



Alternative Dispute Resolution Clause

[Effective August 30, 1999, Government Code Chapter 2260 requires that each contract entered into by the University of Houston System and its component institutions for goods or services, or for a building or construction contract under section 2166.001 of the Government Code, include a provision, developed with the Attorney General's assistance, stating that the parties will use the dispute resolution process provided for in chapter 2260 to attempt to resolve disputes arising hereunder. The following provision has been approved by the Attorney General for use by parties to contracts covered by Chapter 2260.]

1. The dispute resolution process provided for in Chapter 2260 of the Government Code shall be used, as further described herein, by University and Contractor to attempt to resolve any claim for breach of contract made by Contractor:
 - a. A Contractor's claims for breach of this contract that the Parties cannot resolve in the ordinary course of business shall be submitted to the negotiation process provided in Chapter 2260, subchapter B, of the Government Code. To initiate the process, Contractor shall submit written notice, as required by subchapter B, to [for the System, the Chancellor; for component institutions, the President] or his/her designee. Said notice shall specifically state that the provisions of Chapter 2260, subchapter B, are being invoked. A copy of the notice shall also be given to all other representatives of University and Contractor otherwise entitled to notice under the Parties' contract. Compliance by Contractor with subchapter B is a condition precedent to the filing of a contested case proceeding under Chapter 2260, subchapter C, of the Government Code.
 - b. The contested case process provided in Chapter 2260, subchapter C, of the Government Code is Contractor's sole and exclusive process for seeking a remedy for any and all alleged breaches of contract by University if the Parties are unable to resolve their disputes under subparagraph (A) of this paragraph.
 - c. Compliance with the contested case process provided in subchapter C is a condition precedent to seeking consent to sue from the Legislature under Chapter 107 of the Civil Practices and Remedies Code. Neither the execution of this contract by University nor any other conduct of any representative of University relating to the contract shall be considered a waiver of sovereign immunity to suit.
2. The submission, processing and resolution of Contractor's claim is governed by the published rules adopted by the Attorney General of the State of Texas pursuant to Chapter 2260, as currently effective, hereafter enacted or subsequently amended. These rules are found at 1 T.A.C. Part 3 Chapter 68.
3. Neither the occurrence of an event nor the pendency of a claim constitute grounds for the suspension of performance by the contractor, in whole or in part.

UNIVERSITY OF HOUSTON _____ * CONTRACTOR

Signature _____ Date _____
 Name: _____
 Title: _____

Signature _____ Date _____
 Name: _____
 Title: _____

*Fill in name of appropriate component institution if applicable (e.g. System, Clear Lake, Victoria, Downtown, etc.)

Note: Modification of this Form requires approval of OGC

[Use this Form with all UH System agreements for goods and services except (1) agreements between UH System institution and a contracting party who is an employee of a unit of state government or (2) agreements between a UH System institution and a student at an institution of higher education.]