

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**AGREEMENT BETWEEN THE NAKAMOTO GROUP AND
 THE FORT BEND COUNTY SHERIFF
FOR AUDITING SERVICES**

THIS AGREEMENT is made and entered into by and between the duly elected Fort Bend County Sheriff, (hereinafter "Sheriff"), and the Nakamoto Group (hereinafter "Contractor"), a company authorized to conduct business in the State of Texas.

WITNESSETH

WHEREAS, the Sheriff may expend commissary proceeds under section 351.0415 of the Local Government Code without the requirements of the County Purchasing Act, chapter 262, subchapter C of the Local Government Code;

WHEREAS, the Sheriff desires that Contractor provide auditing services related to PREA, which is the Prison Rape Elimination Act (hereinafter "Services") which will assist the Sheriff in protecting the well-being, health, safety, and security of the inmates and the facility;

WHEREAS, Contractor represents that it is qualified and desires to perform such services.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, the parties agree as follows:

AGREEMENT

Section 1. Scope of Services

Contractor shall render Services to the Sheriff as defined in the Statement of Work (attached hereto as Exhibit A).

Section 2. Personnel

- A. Contractor represents that it presently has, or is able to obtain, adequate qualified personnel in its employment for the timely performance of the Scope of Services required under this Agreement and that Contractor shall furnish and maintain, at its own expense, adequate and sufficient personnel, in the opinion of the Sheriff, to perform the Scope of Services when and as required and without delays.
- B. All employees of Contractor shall have such knowledge and experience as will enable them to perform the duties assigned to them. Any employee of Contractor who, in the

opinion of the Sheriff, is incompetent or by his conduct becomes detrimental to the project shall, upon request of the Sheriff, immediately be removed from association with the project.

Section 3. Compensation and Payment

- A. Contractor's fees shall be calculated at the rates set forth in the attached Exhibit A. The Maximum Compensation for the performance of Services within the Scope of Services described in Exhibit A is Fifty Five Hundred dollars and 00/100 (\$5,500.00). In no case shall the amount paid by the Sheriff under this Agreement exceed the Maximum Compensation without an approved change order.
- B. All performance of the Scope of Services by Contractor including any changes in the Scope of Services and revision of work satisfactorily performed will be performed only when approved in advance and authorized by the Sheriff.
- C. The Sheriff will pay Contractor based on the following procedures: Upon completion of the tasks identified in the Scope of Services, Contractor shall submit to the Sheriff two (2) original copies of invoices showing the amounts due for services performed in a form acceptable to the Sheriff. The Sheriff shall review such invoices and approve them within 30 calendar days with such modifications as are consistent with this Agreement and forward same to the Auditor for processing. The Sheriff shall pay each such approved invoice within thirty (30) calendar days. The Sheriff reserves the right to withhold payment pending verification of satisfactory work performed.

Section 4. Limit of Appropriation

- A. Contractor clearly understands and agrees, such understanding and agreement being of the absolute essence of this Agreement, that the Sheriff shall have available the total maximum sum of Fifty Five Hundred dollars and 00/100 (\$5,500.00) specifically allocated to fully discharge any and all liabilities the Sheriff may incur.
- B. Contractor does further understand and agree, said understanding and agreement also being of the absolute essence of this Agreement, that the total maximum compensation that Contractor may become entitled to and the total maximum sum that the Sheriff may become liable to pay to Contractor shall not under any conditions, circumstances, or interpretations thereof exceed Fifty Five Hundred dollars and 00/100 (\$5,500.00).

Section 5. Time of Performance

The time for performance of the Scope of Services by Contractor shall begin with receipt of the Notice to Proceed from The Sheriff and end no later than thirty (30) days thereafter. Contractor shall complete the tasks described in the Scope of Services within this time or within such additional time as may be extended by the Sheriff.

Section 6. Modifications and Waivers

- A. The parties may not amend or waive this Agreement, except by a written agreement executed by both parties.
- B. No failure or delay in exercising any right or remedy or requiring the satisfaction of any condition under this Agreement, and no course of dealing between the parties, operates as a waiver or estoppel of any right, remedy, or condition.
- C. The rights and remedies of the parties set forth in this Agreement are not exclusive of, but are cumulative to, any rights or remedies now or subsequently existing at law, in equity, or by statute.

Section 7. Termination

- A. Termination for Convenience: the Sheriff may terminate this Agreement at any time upon thirty (30) days written notice.
- B. Termination for Default
 - 1. The Sheriff may terminate the whole or any part of this Agreement for cause in the following circumstances:
 - a. If Contractor fails to perform services within the time specified in the Scope of Services or any extension thereof granted by the Sheriff in writing;
 - b. If Contractor materially breaches any of the covenants or terms and conditions set forth in this Agreement or fails to perform any of the other provisions of this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in any of these circumstances does not cure such breach or failure to the Sheriff's reasonable satisfaction within a period of ten (10) calendar days after receipt of notice from the Sheriff specifying such breach or failure.
 - 2. If, after termination, it is determined for any reason whatsoever that Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Sheriff in accordance with Section 7 (A) above.

- C. Upon termination of this Agreement, the Sheriff shall compensate Contractor in accordance with Section 3, above, for those services which were provided under this Agreement prior to its termination and which have not been previously invoiced to The Sheriff. Contractor's final invoice for said services will be presented to and paid by The Sheriff in the same manner set forth in Section 3 above.
- D. If the Sheriff terminates this Agreement as provided in this Section, no fees of any type, other than fees due and payable at the Termination Date, shall thereafter be paid to Contractor.

Section 8. Ownership and Reuse of Documents

All documents, data, reports, research, graphic presentation materials, etc., developed by Contractor as a part of its work under this Agreement, shall become the property of the Sheriff upon completion of this Agreement, or in the event of termination or cancellation thereof, at the time of payment under Section 3 for work performed. Contractor shall promptly furnish all such data and material to the Sheriff on request.

Section 9. Inspection of Books and Records

Contractor will permit the Sheriff, or any duly authorized agent of the Sheriff, to inspect and examine the books and records of Contractor for the purpose of verifying the amount of work performed under the Scope of Services. The Sheriff's right to inspect survives the termination of this Agreement for a period of four years.

Section 10. Insurance

- A. Prior to commencement of the Services, Contractor shall furnish the Sheriff with properly executed certificates of insurance which shall evidence all insurance required and provide that such insurance shall not be canceled, except on 30 days' prior written notice to the Sheriff. Contractor shall provide certified copies of insurance endorsements and/or policies if requested by the Sheriff. Contractor shall maintain such insurance coverage from the time Services commence until Services are completed and provide replacement certificates, policies and/or endorsements for any such insurance expiring prior to completion of Services. Contractor shall obtain such insurance written on an Occurrence form from such companies having Bests rating of A/VII or better, licensed or approved to transact business in the State of Texas, and shall obtain such insurance of the following types and minimum limits:
 - 1. Workers' Compensation insurance. Substitutes to genuine Workers' Compensation Insurance will not be allowed. Employers' Liability insurance with limits of not less than \$1,000,000 per injury by accident, \$1,000,000 per injury by disease, and \$1,000,000 per bodily injury by disease.

2. Commercial general liability insurance with a limit of not less than \$1,000,000 each occurrence and \$2,000,000 in the annual aggregate. Policy shall cover liability for bodily injury, personal injury, and property damage and products/completed operations arising out of the business operations of the policyholder.
 3. Business Automobile Liability insurance with a combined Bodily Injury/Property Damage limit of not less than \$1,000,000 each accident. The policy shall cover liability arising from the operation of licensed vehicles by policyholder.
 4. Professional Liability insurance with limits not less than \$1,000,000.
- B. The Sheriff and Fort Bend County shall be named as additional insured to all required coverage except for Workers' Compensation. All Liability policies including Workers' Compensation written on behalf of Contractor shall contain a waiver of subrogation in favor of the Sheriff and Fort Bend County.
- C. If required coverage is written on a claims-made basis, Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of the contract; and that continuous coverage will be maintained or an extended discovery period will be exercised for a period of 2 years beginning from the time that work under the Agreement is completed.

Section 11. Indemnity

CONTRACTOR SHALL INDEMNIFY AND DEFEND THE SHERIFF AGAINST ALL LOSSES, LIABILITIES, CLAIMS, CAUSES OF ACTION, AND OTHER EXPENSES, INCLUDING REASONABLE ATTORNEYS FEES, ARISING FROM ACTIVITIES OF CONTRACTOR, ITS AGENTS, SERVANTS OR EMPLOYEES, PERFORMED UNDER THIS AGREEMENT THAT RESULT FROM THE NEGLIGENT ACT, ERROR, OR OMISSION OF CONTRACTOR OR ANY OF CONTRACTOR'S AGENTS, SERVANTS OR EMPLOYEES.

Section 12. Confidential and Proprietary Information

- A. Contractor acknowledges that it and its employees or agents may, in the course of performing their responsibilities under this Agreement, be exposed to or acquire information that is confidential to the Sheriff. Any and all information of any form obtained by Contractor or its employees or agents from the Sheriff in the performance of this Agreement shall be deemed to be confidential information of the Sheriff ("Confidential Information"). Any reports or other documents or items (including software) that result from the use of the Confidential Information by Contractor shall be treated with respect to confidentiality in the same manner as the Confidential Information. Confidential Information shall be deemed not to include information that

(a) is or becomes (other than by disclosure by Contractor) publicly known or is contained in a publicly available document; (b) is rightfully in Contractor's possession without the obligation of nondisclosure prior to the time of its disclosure under this Agreement; or (c) is independently developed by employees or agents of Contractor who can be shown to have had no access to the Confidential Information.

- B. Contractor agrees to hold Confidential Information in strict confidence, using at least the same degree of care that Contractor uses in maintaining the confidentiality of its own confidential information, and not to copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than the provision of Services to the Sheriff hereunder, and to advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use its best efforts to assist the Sheriff in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limitation of the foregoing, Contractor shall advise the Sheriff immediately in the event Contractor learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and Contractor will at its expense cooperate with the Sheriff in seeking injunctive or other equitable relief in the name of the Sheriff or Contractor against any such person. Contractor agrees that, except as directed by the Sheriff, Contractor will not at any time during or after the term of this Agreement disclose, directly or indirectly, any Confidential Information to any person, and that upon termination of this Agreement or at the Sheriff's request, Contractor will promptly turn over to the Sheriff all documents, papers, and other matter in Contractor's possession which embody Confidential Information.
- C. Contractor acknowledges that a breach of this Section, including disclosure of any Confidential Information, or disclosure of other information that, at law or in equity, ought to remain confidential, will give rise to irreparable injury to the Sheriff that is inadequately compensable in damages. Accordingly, the Sheriff may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interest of the Sheriff and are reasonable in scope and content.
- D. Contractor in providing all services hereunder agrees to abide by the provisions of any applicable Federal or State Data Privacy Act.
- E. Contractor expressly acknowledges that the Sheriff is subject to the Texas Public Information Act, TEX. GOV'T CODE ANN. §§ 552.001 et seq., as amended, and notwithstanding any provision in the Agreement to the contrary, the Sheriff will make any information related to the Agreement, or otherwise, available to third parties in accordance with the Texas Public Information Act. Any proprietary or confidential

Section 13. Independent Contractor

- ## Section 14. Notices

- Contractor:** The Nakamoto Group
ATTN: Compliance Reviewer
11820 Parklawn Drive, Suite 240
Rockville, MD 20852

C. Notice is effective only if the party giving or making the Notice has complied with subsections 14 (A) and 14 (B) and if the addressee has received the Notice. A Notice is deemed received as follows:

1. If the Notice is delivered in person, or sent by registered or certified mail or a nationally recognized overnight courier, upon receipt as indicated by the date on the signed receipt.
2. If the addressee rejects or otherwise refuses to accept the Notice, or if the Notice cannot be delivered because of a change in address for which no Notice was given, then upon the rejection, refusal, or inability to deliver.

Section 15. Compliance with Laws

Contractor shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement, including, without limitation, Worker's Compensation laws, minimum and maximum salary and wage statutes and regulations, licensing laws and regulations. When required by the Sheriff, Contractor shall furnish the Sheriff with certification of compliance with said laws, statutes, ordinances, rules, regulations, orders, and decrees above specified.

Section 16. Performance Warranty

- A. Contractor warrants to the Sheriff that Contractor has the skill and knowledge ordinarily possessed by well-informed members of its trade or profession practicing in the greater Houston metropolitan area and Contractor will apply that skill and knowledge with care and diligence to ensure that the Services provided hereunder will be performed and delivered in accordance with the highest professional standards.
- B. Contractor warrants to the Sheriff that the Services will be free from material errors and will materially conform to all requirements and specifications contained in the attached Exhibit A.

Section 17. Assignment and Delegation

- A. Neither party may assign any of its rights under this Agreement, except with the prior written consent of the other party. That party shall not unreasonably withhold its consent. All assignments of rights are prohibited under this subsection, whether they are voluntarily or involuntarily, by merger, consolidation, dissolution, operation of law, or any other manner.
- B. Neither party may delegate any performance under this Agreement.
- C. Any purported assignment of rights or delegation of performance in violation of this Section is void.

Section 18. Applicable Law

The laws of the State of Texas govern all disputes arising out of or relating to this Agreement. The parties hereto acknowledge that venue is proper in Fort Bend County, Texas, for all legal actions or proceedings arising out of or relating to this Agreement and waive the right to sue or be sued elsewhere. Nothing in the Agreement shall be construed to waive the Sheriff's sovereign immunity.

Section 19. Successors and Assigns

The Sheriff and Contractor bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of the other party, in respect to all covenants of this Agreement.

Section 20. Third Party Beneficiaries

This Agreement does not confer any enforceable rights or remedies upon any person other than the parties.

Section 21. Severability

If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions remain in full force, if the essential terms and conditions of this Agreement for each party remain valid, binding, and enforceable.

Section 22. Publicity

Contact with citizens of Fort Bend County, media outlets, or governmental agencies shall be the sole responsibility of the Sheriff. Under no circumstances whatsoever, shall Contractor release any material or information developed or received in the performance of the Services hereunder without the express written permission of the Sheriff, except where required to do so by law.

Section 23. Captions

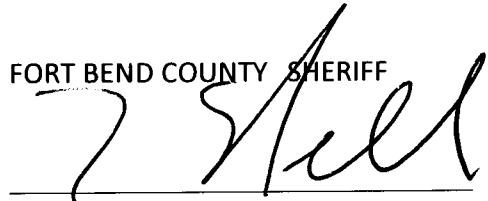
The section captions used in this Agreement are for convenience of reference only and do not affect the interpretation or construction of this Agreement.

Section 24. Conflict

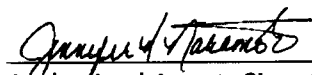
In the event there is a conflict between this Agreement and the attached exhibit, this Agreement controls.

IN WITNESS WHEREOF, the parties hereto have signed or have caused their respective names to be signed to multiple counterparts to be effective on the 14th day of May, 2014.

FORT BEND COUNTY SHERIFF


Troy E. Nehls
Fort Bend County Sheriff

THE NAKAMOTO GROUP


Authorized Agent- Signature

Jennifer Nakamoto
Authorized Agent- Printed Name

President
Title

May 14, 2014
Date

Exhibit A: Scope of Services

Recorded by Commissioners Court on:

5-27-14
Date

Dianne Wilson
Fort Bend County Clerk



I/MTR/Agreements/LawEnf/Sheriff 04.28.14

EXHIBIT A

SOW 4142014 for Agreement to Perform PREA Audits for the Fort Bend County Sheriff's Office

Date:

April 14, 2014

Services Performed By:

The Nakamoto Group
11820 Parklawn Drive
Suite 240
Rockville, MD 20852

Services Performed For:

Fort Bend County Sheriff's Office
1410 Williams Way Blvd.
Richmond, TX 77469

Period of Performance

Services shall commence and end on a date mutually agreed upon by both parties.

Scope of Work

Project work involves PREA (Prison Rape Elimination Act) audits by the Nakamoto Group (Nakamoto) for correctional facilities for the Fort Bend County Sheriff's Office (Fort Bend), focusing on facilities, equipment, standard operating procedures, and staff. If warranted, a Corrective Action Plan (CAP) will be conducted by Nakamoto, completed no more than 180 days from the end of the initial audit.

Deliverable Materials

- Final Report (upon the completion of initial PREA audit)
- Corrective Action Plan, if applicable

Out-of-Pocket Expenses / Invoice Procedures

Fort Bend will be invoiced at the end of the assessment for consulting and T&L expenses. Standard Nakamoto invoicing is assumed to be acceptable. An invoice shall be submitted to Fort Bend by Nakamoto upon completion of services rendered. The invoice shall be accompanied by a separate confidential invoice support statement that briefly describes each item of work performed. Invoices are due upon receipt. Fort Bend shall pay for Nakamoto's services in a lump sum of \$5,500.00 per facility upon completion of the assessment and delivery of the Final Report to the facility and the PREA Resource Center. If a CAP is warranted, Fort Bend will pay for Nakamoto's services in a lump sum of \$3,500.00 per site visit or \$1,500 if a site visit is not necessary.

Fort Bend will reimburse Nakamoto for authorized expenses incurred and not previously reimbursed. Fort Bend shall not be liable for any fees or costs associated for the termination or abandonment of this Contract except for the fees, and reimbursement of authorized expenses, payable pursuant to this section. Payments for services invoiced that are not received within 30-days from date of invoice will be subject to interest as allowed under § 2251.025, Texas Government Code.

Completion Criteria

Nakamoto shall have fulfilled its obligations when any one of the following first occurs:

- Nakamoto accomplishes the activities described within this SOW, including delivery to Fort Bend of the materials listed in the Section entitled "Deliverable Materials," and Fort Bend accepts such activities and materials without unreasonable objections. No response from Fort Bend within 2-business days of deliverables being delivered by Nakamoto is deemed acceptance.
- Nakamoto and/or Fort Bend has the right to cancel services or deliverables not yet provided with 20 business days advance written notice to the other party.

Project Change Control Procedure

The following process will be followed if a change to this SOW is required:

- A Change Order will be the vehicle for communicating change. The Change Order must describe the change, the rationale for the change, and the effect the change will have on the project.
- Both Project Managers will review the proposed change and approve it for further investigation or reject it. Nakamoto and Fort Bend will mutually agree upon any charges for such investigation, if any. If the investigation is authorized, the Fort Bend County will sign the Change Order, which will constitute approval for the investigation charges. Nakamoto will invoice Fort Bend for any such charges. The investigation will determine the effect that the implementation of the Change Order will have on SOW price, schedule and other terms and conditions of the Agreement.
- Upon completion of the investigation, both parties will review the impact of the proposed change and, if mutually agreed, a Change Authorization will be executed.
- A written Change Order must be signed by both parties to authorize implementation of the investigated changes.