ARTICLE 8 PROCEDURES FOR PROTESTS AND DISPUTE RESOLUTION

8-101 INTRODUCTION AND PURPOSE

Third-party contracts above the small purchase threshold must contain administrative, contractual, or legal remedies for violations or breach of the contract by the third-party contractor. A party who submits to Trinity Metro a response to a solicitation in the form of a bid, proposal, or other response, or a party that contracts with Trinity Metro for supplies or services, expressly agrees to adjudication of its claims through the procedures set forth in this Article 8. It is Trinity Metro's policy to try to resolve all controversies by mutual agreement without litigation; therefore, the following sections contain remedies for aggrieved parties to settle all claims and causes of action prior to commencement of litigation. Nothing contained in this Article is meant to waive any governmental or sovereign immunity for claims or causes of action to which Trinity Metro is immune.

All solicitations for Trinity Metro's contracts shall contain, or be deemed to contain, the following provisions:

"By submission of a bid, proposal, offer, or quotation in response to this solicitation, the bidder or offeror agrees to submission of any dispute under this solicitation (or resulting contract) to procedures for protests and dispute resolution pursuant to Article 8 of Trinity Metro's Procurement Policy".

8-102 RIGHT TO PROTEST SOLICITATION, BID OR AWARD

Any interested party that is aggrieved or adversely affected in connection with the solicitation, bid, or award of a contract may protest to Trinity Metro and appeal any adverse decision in accordance with the provisions of this Article 8.

8-103 PROCEDURES TO PROTEST SOLICITATION, BID, OR AWARD

(1) All protests relating to advertising of solicitation notices, alleged improprieties or ambiguities in solicitation documents, deadlines, bid openings or awards, and all other solicitation, bid or award-related procedures or actions must be made in writing and submitted to the President/CEO, or designee, within ten (10) business days of (1) the bid opening for a construction contract or (2) date of award for other types of contracts. Each protest must include the following:

(a) the name and address of the protester, and the vendor it represents, if different;

(b) the identification number, reference number, or other identifying criteria specified in the solicitation documents to identify the procurement in question;

(c) a statement of the grounds for protest; and

(d) all documentation supporting the protest.

(2) A decision and response to the protest will be prepared by the President/CEO, or designee, within a reasonable time after receipt of a properly prepared written protest.

(3) Appeals of responses and decisions regarding protests must be made to the Board in writing, and must be filed with the President/CEO, or designee, with a copy to the Chairman of the Board, within ten (10) days after the response and decision regarding the original protest are issued. Written appeals shall include all information contained in the original written protest, as well as any newly discovered documentation supporting the protest that was not reasonably available to the protester when the original protest was filed. Subject to all applicable laws governing Trinity Metro, the decision of the Board regarding an appeal shall be final.

8-104 DISPUTE RESOLUTION PROCEDURES

This section contains the procedures for resolving contract disputes under any Trinity Metro contract, including but not limited to, contracts for the purchase of supplies or services, construction contracts, or solicitation or award protests. If disputes or disagreements arise, Trinity Metro is committed to resolving such disputes or disagreements in an amicable, professional, and expeditious manner so as to avoid unnecessary losses, delays, and disruptions.

(1) Trinity Metro and the contractor will attempt to resolve disputes or disagreements promptly. In order to do so, Trinity Metro and the contractor will create an issue resolution ladder which will outline initial responsibility for discussion and resolution, as well as secondary and further responsibility.

(2) If a dispute or disagreement cannot be resolved through discussions between Trinity Metro's representative and the contractor's representative as designated on the issue resolution ladder, the contractor's senior representative and Trinity Metro's senior representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than ten (10) days after such a request is made, to attempt to resolve such dispute or disagreement. Prior to any meetings between the senior representatives, Trinity Metro and the contractor shall exchange relevant information that will assist the parties in resolving their dispute or disagreement.

(3) If after the meeting, the senior representatives determine that the dispute or disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit the dispute or disagreement to non-binding mediation. The mediation shall be conducted by a mutually agreeable impartial mediator, or if the parties cannot so agree, a mediator designated by the American Arbitration Association ("AAA") pursuant to its Construction Industry Mediation Rules, or if the dispute or disagreement is not for a construction contract, those mediation rules most applicable to the type of contract. The mediation will be governed by and conducted

pursuant to a mediation agreement negotiated by the parties or, if the parties cannot so agree, by procedures established by the mediator. The venue for any required mediation shall be Tarrant County, Texas unless otherwise agreed to by the parties.

(4) [Any claims, disputes, or controversies between the parties which have not been resolved in accordance with the procedures set forth in subsections 8-104 (1)-(3) shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (AAA) then in effect, or if the dispute or disagreement is not for a construction contract, those mediation rules most applicable to the type of contract. If the matter or matters in dispute exceed $1,000,000, then arbitration proceedings shall be held before three members of an arbitration panel selected pursuant to AAA Rules. The venue for any required arbitration shall be Tarrant County, Texas unless otherwise agreed to by the parties.]

(5) Notwithstanding the procedures identified in subsections 8-104 (1)-(4), Trinity Metro shall have the general ability and authority, when negotiating the terms and conditions of any contract to be entered into with any entity, to negotiate for the inclusion of dispute resolution procedures in such contract. Such dispute resolution procedures may vary from contract to contract, provided that, at a minimum, the procedures require that a meeting of senior representatives, mediation, and/or formal alternative dispute resolution procedures be followed before any party may file suit against, or initiate an arbitration proceeding against, Trinity Metro for an alleged breach of contract claim.