Board Chair or Executive
Director

APPROVED AS TO FORM

By: _____

Doanh "Zone" T. Nguyen
City Attorney

CERTIFIED

By: _____

Mario I. Maldonado Jr.
City Secretary