

TAGCO INTERLOCAL PURCHASE AGREEMENT

This TAGCO Interlocal Purchase Agreement (the “Agreement”) is entered into by and among TAGCO Interlocal Administrative Agency, an unincorporated association (“TAGCO Agency”) and the undersigned local governments (each a “Member”) acting by and through their respective signature authorities. Parties to this Agreement may also be referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

This Agreement is authorized by Chapter 791 of the Texas Government Code and Subchapter F, Chapter 271 of the Texas Local Government Code for the purpose of participating in cooperative purchasing program.

The Members signing below are local governments as that term is defined in Section 271.101(2) of the Texas Local Government Code.

TAGCO Agency is an administrative agency created by the participating local government Members as authorized by Section 791.013 of the Texas Government Code to supervise the performance of an interlocal contract.

Section 271.102 of the Texas Local Government Code authorizes local governments to participate in a cooperative purchasing program with another local government or local cooperative organization. A local government that purchases materials, supplies, goods, services or equipment pursuant to a cooperative purchasing program with another local government satisfies the requirement of the Texas Local Government Code to seek competitive bids for the purchase of the goods or services.

The Parties desire to enter into a cooperative purchasing program that will allow Members to purchase insurance and related services as set forth herein.

AGREEMENT

In consideration of the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

1. **Purpose.** The purpose of this Agreement is to establish and maintain a cooperative purchasing program among the Members which will allow Members to purchase group health insurance and group life and accidental death and disability insurance for the employees, officials, retirees and their dependents of Members or the members of any local cooperative association that becomes a Member as well as property and casualty insurance, workers compensation insurance, consulting services, risk management services, actuarial services, administrative services, and related services (“Program Services”). This Agreement does not create a partnership, association, joint venture, or trust.

2. **Term.** The term of this Agreement shall commence on the date of the last signature of the undersigned Parties (“Effective Date”). This Agreement shall remain in full force and effect unless superseded by a supplemental agreement or terminated as provided in this Agreement. A Member may withdraw its participation from this Agreement by providing thirty (30) days prior written notice to TAGCO Agency. However, the withdrawal from this Agreement by a Member shall not terminate an existing contract between a Member and an insurance carrier or provider.

3. **Program Services.** TAGCO Agency will engage the services of TAGCO Associates, LP, a Texas limited partnership, or its affiliates, or other service providers to procure, offer or make available the Program Services to Members as well as to advise TAGCO Agency.

4. **Purchasing.** Each Member will designate a person to act on their behalf in all matters relating to this cooperative purchasing program. The Members will make payments directly to insurance carriers and vendors or their agents under the contracts made under Chapter 271, Subchapter F, Texas Local Government Code. No Member shall be bound to any contract or obligation unless the Member has accepted the obligation and signed appropriate documents agreeing to be bound. No Member will be responsible for the payment of any sum of money to a service provider solely by reason of execution of this Agreement.

5. **Participating Members.** The Parties acknowledge and consent to the addition of additional local governments or local cooperative organizations as Members under this Agreement and as members of TAGCO Agency. Any such additional Members shall sign an agreement (a “Participation Agreement”) agreeing to the terms hereof and to become a member of TAGCO Agency, subject to its bylaws.

6. **Administration.** This Agreement will be administered by TAGCO Agency which shall not charge any fees for its services. In administering this Agreement TAGCO Agency shall be authorized to:

- (a) approve additional Members that will meet the underwriting and sale requirements of any applicable insurance carrier that will be providing insurance under this Agreement;
- (b) countersign a new Member’s Participation Agreement;
- (c) acknowledge the appointment of each Member’ designated person authorized to act on a Member’s behalf;
- (d) maintain records; and,
- (e) provide such other administrative services necessary for the performance of this Agreement.

7. **Fiscal Funding.** Each Member hereto acknowledges and represents that all payments, fees, and disbursements required for products or services obtained through this Agreement shall be made from available current revenues.

MISCELLANEOUS

8A. **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received when sent in the United States Mail, Postage Prepaid, Certified Mail, Return Receipt Requested, or by hand-delivery or facsimile transmission addressed to the respective Party at the address set forth opposite the signature of the Party on this Agreement or any Participation Agreement.

8B. **Amendment by Notice.** TAGCO Agency may amend this Agreement by providing all participating Members written notice of the amendment at least 90 days before the date the amendment becomes effective. An amendment will apply prospectively and each Member will have the right to terminate participation in this Agreement before the effective date of the amendment or as otherwise provided herein. Any amendment shall not impair any existing contract between a Member and an insurance carrier or service provider or their agents. Nor shall an amendment obligate a Member to a payment of any sum of money unless the Member has accepted the obligation and signed appropriate documents agreeing to be bound.

8C. **Severability.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect the other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

8D. **Governing Law.** The validity of this Agreement and any of its terms and provisions, as well as the rights and duties of the Parties, shall be governed by the laws of the State of Texas. Venue for any action concerning this Agreement shall lie in Travis County, Texas.

8E. **Entire Agreement.** This Agreement and the collateral agreements mentioned herein represents the entire agreement between the Parties with respect to the subject matter covered by this Agreement..

8F. **Recitals.** The recitals to this Agreement are incorporated herein.

8G. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original constituting one and the same instrument.

8H. **No Assignment.** The Parties may not assign or transfer their rights under this Agreement.

8I. **Compliance with Law.** Each Party is responsible for complying with any additional or varying laws and regulations regarding purchases.

8J. **No Waiver of Rights.** Nothing in this Agreement shall be deemed to waive, modify or amend any legal defense available at law or equity to a Party, including the defense of sovereign immunity, nor to create any legal rights or claims on behalf of a person not a party to this Agreement.

8K. **Service Mark.** The Parties acknowledge that TAGCO is a service mark of TAGCO Associates, LP, a Texas limited partnership, and the use of that mark hereunder is with the consent of TAGCO Associates LP and its affiliates, and that upon the request of TAGCO Associates LP that mark will not be used hereunder or after termination of this Agreement.

8L. **Authorization to Participate.** Each Party represents and warrants that it's governing body has duly authorized its participation in this Agreement.

(Signatures on next page.)

This Agreement is executed to be effective as of the date of the last signature below (the “Effective Date”).

By: _____

Date: _____

Name:

Title:

Address:

Date: _____

By: _____

Name:

Title:

Address:

TAGCO Interlocal Administrative Agency

By: _____

Name:

Title:

Address: