


**GOVERNMENT OF
THE UNITED STATES VIRGIN ISLANDS**

DEPARTMENT OF PROPERTY & PROCUREMENT
BLDG. # 1 SUB BASE
ST. THOMAS, U.S. VIRGIN ISLANDS 00802

CONTRACT NO.: PC003DPW14
Date: October 12, 2013

DATE:

EXERCISE OF RENEWAL OPTION

Contractor	Description of Scope of Work/Services
Chem Chek Co., Inc 1750 Alma Road #108 Richardson, TX 75081	To provide Administrative services in connection with Drug and Alcohol testing program to satisfy the rules and regulations of the Federal Transit Administration (FTA) for the public transportation system in the United States Virgin Islands (VITRAN) and the Department of Public Works (DPW).

Pursuant to the renewal option provision, PC003DPW14 above mentioned contract, and subject to the appropriation and allotment of necessary funds, notice is hereby given that the Government of the U.S. Virgin Islands, Department of Public Works exercises its option to renew and does hereby renew the aforementioned contract for the period October 9, 2015 to October 8, 2016 at the rate stipulated cost therein.

All the terms, covenants, and conditions of the contract affected shall continue in full force and effect.

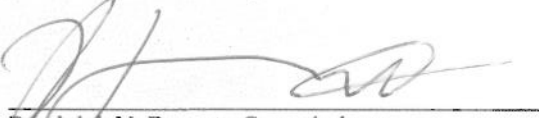
Please acknowledge receipt and acceptance hereby signing and returning the three (3) originals to:

The Department of Property and Procurement
Bldg. #1, Sub Base, 3rd Floor
St. Thomas, U.S. Virgin Islands 00802

ACKNOWLEDGMENT & ACCEPTANCE:

GOVERNMENT OF THE VIRGIN ISLANDS


Lori Bauske, CEO
Chem Chek Co., Inc.


Randolph N. Bennett, Commissioner
Department of Property and Procurement

Date: 9/11/15

Date: 10-09-2015

Renewal No. P008DPWT16

CONTRACT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made this 8th day of October, 2013, in the Territory of the Virgin Islands, by and between the Government of the Virgin Islands, Department of Property and Procurement, on behalf of the DEPARTMENT OF PUBLIC WORKS (hereinafter referred to as "Government") and CHEM CHEK CO., INC., (hereinafter referred to as "Contractor").

WITNESSETH:

WHEREAS, the Government of the Virgin Islands executed Professional Services PC013DPW13 ("the Contract") with Contractor on October 26, 2012, which terminate on October 25, 2013;

WHEREAS, the Government is in need of the services of a Contractor to provide the administrative services in connection with its Drug and Alcohol testing program to satisfy the rules and regulations of the Federal Transit Administration (FTA) for the public transportation system in the United States Virgin Islands (VITRAN), and the Department of Public Works, which duties and responsibilities are more particularly described in Addendum I (Scope of Services), Addendum II (Compensation), Addendum III (General Provisions) attached hereto; and

WHEREAS, Chem Chek Co, Inc. has provided satisfactorily and reliable administrative services to the Government under Addendum I (Scope of Services) attached hereto; and

WHEREAS, the Contractor represents that it is willing and capable of providing such services;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and intending to be legally bound by this written instrument, the parties hereto do covenant and agree as follows:

1. SERVICES/THIRD PARTY ADMINISTRATOR

The Contractor will provide the administrative services described in Addendum I (Scope of Services) attached hereto and made a part of this contract.

2. TERM

This Contract shall commence upon the execution of this Contract by the Governor of the Virgin Islands and shall terminate SEVEN HUNDRED AND THIRTY (730) DAYS thereafter with a one (1) year renewal option.

- a) Upon termination of this Agreement, and upon the written request of Government, Contractor agrees that it will provide the Government with electronic copies of all then-existing database information, files and materials related to the Services, in a Microsoft or office standard format. Furthermore, if the Services include Medical Review Officer

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Services ("MRO"), Contractor will facilitate and assist Government with the transfer of Government's substance abuse testing records to a new Medical Review Officer (MRO) within ten working days as required by applicable federal regulations (the Government acknowledges that Contractor may keep copies of such information as required under applicable federal and state laws).

- b) The Government reserves the right and shall be at liberty to inspect all materials prior to written notice during normal business hours during the contract period and shall have the right to reject all materials and workmanship which do not conform with the Scope of Work; provided, however, the Government is under no duty to make such inspection and, if no such inspection is made, the Contractor shall not be relieved of any obligation to furnish materials and workmanship strictly in accordance with the Scope of Work. The Federal Transit Administration (FTA) shall be afforded the same inspection rights reserved by the Government in this clause.

3. COMPENSATION

The Government, in consideration of the satisfactory performance of the services described in Addendum I (Scope of Work), agrees to pay the Contractor an amount not to exceed Sixty-four Thousand Eight Hundred Dollars (\$64,800.00) in accordance with the provisions set forth in Addendum II (Cost Proposal) attached hereto and made a part of this contract.

4. TRAVEL EXPENSES

Inclusive to the compensation for services as specified in Paragraph 3(Compensation) above, the Government agrees to pay documented transportation, subsistence, lodging and other travel expenses, while in travel status, for trips which have been authorized in writing, in advance, by the Government. These costs shall be advanced or reimbursed on the same basis as is applicable to non-contract employees of the Government, or as agreed upon by an addendum to this Contract. However, said costs and expenses shall not exceed Five Thousand Dollars (\$5,000.00).

5. PROFESSIONAL STANDARDS

The Contractor agrees to maintain the professional standards applicable to its Profession and to consultants doing business in the United States Virgin Islands.

6. DOCUMENTS PRINTOUTS, ETC.

All documents, books, records, instructional materials, programs, printouts and memoranda of every description derived therefrom and pertaining to this Contract shall become the property of the Government and shall be turned over to it at the termination of this Contract. The above-described materials shall not be used by Contractor or by any other person or entity except upon the written permission of the Government. The Government reserves the right and shall be at liberty to inspect all materials and at any time during the contract period and shall have the right to reject all materials and workmanship which do not conform with the Scope of Services; provided, however, the Government is under no duty to make such inspection and, if no such inspection is made, the Contractor shall not be relieved of any obligation to furnish materials and workmanship strictly in accordance with the Scope of Services. The Federal

Transit Administration [FTA] shall be accorded the same inspection rights reserved by the Government in this clause.

7. LIABILITY OF OTHERS

Nothing in this Contract shall be construed to impose any liability upon the Government to persons, firms, associations, or corporations engaged by Contractor as servants, agents, or independent contractors, or in any other capacity whatsoever, or make Government liable to any such persons, firms associations, or corporations for the acts, omissions, liabilities, obligations and taxes of Contractor of whatsoever nature, including but not limited to unemployment insurance and social security taxes for Contractor, its servants, agents or independent contractors.

8. ASSIGNMENT

The Contractor shall not subcontract or assign any part of the services under this Contract without the prior written consent of the Government. In the event that the designated Project Manager terminates from the employ of the Contractor, the resume of the proposed replacement must be submitted to the Government to ensure compliance with the stated requirements. In the event that, for any reason whatsoever, there is a period of time in excess of two (2) weeks, during which there is no designated Project Manager, the Contractor shall assign a senior management official to perform the duties of the position until a permanent replacement is found. The Contractor shall, at all times, act in good faith to maintain the quality and continuity of its management personnel. The Contractor shall further designate two (2) senior management officials who may be contacted by telephone at any time in the event of an emergency and the Project Manager cannot be reached.

9. INDEMNIFICATION

a. Government agrees to indemnify, defend and hold harmless Contractor, its Officers, directors, affiliates, agents, and employees, from any loss or damage from any claim, action, or proceeding brought by any third party whether civil, administrative, or investigative in nature, including payment of costs and reasonable attorney's fees, brought against Contractor, its agents or employees, of such nature relevant to this Agreement rising out of or resulting from any willful or knowing act or omission on the part of the Government, its agents or employees. However, the Government recognizes that the Contractor cannot be responsible for the accuracy of any test results nor the accuracy or completeness of any information provided by the Government's applicants or employees to the Contractor within the scope of these services, and releases the Contractor and its affiliated companies and their officers, agents, employees and independent contractors from liability for any negligence in connection with the accuracy of the test results and from any loss or expense suffered by the Government, resulting directly or indirectly from the accuracy of the test results.

b. If the Services include alcohol and controlled substances testing administration, Government agrees to make all determinations as to which subject individuals should be tested on a "for reasonable cause" and "post-accident" basis and

Government shall indemnify Contractor and its directors, officers, employees and agents for claims or proceedings arising out of such determination. Further, it is agreed that the Government's facsimile machine, or other such confidential facilities used to transmit and receive test results, shall be maintained by Government to avoid such disclosure. Government agrees to indemnify and hold Contractor harmless from any and all claims arising from the inadvertent disclosure of test results by Government.

- c. Contractor agrees to investigate, defend and hold harmless Government, its officers, directors, affiliates, agents and employees from and against any and all loss, damage, liability, claims, demands, detriments, cost, charges and expense (including attorney's fees) and causes of action whatsoever character which Government may incur, sustain or be subject to, arising out of or in any way connected to the services to be performed by Contractor under this Contract and arising from any cause, except the sole negligence of Government. However, Government recognizes that Contractor cannot be responsible for the negligent or intentional acts of third parties and releases Contractor and its affiliated companies and their officers, agents, and employees from liability for such negligent or intentional acts including, but not limited to (i) any negligence of third parties in connection with the accuracy of test results, including the accuracy or completeness of information provided by Government's applicants or employees, (ii) any negligence of third parties in connection with the performance of specimen collection, alcohol testing, and (iii) any defective product regardless of whether it is a manufacturing or design defect or a result of misuse. The foregoing shall not prevent legal recourse against Contractor's subcontractor, testing laboratories or collection sites by Contractor or Government.
- d. All indemnification obligations above relating to indemnification for losses, damages or claims are contingent on the indemnified party providing reasonable notice to the indemnifying party of the claim or other matter giving rise to the right of indemnification. The indemnifying party shall be entitled to conduct the defense with the reasonable cooperation of the indemnified parties.
- e. All such indemnification provisions articulated above shall survive any expiration or termination of this Agreement.

10. GOVERNMENT SECURITY OBLIGATION

- a. Government is responsible for the administration and control of Account ID's by its employees and third parties, and shall identify a security administrator to coordinate with Contractor. Government shall manage all Account ID's and notify Contractor promptly if any Account ID becomes inactive or invalid. Government shall follow the policies and procedures of Contractor with respect to account maintenance as same may be communicated to Government from time to time.
- b. Mis-use of Services or Information: Government agrees to take measures so as to protect against misuse and/or unauthorized access of Contractor's services through

any methods, including unauthorized access through or to Government's user identification numbers or passwords ("Account IDs"). Such misuse or unauthorized access shall include any disclosure, release, viewing or other unauthorized access to information such as social security numbers, driver's license numbers or dates of birth. Government agrees that Contractor may temporarily suspend Government's access for up to ten (10) business days pending an investigation of Government's use or access. Government agrees to cooperate fully with any and all investigations. If any misuse or unauthorized access is found, Contractor may immediately terminate this Agreement without notice or liability of any kind.

c. Security Event: In the event that Government learns or has reason to believe that Contractor's data has been disclosed or accessed by an unauthorized party, Government shall immediately give notice of such event to Contractor. Furthermore, in the event that Government has access to or acquires individually identifiable information (e.g. social security numbers, driver's license numbers or dates of birth) in relation to the Agreement the following shall apply: Government acknowledges that upon unauthorized acquisition of such individually identifiable information (a "security Event"), Government shall, in compliance with law, notify the individuals whose information was disclosed that a Security Event has occurred. Also, Government shall be responsible for any other legal obligations which may arise under applicable law in connection with such a Security Event.

11. INDEPENDENT CONTRACTOR

The Contractor shall perform this Contract as an independent contractor and nothing herein contained shall be construed to be inconsistent with this relationship or status.

12. GOVERNING LAW

This Contract shall be governed by the laws of the United States Virgin Islands and jurisdiction and shall remain in the United States Virgin Islands.

13. WAIVERS AND AMENDMENTS

No waiver, modification or amendment of any term, condition or provision of this Contract shall be valid or of any force or effect unless made in writing, signed by the parties hereto or their duly authorized representatives, and specifying with particularity the nature and extent of such waiver, modification or amendment. Any such waiver, modification or amendment in any instance or instances shall in no event be construed to be a general waiver, modification or amendment of any of the terms, conditions or provisions of this Contract, but the same shall be strictly limited and restricted to the extent and occasion specified in such signed writing or writings.

14. ENTIRE AGREEMENT

a. This Agreement and any attachments hereto constitute the entire agreement between the parties and supersede all prior understandings, written or oral between the parties with respect to the subject matter hereof. No changes or

alterations may be made to this Agreement unless in writing signed by duly authorized representatives of each party to this Agreement.

- b. Written notices shall be sent to Chem Chek Co., Incorporated, 1701 North Greenville Avenue, Suite 102, Richardson, Texas 75081 and to Government at Government of the Virgin Islands, Department of Public Works, 8244 Subbase, St. Thomas, USVI 00802.

15. RIGHT TO WITHHOLD

a. If work under this Contract is not performed in accordance with the terms hereof, Government will have the right to withhold, out of any payment due to Contractor, such sums as Government may deem ample to protect it against loss or to assure payment of claims arising therefrom, and, at its option, Government may apply such sums in such manner as Government may deem proper to secure itself or to satisfy such claims. Government will immediately notify the Contractor in writing in the event that it elects to exercise its right to withhold. The Contractor shall not be responsible for any fines, penalties, or other loss that may result from a finding of non-compliance with the FTA or any other Federal, Virgin Islands or local drug and alcohol regulations. The Government shall immediately notify the Contractor in writing in the event that it elects to exercise its right to withhold.

b. No such withholding or application shall be made by Government if and while the Contractor gives satisfactory assurance to the Government that such claims will be paid by Contractor or its insurance carrier, if applicable, in the event that such contest is not successful.

16. CONDITION PRECEDENT

This Contract shall be subject to the availability and appropriation of funds and to the approval of the Governor.

17. TERMINATION

Notwithstanding Section 2, this Agreement may be terminated by either party upon thirty (30) days written notice to other party on the occurrence of any one or more of the following events:

- a) If the Contractor fails to make delivery of the goods or to perform the services within the time specified herein or any extension thereof; or if the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms and, in either of these two circumstances, does not cure such failure within a period of ten (10) days after receiving such notice from the Government. Thereafter, the Government may have the work completed and the Contractor shall be liable for any resulting cost to the Government.
- b) If either party fails to observe, keep or perform any of the covenants, terms or conditions herein, if such default continues for twenty (20) or more days after written notice to such party.

- c) Any changes to be assessed to the Contractor as a result of a default termination or any claim by Contractor for costs resulting from a termination for convenience by the Government will be computed and allowable in accordance with federal regulations in effect at the time of termination.

18. PARTIAL TERMINATION

The performance of work under this contract may, be terminated by the Government IN PART, WHENEVER THE Government shall deem such termination advisable. This partial termination shall be effected by delivering to the Contractor a Notice of Partial Termination specifying the extent to which the term and/or duties under this Contract are terminated and the date upon which such termination becomes effective. The Contractor shall be entitled to receive payment for services provided to date of termination, including payment for the period of the thirty (30) day notice.

19. NON-DISCRIMINATION

No person shall be excluded from participating in, be denied the proceeds of, or be subject to discrimination in the performance of this Contract on account of race, creed, color, sex, religion, disability or national origin.

20. CONFLICT OF INTEREST

Contractor covenants that it has no interest and will not acquire any interest direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Contract.

Contractor further covenants that it is:

(a) not a territorial officer or employee (i.e., the Governor, Lieutenant Governor, member of the Legislature, or any other elected territorial official; or an officer or employee of the legislative, executive or judicial branch of the Government or any agency, board, commission or independent instrumentality of the Government, whether compensated on a salary, fee or contractual basis); or

(b) a territorial officer or employee and, as such, has:

- (i) familiarized itself with the provisions of Title 3, Chapter 37 of the Virgin Islands Code, pertaining to conflicts of interest, including the penalties provision set forth in section 1108 thereof;
- (ii) not made, negotiated or influenced this Contract, in its official capacity;
- (iii) no financial interest in the Contract as that term is defined in section 1101(1) of said Code chapter.

21. EFFECTIVE DATE

The effective date of this Contract shall be the day of execution of the Contract by the Governor of the Virgin Islands.

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22. NOTICE

Any notice required to be given by the Terms of this Contract shall be deemed to have been given when the same is sent by certified mail, postage prepaid or personally delivered, addressed to the parties as follows:

Government

Lynn A. Millin Maduro
Commissioner
Department of Property and Procurement
Sub Base, Building No. 1, Third Floor
St. Thomas, U.S.V.I. 00802

The Honorable Darryl A. Smalls
Commissioner
Department of Public Works
8244 Sub Base
St. Thomas, U.S.V.I. 00802

Contractor

Ms. Diana Bauske, CEO
Chem Chek, Inc.
1701 North Greenville, Suite 404
Richardson, Texas, 75081

23. LICENSURE

The Contractor covenants that it has:

- (a) obtained all of the applicable licenses or permits, permanent, temporary or otherwise as required by Title 27 of the Virgin Islands Code; and
- (b) familiarized itself with the applicable provisions of Title 27 of the Virgin Islands Code pertaining to professions and occupations.

24. PERFORMANCE REQUIRED BY THE GOVERNMENT

- (a) The Government will name a limited number of qualified individuals to coordinate the Substance Abuse program and notify the Contractor of such individuals.
- (b) The Government agrees to obtain and maintain written releases from each employee and/or applicant for employment, authorizing the Contractor as the Government "Designated Agent" to receive their individual drug test results directly from the drug testing laboratory administering such tests on the Government's behalf. The Government will not utilize services provided under this Agreement for employees/applicants who have not signed such releases.
- (c) The Government agrees to require all individuals subject to substance abuse testing under the terms of this Agreement, to execute all other forms required by the Contractor

or designated test facility for the implementation and administration of the Government's Substance Abuse Program.

(d) The Government agrees to maintain a facsimile machine or other confidential facility, in a secure and enclosed limited access area, for the purpose of receiving results of Substance abuse tests, as required by the government's Substance Abuse program and State or local Regulations when applicable.

(e) When applicable, the Government will provide the Contractor with a current list of all individuals subject to random drug testing to be enrolled in the Government's random pool, and a list of all the Government locations. The Government is under duty to keep such lists updated and current. The Government agrees that the Contractor's duty to administer random tests only extends to individuals whose names appear in these lists. The Government agrees to provide the Contractor with further information deemed necessary to satisfactorily perform its substance abuse testing service. The Government agrees to ensure that all random tests are performed.

(f) With respect to personally identifiable information regarding Government, the Parties further agree as follows: Contractor has adopted the "Chem Chek, Inc.'s Privacy Principles" ("Principles") recognizing the importance of appropriate privacy protections for consumer data and Government agrees that Government (including directors, officers, employees or agents) will comply with the Principles or Government's own comparable privacy principles, policies, or practices. Chem Chek, Inc.'s Privacy Principles are available at www.chemchekinc.com.

(g) If at any time during the term hereof, Government changes its legal name or its address, as set forth in this Agreement, Government shall immediately notify Contractor in writing of such change.

25. DEBARMENT CERTIFICATION

By execution of this contract, the contractor certifies that it is eligible to receive contract awards using federally appropriated funds and that it has not been suspended or debarred from entering into contracts with any federal agency. The contractor shall include this provision in each of its sub-contracts hereunder and shall furnish its subcontractors with the current "LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NON-PROCUREMENT". In the event the contractor or sub-contractor misrepresents its eligibility to receive contract awards using federal funds, the contractor or sub-contractor agrees that it shall not be entitled to payment for any work performed under this contract or sub-contract and that the contractor or sub-contractor shall promptly reimburse the Government of the Virgin Islands for any progress payments heretofore made. If during the term of this contract, the contractor shall become ineligible to receive contract awards using federal funds, this contract shall be terminated forthwith for cause and the contractor shall not be entitled to payment for any work performed under this contract or sub-contract after the effective date of such ineligibility.

26. FALSE CLAIMS

Contractor warrants that it shall not, with respect to this Contract, make or present any claim upon or against the Government of the Virgin islands, or any officer, department, board, commission, or other agency thereof, knowing such claim to be false,

fictitious, or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is an offense under Virgin Islands law.

27. NOTICE OF FEDERAL FUNDING

Contractor acknowledges that this Contract is funded, in whole or in part, by federal funds. Contractor warrants that it shall not, with respect to this Contract, make or present any claim knowing such claim to be false, fictitious or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is a federal offense.

28. OTHER PROVISIONS

Addendum I, II and III attached hereto are a part of this Contract and are incorporated herein by reference.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

WITNESSES:

GOVERNMENT OF THE VIRGIN ISLANDS

[Signature]

[Signature]
Darryl A. Smalls, Commissioner
Department of Public Works

9/27/13
Date

[Signature]

[Signature]
Lynn A. Millin Maduro, Commissioner
Department of Property & Procurement
CONTRACTOR

10/7/13
Date

[Signature]

[Signature]
Diana Bauske, CEO
Chem Chek Co., Inc.

09/10/13
Date

(Corporate seal, if Contractor is a corporation)

APPROVED:

[Signature]
JOHN P. DEJONGH, JR.
GOVERNOR OF THE VIRGIN ISLANDS

10/8/13
Date

APPROVED AS TO LEGAL SUFFICIENCY
DEPARTMENT OF JUSTICE BY:

[Signature]

10-4-13
Date

PURCHASE ORDER NO.

ACCOUNT CODE NO.

Contract No. PC003DPW14