

## Professional Services Agreement Contractor

- Check here if you have never executed a Professional Services Agreement with Veriforce.  
**Fee Required:** Please complete this agreement, execute and return to Veriforce with a check payable to *Veriforce* in the amount of \$250 for the initiation fee as per Exhibit A.
- Check here if you have never executed a Professional Services Agreement with Veriforce and will ONLY be using Drug and Alcohol services. Please complete this agreement, execute and return to Veriforce. **No fee required** as per Exhibit A.
- Check here if you are renewing your Professional Services Agreement. Please complete this agreement, execute and return to Veriforce. **No fee required.**
- Check here if you are executing this Professional Services Agreement because your company has undergone a name change. Please indicate former and new company name below. Complete this agreement, execute and return to Veriforce. **No fee required.**

This Professional Services Agreement, together with its attached "Exhibit A" and "Exhibit B" ("Agreement") is entered into by and between Contractor, as further described below, and Veriforce, collectively referred to as the "Parties" and sometimes individually referred to as "Party." It shall be in effect as of the Effective Date and continue in effect until terminated as provided herein.

**Contractor Company Name (Legal and D/B/A where applicable):**

\_\_\_\_\_

**Former Contractor Company Name (if applicable):**

\_\_\_\_\_

**Veriforce:** Veriforce, LLC - a New Mexico limited liability company

**Veriforce Address for Notice:**

Address: 19221 I-45 South, Suite 200, Shenandoah, TX, 77385  
 Phone: 800-426-1604  
 Fax: 281-715-5780  
 E-Mail: billing@veriforce.com

**Effective Date:** \_\_\_\_\_

For Internal Use Only		
Date Initiation Fee was Received:		
Accounting ID:		
VeriSource Account:	User ID:	Password:

## TERMS

**A. Definitions.** These terms will have these meanings when used in the Agreement:

**“Accident”**: has the same meaning assigned in 49 CFR §192 and/or §195.

**“Business Day”**: Monday through Friday.

**“Confidential Information”**: any document or other information provided by a Party to the other Party in the course of Veriforce providing services pursuant to this Agreement.

**“Drug and Alcohol Testing Requirements”**: Drug and alcohol testing, education and training required by Title 49 Parts 199 and 40 of the Code of Federal Regulations.

**“Evaluation”**: the process of evaluating a specific individual’s qualifications to perform a specific covered task in accordance with the OQ Rule for a specific Pipeline Operator conducted pursuant to Veriforce Procedures.

**“Incident”**: has the same meaning assigned in 49 CFR §192 and/or §195.

**“OQ Rule”**: the Operator Qualification rules set forth in 49 CFR §192(N) and/or §195(G).

**“Qualified Individual”**: an individual who has been evaluated and deemed qualified by Veriforce pursuant to the OQ Rule and applicable Veriforce Procedures.

**“Veriforce Client”**: collectively the companies identified as “clients” on the Veriforce web site, as they may change from time to time.

**“Veriforce Procedures”**: Procedures established by Veriforce as they may be amended from time to time by Veriforce.

**“Veriforce Work Product”**: all forms, manuals, procedures, training, and/or other materials developed by or used by Veriforce in the course of performing services under this Agreement.

**“VeriSource™”**: An internet-based database application that allows *Veriforce* customers/clients to review various records pertaining to companies and/or individuals.

**B. Scope of Services to be Performed by Veriforce.** Veriforce will provide Contractor with one or more of the services described on the Veriforce web site ([www.veriforce.com](http://www.veriforce.com)) as those services may change from time to time in support of Veriforce Client’s efforts to establish, implement, and monitor activities related to meeting regulatory and other requirements.

**C. Contractor Obligations.** By executing this Agreement, Contractor acknowledges that, in addition to its other obligations set out in this Agreement, it understands it is agreeing to meet each of the following obligations:

1. **Compliance with Veriforce Procedures.** All statements, certifications, and actions of the Contractor, as they relate to this Agreement, shall be accomplished in full accordance with Veriforce Procedures, applicable Veriforce Client requirements, and applicable federal/state regulatory requirements. Furthermore, Contractor agrees to ensure that all activities of any individual representing Contractor are done in full accordance with applicable Veriforce Procedures. Contractor understands that, in the event this obligation is not met, appropriate action may be taken at the sole discretion of Veriforce and/or the applicable Veriforce Client(s).

2. **Notice of Incident or Accident.** Contractor agrees to provide Veriforce immediate written notice if a Qualified Individual contributes to or is otherwise involved in an Incident or Accident.
3. **Cooperation in Audits.** Contractor agrees to cooperate with Veriforce when it conducts audits of Contractor or individuals representing Contractor.
4. **Payment of Fees and Expenses.** Contractor agrees to compensate Veriforce for services provided pursuant to this Agreement in accordance with Fee Schedule set out in Exhibit "A" attached hereto. Veriforce reserves the right to revise these fees at any time, provided, however, that any change in the Fee Schedule will not become effective with respect to Contractor until the first (1st) day of the month following written notice of any such change. Contractor also agrees to reimburse Veriforce for any and all expenses incurred by Veriforce which it deems necessary and proper to the performance of services under this Agreement, such as costs of supplies and materials, document reproduction expense, messenger and courier services, and travel expense, including mileage charged at the "Allowable Rate" as provided by Internal Revenue Service. All fees and expenses incurred will be shown on an invoice. Payment of the invoice is due upon receipt by Contractor. All amounts are payable at the Veriforce Address for Notice. At the option of Veriforce, any invoice, which is unpaid in excess of thirty (30) days, is good cause to suspend contractor's account until payment is received. In addition, a reinstatement fee will be assessed. Failure to pay an invoice represents a material breach and is good cause for Veriforce to terminate this Agreement. Contractor understands and acknowledges that Veriforce will not release documentation or provide services until all outstanding invoices are paid in full.
5. **No Hire Agreement.** Without the written consent of Veriforce, Contractor agrees to refrain from conducting employment discussions with the employees and agents of Veriforce within twelve (12) months from the date such employee or agent was last involved in rendering services under this Agreement. Should Contractor wish to engage in employment discussions with an employee or agent of Veriforce during this twelve (12) month period, prior written approval must be obtained from Veriforce. In the event that these employment discussions result in the hiring or retention of services of an employee or agent of Veriforce by Contractor, either directly or through a third party, the Contractor will pay a fee to Veriforce in consideration for its cost in replacing its personnel, as well as for lost revenue opportunities. The fee will be one third (1/3) the amount paid by Veriforce to the employee or agent during the twelve (12) month period prior to the date the person is hired or retained by Contractor. The fee is due and payable on the first day of employment by or of performing services for Contractor. The provisions of this paragraph shall survive the termination of this Agreement.
6. **Indemnification.** CONTRACTOR SHALL INDEMNIFY AND SAVE HARMLESS VERIFORCE AND ITS MEMBERS, OFFICERS, AGENTS, EMPLOYEES, AND SUBCONTRACTORS FROM ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE, OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE FOREGOING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES FOR INJURY OR DEATH TO ANY PERSON, OR INJURY TO ANY PROPERTY, RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING OUT OF, OR OCCASIONED BY, THE ACTS OR OMISSIONS OF CONTRACTOR AND ITS AGENTS OR EMPLOYEES, INCLUDING WITHOUT LIMITATION, ANY ACT OR OMISSION OF ANY QUALIFIED INDIVIDUAL, EVALUATOR, OR PROCTOR WHO IS AN EMPLOYEE OR AGENT OF CONTRACTOR. CONTRACTOR FURTHER AGREES TO DEFEND, AT ITS OWN EXPENSE, AND ON BEHALF OF VERIFORCE AND IN THE NAME OF VERIFORCE, ANY CLAIM OR LITIGATION BROUGHT IN CONNECTION WITH ANY SUCH INJURY, DEATH, OR

DAMAGE. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

7. **Limitation of Liability.** VERIFORCE, ITS AGENTS AND EMPLOYEES, SHALL NOT BE LIABLE TO CONTRACTOR, OR TO ANYONE WHO MAY CLAIM ANY RIGHT DUE TO ITS RELATIONSHIP WITH CONTRACTOR, FOR ANY ACTS OR OMISSIONS ON THE PART OF VERIFORCE OR ITS AGENTS OR EMPLOYEES IN THE PERFORMANCE OF SERVICES UNDER THIS AGREEMENT OR WITH RESPECT TO THE KIND AND QUALITY OF SERVICES PROVIDED UNDER THIS AGREEMENT, EXCEPT WHEN THE ACTS OR OMISSIONS ARE DUE TO THE WILLFUL MISCONDUCT OF VERIFORCE, ITS EMPLOYEES OR AGENTS. FURTHERMORE, THE LIABILITY OF VERIFORCE, ITS AGENTS OR EMPLOYEES, SHALL BE LIMITED TO DIRECT OR GENERAL DAMAGES AND UNDER NO CIRCUMSTANCES SHALL VERIFORCE, ITS EMPLOYEES OR AGENTS, BE LIABLE FOR ANY CONSEQUENTIAL OR SPECIAL DAMAGES INCLUDING BUT NOT LIMITED TO LOST PROFITS OR GOODWILL, AND FOR EXEMPLARY OR PUNITIVE DAMAGES. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

**D. Relationship of the Parties.** No agency relationship is created by this Agreement. Neither Party shall have the right or authority to act on behalf of the other or represent that it has such right or authority. Each Party shall be responsible for its own tax obligations arising in connection with the performance of this Agreement, and for the payment of its own employees.

**E. Confidential Information of the Parties; Disclosure of Services; Veriforce Work Product; Indemnity.**

1. **Confidential Information.** It is anticipated that, in the course of providing services under this Agreement, both Parties will have access to Confidential Information of the other Party. Both Parties recognize that Confidential Information is both valuable and proprietary, and that any unauthorized use or disclosure of the Confidential Information could cause substantial harm to the disclosing Party and/or the Veriforce Client(s) it serves. Both Parties agree to hold Confidential Information in strict confidence and shall protect it with the utmost care, taking all necessary precautions to maintain the confidential nature of the Confidential Information and exercising at least the same degree of secrecy and confidentiality as either would extend to its own confidential information. Acting in good faith at all times, neither Party shall use any Confidential Information disclosed by the other for the Party's own benefit or for the benefit of any third party, or for any other purpose, except as required to carry out the purposes of this Agreement.
2. **Disclosure of Services.** Veriforce agrees that it will not disclose the results of its services performed pursuant to this Agreement to anyone other than Contractor or appropriate Veriforce Client(s) unless Contractor grants Veriforce specific written consent.
3. **Disclosure of Veriforce Work Product.** Contractor agrees not to use or disclose Veriforce Work Product except with the written consent of Veriforce. Employee qualification and other records are specific to the Veriforce Client companies represented by Veriforce. Electronic and hardcopy records generated to validate an individual's qualification(s) and/or any other records generated as a result of services described herein are only to be disclosed to applicable Veriforce Client(s). A current list of Veriforce Clients represented by Veriforce is located at [www.veriforce.com](http://www.veriforce.com).
4. **Mutual Indemnity.** EACH PARTY SHALL INDEMNIFY AND SAVE HARMLESS THE OTHER PARTY AND ITS SHAREHOLDERS, PARTNERS, MEMBERS, OFFICERS, AGENTS, EMPLOYEES, AND SUBCONTRACTORS FROM ALL SUITS, ACTIONS, LOSSES, DAMAGES, CLAIMS, OR LIABILITY OF ANY CHARACTER, TYPE, OR DESCRIPTION, INCLUDING WITHOUT LIMITING THE GENERALITY OF THE

FOREGOING ALL EXPENSES OF LITIGATION, COURT COSTS, AND ATTORNEY'S FEES FOR ANY DAMAGES SUFFERED BY THE PARTY SEEKING INDEMNITY ARISING OUT OF THE OTHER PARTY'S BREACH OF ANY OF THE PROVISIONS OF THIS SECTION E.

5. **Survival.** The provisions of this paragraph shall survive the termination of this Agreement.
- F. Attorney's Fees.** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing Party will be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which that Party is entitled.
- G. Venue and Choice of Law.** This Agreement is governed by the laws of the State of Texas. Any disputes between the Parties concerning the subject matter of this Agreement or the performance of the obligations of the Parties under this Agreement must be submitted for resolution to either a Texas state court in Montgomery County, Texas, or if there is federal jurisdiction, to the United States District Court for the Southern District of Texas Houston Division.
- H. Parties Bound.** This Agreement will be binding on and inure to the benefit of the Parties and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this Agreement.
- I. Legal Construction; Waiver.** In the event that any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provisions, and the Agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.
- J. Prior Agreements Superseded.** This Agreement constitutes the sole and only agreement of the Parties to it and supersedes any prior understandings or written or oral agreements between the Parties respecting this subject matter.
- K. Notice.** Any notices to be given under this Agreement shall be given in writing, either by hand delivery or by certified mail, return receipt requested at the Veriforce Address for Notice and at the appropriate Contractor Address as set forth in Exhibit B, or as it is updated by Contractor in the future. Either Party may change its address for notice by written notice given as required by this Paragraph.
- L. Captions and Headings.** The captions and headings throughout this Agreement are for convenience and reference only, and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify, or add to the interpretation, construction, or meaning of any provision of or the scope or intent of this Agreement, nor in any way affect the Agreement.
- M. Term of this Agreement.** This Agreement shall commence on the Effective Date and continue for a term of one (1) year thereafter unless sooner terminated by the Parties as provided herein. At the expiration of the initial one (1) year term and of each renewal term, if any, this Agreement shall automatically renew for a period of one (1) year unless either Veriforce or Contractor gives the other Party written notice of termination at least sixty (60) days prior to the end of the then applicable term.
- N. Counterparts and Fax Signatures.** This Agreement may be executed in multiple counterparts, and each of such counterparts so executed shall be deemed an original. All such counterparts together shall be deemed to constitute one final agreement as if signed by all parties hereto. A telecopy or facsimile transmission of a signed counterpart of this Agreement shall be sufficient to bind the parties whose signatures appear thereon if such signatures have been duly notarized.
- O. Modifications and Waiver.** No oral modifications or amendments of this Agreement will be binding on the Parties. To be effective as to a Party, a modification or amendment must be in

writing and executed by a duly authorized officer or a duly authorized agent of the Party. No waiver or waivers of any breach or default of this Agreement by Contractor of any term or condition of this Agreement shall be deemed a waiver thereof or of any waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be a waiver or waivers of subsequent breaches or defaults of any kind, character or description under any circumstance.

- P. Authority.** Each person signing this Agreement represents and warrants that he or she has been duly authorized and empowered to sign this Agreement on behalf of the Party which such person purports to represent and that this Agreement is a lawful and binding obligation of that Party.

AGREED and EXECUTED as of the Effective Date on Page 1.

**VERIFORCE:**

Veriforce, L.L.C., a New Mexico limited liability company

By: \_\_\_\_\_  
Veriforce Representative

**CONTRACTOR:**

Company: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT A

### FEES

Operator Qualification Fees													
<p style="text-align: center;"><b>Initiation Fee</b> (a one-time setup fee to be submitted with this agreement)</p>	<p style="text-align: center;"><b>\$250.00</b></p> <p><b>NOTE:</b> If you are submitting this agreement to replace your existing agreement with Veriforce, you <u>DO NOT</u> have to pay the initiation fee. Also, this fee is not applicable where ONLY Drug and Alcohol services are requested, however, in the event that any additional services are requested this fee and all other applicable fees apply.</p>												
<p style="text-align: center;"><b>Administrative/Records Fee</b> (Invoiced Semi-Annually)</p>	<p style="text-align: center;"><b>\$27.50 per qualified individual</b></p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr style="background-color: #e0e0e0;"> <th style="text-align: center; padding: 5px;">Invoice Date</th> <th style="text-align: center; padding: 5px;">Period for Managing Employee Qualifications</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 5px;">March 1</td> <td style="padding: 5px;">September 1 of previous year through the last day of February of current year</td> </tr> <tr> <td style="text-align: center; padding: 5px;">September 1</td> <td style="padding: 5px;">March 1 of current year through August 31 of current year</td> </tr> </tbody> </table> <p><b>NOTE:</b> Fee limited to Operator Qualification (OQ) records and based on number of qualified employees managed through VeriSource. Contractor is responsible for removing employees through VeriSource to avoid being charged for inactive employees.</p>	Invoice Date	Period for Managing Employee Qualifications	March 1	September 1 of previous year through the last day of February of current year	September 1	March 1 of current year through August 31 of current year						
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March 1	September 1 of previous year through the last day of February of current year												
September 1	March 1 of current year through August 31 of current year												
<p style="text-align: center;"><b>Reinstatement Fee</b></p>	<p style="text-align: center;"><b>Nonpayment: \$250.00</b></p> <p><b>NOTE:</b> In the event of nonpayment of administrative/records fee within 30 days following date of invoice, company's account will be inactivated/suspended. A reinstatement fee is assessed to re-activate the company's account.</p> <p style="text-align: center;"><b>Failure to Respond to Audit Request: \$25/person</b></p> <p><b>NOTE:</b> In the event a company/individual does not respond to an audit request in the time required, records may be suspended for the individual in question – this reinstatement fee is assessed to re-activate those individual's records. <u>This applies to OQ records only.</u></p>												
Evaluator Fees													
<p style="text-align: center;"><b>Initial Evaluator Training Fee</b> (Paid prior to attending a scheduled class)</p>	<p style="text-align: center;"><b>\$750.00</b></p>												
<p style="text-align: center;"><b>Evaluator Renewal Fee</b> (Annual authorization fee paid on-line during the Evaluator Training Exam)</p>	<p style="text-align: center;"><b>\$125.00</b></p>												
Safety, Financial and/or Insurance Fees (one fee for all 3 services)													
<p style="text-align: center;"><b>Administrative/Records Fee</b> (Invoiced Semi-Annually with OQ invoices)</p>	<p style="text-align: center;"><b>Fee varies according to contractor size. See table below:</b></p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"> <thead> <tr style="background-color: #e0e0e0;"> <th style="text-align: center; padding: 5px;">Invoice Amount</th> <th style="text-align: center; padding: 5px;">Number of Employees</th> </tr> </thead> <tbody> <tr> <td style="text-align: center; padding: 5px;">\$50.00</td> <td style="text-align: center; padding: 5px;">1 to 9</td> </tr> <tr> <td style="text-align: center; padding: 5px;">\$100.00</td> <td style="text-align: center; padding: 5px;">10 to 99</td> </tr> <tr> <td style="text-align: center; padding: 5px;">\$150.00</td> <td style="text-align: center; padding: 5px;">100 to 249</td> </tr> <tr> <td style="text-align: center; padding: 5px;">\$200.00</td> <td style="text-align: center; padding: 5px;">250 to 499</td> </tr> <tr> <td style="text-align: center; padding: 5px;">\$250.00</td> <td style="text-align: center; padding: 5px;">500 plus</td> </tr> </tbody> </table> <p><b>NOTE:</b> Fee is based on number of employees shown on the most recent OSHA 300 log. Contractor is responsible for accurate reporting to ensure proper pricing.</p>	Invoice Amount	Number of Employees	\$50.00	1 to 9	\$100.00	10 to 99	\$150.00	100 to 249	\$200.00	250 to 499	\$250.00	500 plus
Invoice Amount	Number of Employees												
\$50.00	1 to 9												
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\$150.00	100 to 249												
\$200.00	250 to 499												
\$250.00	500 plus												

**Drug and Alcohol Fees**

**None**

**Training Fees**

In cases where a Veriforce client(s) (Operator) makes training programs available to contractors through Veriforce, no fee shall be assessed to contractors for completing this training. Likewise there is no fee assessed to contractors for the maintenance of training records resulting from such training programs.

Contractors may upload additional contractor-specific training records into the Veriforce training records database at no cost.

In cases where a contractor wishes to **host** a web-based or other training program through Veriforce, fees shall be negotiated on a case-by-case basis.

**Fees For Other Services**

Description	Basis	Cost	Terms
All Other Services <i>(Services requested specifically by and pre-approved by Contractor)</i>	Time and Materials	Consultant: \$75.00/hr Clerical: \$35.00/hr Mileage: IRS rate ODC's: At Cost	Invoiced (if applicable)

## EXHIBIT B

### CONTRACTOR CONTACT INFORMATION

**NOTE:** In order to ensure you receive important communications from Veriforce, please keep your company's contact information current through VeriSource or by calling 800.426.1604.

<b>GENERAL CONTACT</b>		
Name	Address 1	Phone 1
	Address 2	Phone 2
	City	Fax
	State	Email
	Zip	
<b>BILLING CONTACT (if different from above)</b>		
*****I prefer to receive my invoice via (select one): <input type="checkbox"/> Email <input type="checkbox"/> US Postal Service*****		
Name	Address 1	Phone 1
	Address 2	Phone 2
	City	Fax
	State	Email
	Zip	
<b>OPERATOR QUALIFICATION CONTACT (if different from above)</b>		
Name	Address 1	Phone 1
	Address 2	Phone 2
	City	Fax
	State	Email
	Zip	
<b>DRUG AND ALCOHOL CONTACT (if different from above)</b> <b>Internal Contact NOT 3<sup>rd</sup> Party</b>		
Name	Address 1	Phone 1
	Address 2	Phone 2
	City	Fax
	State	Email
	Zip	
<b>ENVIRONMENTAL, SAFETY &amp; HEALTH CONTACT (if different from above)</b>		
Name	Address 1	Phone 1
	Address 2	Phone 2
	City	Fax
	State	Email
	Zip	
<b>INSURANCE CONTACT (if different from above)</b>		
Name	Address 1	Phone 1
	Address 2	Phone 2
	City	Fax
	State	Email
	Zip	