City of Denton

Meeting Agenda

City Council

City Hall
215 E. McKinney St.
Denton, Texas 76201
www.cityofdenton.com

Tuesday, August 18, 2026 | **2:00 PM** | **Council Work Session Room & Council Chambers**

WORK SESSION BEGINS AT 2:00 P.M. IN THE COUNCIL WORK SESSION ROOM

CLOSED MEETING BEGINS IMMEDIATELY FOLLOWING THE WORK SESSION IN THE COUNCIL WORK SESSION ROOM

REGULAR MEETING BEGINS AT 6:30 P.M. IN THE COUNCIL CHAMBERS

REGISTRATION GUIDELINES FOR ADDRESSING THE CITY COUNCIL

Individuals may speak during a Council meeting under one of the following categories:

Open Microphone:

At regular meetings only, individuals can speak on any topic that is not on the agenda for no longer than four (4) minutes per individual. This portion of the meeting occurs immediately after the start of the regular meeting session. Please note, Council members cannot engage in a discussion on topics presented during this portion and there are limited slots available for this portion of the meeting.

Comments on Agenda Items:

Public comments can be given for any item considered by the Council, EXCEPT work session reports or closed meetings. Individuals are only able to comment one time per agenda item and cannot use more than one method to comment on a single agenda item. Public comments are limited to three (3) minutes per citizen.

Public Hearing Items:

Individuals are limited to four (4) minutes per public hearing item.

Individuals may participate by using one of the following methods:

1. **In Person for Regular or Consent Agenda Items:**

   To provide in-person comments on consent agenda items, individuals must be present at the Work Session portion of the meeting. To provide in-person comments on individual consideration items, individuals must be present at the Regular or Special Session portion of the meeting. In both instances, individuals must also submit a speaker card (available at the meeting location) to the City Secretary prior to the item being called.

2. **In Person for Public Hearing Items:**

For public hearing items, speaker cards are encouraged but not required.

3. eComment:

The agenda is posted online at www.cityofdenton.com/publicmeetings. Once the agenda is posted, a link to make virtual comments using the eComment module will be made available next to the meeting listing on the Upcoming Events Calendar. Using eComment, Individuals may indicate support or opposition and submit a brief comment about a specific agenda item. eComments may be submitted up until the start of the meeting at which time the ability to make an eComment will be closed. eComments will be sent directly to members of the City Council immediately upon submission and recorded by the City Secretary into the Minutes of the Meeting.

After determining that a quorum is present, the City Council of the City of Denton, Texas will convene in a Work Session on Tuesday, August 18, 2026, at 2:00 p.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas at which the following items will be considered:

WORK SESSION

1. Citizen Comments on Consent Agenda Items

This section of the agenda allows citizens to speak on any item listed on the Consent Agenda prior to its consideration. Each speaker will be given a total of three (3) minutes to address any item(s). Any person who wishes to address the City Council regarding these items may do so by submitting a completed speaker card (available at the meeting location) to the City Secretary at the commencement of the Work Session meeting. Registration is required prior to the time the City Council considers this item.

2. Requests for clarification of agenda items listed on this agenda for public hearing and individual consideration.

This section allows members of the City Council to ask questions on items listed on this agenda for public hearing and individual consideration. Responses to questions on items listed under the consent agenda that are received prior to the meeting are available by clicking on Exhibit 1 below. The responses will be available prior to the start of the meeting, when applicable. Any handouts distributed at the meeting will also be uploaded to the below link by 12:00 p.m. on the business day following the meeting. Members of the Council may remove items from the consent agenda. When items are removed from the consent agenda and placed on the regular agenda by members of the council, the removed items shall be taken up in the order of removal right after the consent agenda.

A. ID 26-0071 Meeting Questions, Responses & Handouts

Attachments: Exhibit 1 - Agenda Information Sheet

3. Work Session Reports

A. ID 26-0970 Receive a report and hold a discussion regarding an update from Denton County Transportation Authority (DCTA).

[Estimated Presentation/Discussion Time: 45 minutes]

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Presentation

B. ID 26-0560 Receive a report, hold a discussion, and give staff direction regarding the preliminary FY 2026-27 City Manager's Proposed Budget and Schedule of Fees.
[Estimated Presentation/Discussion Time: 60 minutes]

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Budget Workshop Follow-up
Exhibit 3 - Presentation

C. ID 26-1303 Receive a report, hold a discussion, and give staff direction regarding the special events sponsorship and Hotel Occupancy Tax funds.
[Estimated Presentation/Discussion Time: 30 minutes]

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Presentation
Exhibit 3 - HOT Funds Program Guidelines
Exhibit 4 - Sponsorship Funds Program Guidelines
Exhibit 5 - Scoring Rubric
Exhibit 6 - Funding Requests (Combined Programs)

D. ID 26-2455 Receive a report, hold a discussion, and give staff direction regarding Audit Project 049-Vehicle Management.
[Estimated Presentation/Discussion Time: 30 minutes]

Attachments: Exhibit 1 - Agenda Information Sheet.pdf
Exhibit 2 - Audit of Vehicle Management.pdf
Exhibit 3 - Presentation.pdf

E. ID 26-0630 Receive a report, hold a discussion, and give staff direction on pending City Council requests for:
1) Workshop on City-Wide Fiscal Analyses
2) Policies for City Funded Construction Projects
3) 3-Year Pilot Program for a Denton Eviction Advocacy Center
[Estimated Presentation/Discussion Time: 30 minutes]

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance 24-1725
Exhibit 3 - Presentation

Following the completion of the Work Session, the City Council will convene in a Closed Meeting in the Council Work Session Room to consider specific item(s) when these items are listed below under the Closed Meeting section of this agenda. The City Council reserves the right to adjourn into a Closed Meeting on any item on its Open Meeting agenda consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law.

1. Closed Meeting:

A. ID 26-1169 Deliberations regarding Personnel Matters - Under Texas Government Code 551.074.

Deliberate the appointment of the Municipal Judge, including discussions with the current Associate Judges regarding their interest and qualifications for the position, and provide direction regarding the selection and appointment.

B. ID 26-1235 Consultation with Attorneys - Under Texas Government Code Section 551.071.

Consult with the City's attorneys regarding the City's protest of Texas Pollutant Discharge Elimination System Permit No. WQ0016624001 and the associated application filed by Sanger Laguna Azure LLC and James N. Horn, where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas or would jeopardize the City's legal position.

Any final action, decision, or vote on a matter deliberated in a Closed Meeting will only be taken in an Open Meeting that is held in compliance with Texas Government Code, Chapter 551, except to the extent such final decision, or vote is taken in the Closed Meeting in accordance with the provisions of Section 551.086 of the Texas Government Code (the 'Public Power Exception'). The City Council reserves the right to adjourn into a Closed Meeting or Executive Session as authorized by Texas Government Code, Section 551.001, et seq. (The Texas Open Meetings Act) on any item on its open meeting agenda or to reconvene in a continuation of the Closed Meeting on the Closed Meeting items noted above, in accordance with the Texas Open Meetings Act, including, without limitation Sections 551.071-551.086 of the Texas Open Meetings Act.

NOTE: Any item for which a formal action at the Regular Meeting has been taken by Council may be subject to a request for a motion for reconsideration at any time during the meeting, at the Concluding Items Section, or after the meeting. In order to comply with the Texas Open Meetings Act, a request for a motion for reconsideration made during, at the end of, or after a Council meeting will be placed on the agenda and considered at the next official meeting of the City Council.

Following the Closed Meeting, the City Council will reconvene in Open Meeting to take action, if any, on matters discussed in closed session.

AFTER DETERMINING THAT A QUORUM IS PRESENT, THE REGULAR MEETING OF THE CITY OF DENTON CITY COUNCIL WILL CONVENE AT 6:30 P.M. IN THE COUNCIL CHAMBERS AT CITY HALL, 215 E. MCKINNEY STREET, DENTON, TEXAS AT WHICH THE FOLLOWING ITEMS WILL BE CONSIDERED:

1. PLEDGE OF ALLEGIANCE

A. U.S. Flag
B. Texas Flag

"Honor the Texas Flag – I pledge allegiance to thee, Texas, one state under God, one and indivisible."

2. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

A. Review of procedures for addressing the City Council.

B. Reports from members of the public shall be received through the following two (2) methods. A total of up to seven (7) speakers are permitted to provide public comment and may include any combination of prior registration and open microphone speakers.

1) Pre-registration. This section of the agenda permits any person who has registered in advance to make a citizen report regarding a public business item he or she wishes to be considered by the City Council. Each speaker is allowed a maximum of four (4) minutes to present their report. At the conclusion of each report, the City Council may pose questions to the speaker or may engage in discussion. If the City Council believes that a speaker's report requires a more detailed review, the City Council will give the City Manager or City Staff direction to place the item on a future work session or regular meeting agenda and advise staff as to the background materials to be desired at such meeting.

A. ID 26-1280 Stephanie X regarding City of Denton homelessness response.

B. ID 26-1285 Anna Taus regarding Proposed Data Centers.

C. ID 26-1289 Willie Hudspeth regarding the hiring for City Manager.

D. ID 26-1290 Larry Lawrence regarding the hiring for City Manager.

E. ID 26-1293 Vicki Byrd regarding proper procedures for conducting a meeting.

F. ID 26-1304 Gerard Hudspeth regarding $5 Million dollar vote vs. Vote to raise utility rates.

2) Open Microphone. This section of the agenda permits any person who has not registered in advance for a citizen report to make comments about public business items not listed on the agenda. Such person(s) shall have registered using the "Virtual White Card" or "By Phone" process outlined by the City on its website or meeting notice.

During open microphone reports under this section of the agenda, the Council may listen to citizens speak. However, because notice of the subject of the open microphone report has not been provided to the public in advance, the Texas Open Meetings Act limits any deliberation or decision by the Council to: a proposal to place the item on a future agenda; a statement of factual information; or a recitation of existing policy. Council Members may not ask the open microphone speakers questions or discuss the items presented during open microphone reports.

NOTE: If audio/visual aids during presentations to Council are needed, they must be submitted to the City Secretary 24 hours prior to the meeting.

3. CONSENT AGENDA

Each of these items is recommended by Staff or a board, commission, and committee. Approval thereof will be strictly on the basis of those recommendations. Approval of the Consent Agenda authorizes the City Manager or his designee to implement each item in accordance with the Staff recommendations. The City Council has received background information and has had an opportunity to raise questions regarding these items prior to consideration.

For those items recommended by a specific board, commission, or committee, the agenda item will reference that recommendation. To view the video of the related board, commission, or committee meeting, as applicable, a link can be found within the applicable supporting documentation (Exhibit 1).

Listed below are bids, purchase orders, contracts, and other items to be approved under the Consent Agenda (Agenda Items A – Z). This listing is provided on the Consent Agenda to allow Council Members to discuss or withdraw an item prior to approval of the Consent Agenda. If no items are pulled, the Consent

Agenda Items will be approved with one motion. If items are pulled for separate discussion, they may be considered as the first items following approval of the Consent Agenda.

A. ID 26-0047 Consider approval of the minutes of the August 4, 2026 Regular Meeting, August 5, 2026 Special Called Meeting, and August 8, 2026 Budget Workshop.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - August 4, 2026 Regular Meeting Minutes
Exhibit 3 - August 5, 2026 Special Called Meeting Minutes
Exhibit 4 - August 8, 2026 Budget WorkShop Meeting Minutes

B. ID 26-1277 Consider approval of a resolution of the City of Denton confirming the appointment of Kristi Gilbert as the City Secretary; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Resolution

C. ID 26-1297 Consider a nomination/appointment to the City of Denton Airport Advisory Board.

Attachments: Exhibit 1 - Agenda Information Sheet

D. ID 26-1300 Consider a nomination/appointment to the City of Denton Community Services Advisory Committee.

Attachments: Exhibit 1 - Agenda Information Sheet

E. ID 26-1301 Consider a nomination/appointment to the City of Denton Police Department Chief of Police Advisory Board.

Attachments: Exhibit 1 - Agenda Information Sheet

F. ID 26-1299 Consider a nomination/appointment to the City of Denton Parks, Recreation & Beautification Board.

Attachments: Exhibit 1 - Agenda Information Sheet

G. ID 26-1302 Consider a nomination/appointment to the City of Denton Public Art Committee.

Attachments: Exhibit 1 - Agenda Information Sheet

H. ID 26-1181 Consider adoption of an ordinance of the City of Denton, Texas, approving guidelines for the City of Denton Homebuyer Assistance Program; authorizing the expenditure of Federal Community Development Block Grant and HOME Investment Partnership Program funds in an amount not to exceed $300,000 for projects meeting the program guidelines and eligibility criteria; and providing an effective date. The Community Services Advisory Committee recommended approval (5-0).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - 2026-27 CSAC Funding Recommendations and Descriptions
Exhibit 3 - Ordinance and Homebuyer Assistance Program Guidelines

I. ID 26-1091 Consider adoption of an ordinance of the City of Denton, Texas, approving the Minor Home Repair Program; authorizing the expenditure of federal Community Development Block Grant Funds for projects meeting the program guidelines and eligibility criteria;

establishing program budget in annual Action Plan; delegating the authority to administer the program to the City Manager or designee; and providing an effective date. The Community Services Advisory Committee recommended approval (5-0).

Attachments: Exhibit 1 – Agenda Information Sheet
Exhibit 2 – 2026-27 CSAC Funding Recommendations and Descriptions
Exhibit 3 – Ordinance and Minor Home Repair Program Guidelines

J. ID 26-0942 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager or designee to execute an Interlocal Cooperation Agreement with Denton County, Texas, a duly organized political subdivision of the State of Texas, to exempt Denton County from notifying or submitting a building permit for any new construction or renovation of a building or facility owned by Denton County to the City of Denton; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance

K. ID 26-0981 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager or designee to execute an Interlocal Cooperation Agreement with Denton County, Texas, a duly organized political subdivision of the State of Texas, to provide for funding of the maintenance and acquisition of artifacts; for the design and construction of park improvements including rehabilitation of structures within the park, parking lot improvements, walking trails, and other features typical of a park (the "Project"); and for the operation of a public park on the 10.2 acres of land located on the Evers Farm property; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance

L. ID 26-1288 Consider approval of a resolution of the City of Denton, Texas, amending prior resolution consenting to the creation of "Hunter Ranch Improvement District No. 1 of Denton County, Texas" and the inclusion of land therein; providing additional consent to the inclusion of land therein; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Resolution
Exhibit 3 - District Map

M. ID 26-1220 Consider approval of a resolution of the City Council of the City of Denton confirming the City Manager's appointment of Raymond Knight to the Civil Service Commission to serve for the term beginning September 1, 2026, and ending on August 31, 2029; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Letter of Intent Civil Service Commissioner
Exhibit 3 - Resolution

N. ID 26-1225 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal

corporation, authorizing the approval of a first amendment to a contract between the City of Denton and Our Daily Bread, Inc., amending the contract approved by City Council on March 21, 2023, in the not-to-exceed amount of $1,040,803.00; said first amendment to provide additional funding for charges through the contract term for the Ready to Work Program for the Solid Waste and Recycling Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 7988 - providing for an additional first amendment expenditure amount not-to-exceed $260,200.00, with the total contract amount not-to-exceed $1,301,003.00). The Public Utilities Board recommends approval (4 - 0).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Original Ordinance and Contract
Exhibit 3 - Ordinance and Amendment 1

O. ID 26-1226 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a second amendment to a Professional Services Agreement between the City of Denton and Kimley-Horn and Associates, Inc., amending the contract approved by City Council on June 4, 2024, in the not-to-exceed amount of $1,259,400.00; amended by Amendment 1 approved by the City Manager; said second amendment to provide an extended scope including alignments study of branch sanitary sewer lines, easement acquisition for the added sewer line branches, and additional full plan set and services for the added branch lines for the Clear Creek Interceptor project for the Wastewater Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8213-001 - providing for an additional second amendment expenditure amount not-to-exceed $1,330,400.00, with the total contract amount not-to-exceed $4,180,600.00). The Public Utilities Board recommends approval (4 - 0).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Original Ordinance, Contract, Ordinance, and Amendment 1
Exhibit 3 - Ordinance and Amendment 2

P. ID 26-1227 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with RDO Equipment Co., through the Buy Board Cooperative Network Contract No. 788-25, for the purchase, repair, and maintenance of heavy-duty John Deere construction equipment for the Fleet Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 9091 - awarded to RDO Equipment Co., for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $1,806,000.00). The Public Utilities Board recommends approval (4 - 0).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Cooperative Pricing
Exhibit 3 - Ordinance and Contract

Q. ID 26-1228 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal

corporation, authorizing the approval of a third amendment to the "Memorandum of Understanding - the Environment" between the City of Denton and the University of North Texas, amending the Memorandum of Understanding approved by City Council on May 13, 2003, in the not-to-exceed amount of $30,000.00 per project; said third amendment to the "Memorandum of Understanding - the Environment" will extend the effective date, which provides for extension of the terms of said agreement, until September 30, 2031; providing for the expenditure of funds therefor; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Original Ordinance, Memorandum of Understanding, and Amendmen
Exhibit 3 - Ordinance and Amendment 3

R. ID 26-1229 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Kelmar and Associates, Inc., for pre-employment and post-offer background checks for the Human Resources Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 9029 - awarded to Kelmar and Associates, Inc., for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $921,500.00).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Pricing Evaluation
Exhibit 3 - Ordinance and Contract

S. ID 26-1230 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Texas Electric Cooperatives, Inc., to supply polymer insulators for Denton Municipal Electric Substations to be stocked in the City of Denton Warehouse; providing for the expenditure of funds therefor; and providing an effective date (IFB 9059 - awarded to Texas Electric Cooperatives, Inc., for one (1) year, with the option of four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $850,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Bid Tabulation
Exhibit 3 - Ordinance and Contract

T. ID 26-1232 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a Professional Services Agreement between the City of Denton and Terracon Consulting, Inc., amending the contract approved by City Council on February 18, 2025, in the not-to-exceed amount of $228,838.00; said first amendment to provide additional construction materials testing for Fire Station #5 and Fire Station #6 Projects for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7703-006 - providing for an additional first amendment expenditure amount not-to-exceed $67,196.00, with the total contract amount not-to-exceed $296,034.00).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Original Ordinance and Contract
Exhibit 3 - Ordinance and Amendment 1

U. ID 26-1245 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager or designee to execute and deliver an Advance Funding Agreement ("AFA") for Highway Safety Improvement Projects, between the City of Denton ("City") and the Texas Department of Transportation (TxDOT), regarding the construction of traffic signals on US 377 at North Bell Avenue (CSJ 0135-10-069), Eagle Drive at Avenue A (CSJ 0918-46-349), and FM 2181 at Hobson Lane (CSJ 2054-02-024); confirming expenses; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Advance Funding Agreement
Exhibit 3 - Ordinance

V. ID 26-1284 Consider adoption of an ordinance of the City of Denton, Texas authorizing the City Manager to execute the Innovative Finance and Asset Concession (IFAC) grant program Cooperative Agreement with the U.S. Department of Transportation (USDOT), to receive funding in the amount of One Million Dollars ($1,000,000.00) for the implementation of the Intelligent Transportation System (ITS) Master Plan, and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - IFAC Cooperative Agreement
Exhibit 3 - Draft Ordinance

W. ID 26-1202 Consider adoption of an ordinance of the City of Denton granting the Denton Festival Foundation Inc. a noise exception for the Denton Arts and Jazz Festival on Friday, September 11, 2026, from 3:00 p.m. to 11:00 p.m., Saturday, September 12, 2026, from 10:00 a.m. to 11:00 p.m., and Sunday, September 13, 2026, from 11:00 a.m. to 9:00 p.m. at the North Texas Fairgrounds in Denton, Texas; and providing an effective date.

Attachments: Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

X. ID 26-1201 Consider the adoption of an ordinance of the City of Denton granting Downtown Denton Foundation a noise exception for Arts and Autos on Friday, September 11, 2026, from 6:00 p.m. to 9:00 p.m. and Saturday, September 12, 2026, from 9:00 a.m. to 3:00 p.m. on the Denton Historic Square; and providing an effective date.

Attachments: Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

Y. ID 26-1081 Consider the adoption of an ordinance of the City of Denton granting Ganesh Immersion a noise exception for the Ganesh Immersion event on Friday, September 18, 2026, from 8:30 p.m. to 10:30 p.m. at North Lakes Park; and providing an effective date.

Attachments: Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

Z. ID 26-1241 Consider adoption of an ordinance of the City of Denton granting the Denton Black Chamber of Commerce a noise exception pursuant to Section 17-20 of the City of Denton Code of Ordinances for the Denton Blues Festival, which will be held on Friday, September 18, 2026, from 6:00 p.m. to 10:00 p.m., and Saturday, September 19, 2026, from 12:00 p.m. to 11:00 p.m., at Quakertown Park; granting an exception for sound levels and a variance in the hours of operation on said dates; and providing an effective date.

Attachments: Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

4. ITEMS FOR INDIVIDUAL CONSIDERATION

A. A26-0005 Consider adoption of an ordinance of the City of Denton, Texas regarding a Municipal Services Agreement, pursuant to Tex. Loc. Govt. Code Sec. 43.0672, between the City of Denton and Jay Edwin West for the provision of city services to approximately 3.27 acres of land, generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road; approving a schedule of annexation; authorizing the City Manager to execute the agreement; and providing an effective date. (A26-0005, West Annexation, Ashley Ekstedt)

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Draft Municipal Services Agreement and Annexation Schedule Ordin
Exhibit 4 - Presentation

B. A26-0005a Consider adoption of an ordinance of the City of Denton, Texas regarding the issuance of a Services Agreement, pursuant to Tex. Loc. Gov. Code Sec. 43.056, for property owned by Jay Edwin West for the provision of city services to approximately 3.27 acres of land, generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road; authorizing the City Manager to execute the Plan; and providing an effective date. (A26-0005a, West Annexation, Ashley Ekstedt)

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Draft Service Plan
Exhibit 4 - Presentation

5. PUBLIC HEARINGS

A. A26-0005b Hold a public hearing and consider a petition for voluntary annexation of approximately 3.27 acres of land, generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road; into the City of Denton, Denton County, Texas. (A26-0005b, West Annexation, Ashley Ekstedt)

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Future Land Use Map
Exhibit 4 - Current Zoning Map
Exhibit 5 - Presentation

6. ITEMS FOR INDIVIDUAL CONSIDERATION

A. ID 26-0561 Consider approval of a resolution of the City Council of the City of Denton, Texas placing a proposal on the September 22, 2026 City Council public meeting agenda to adopt a 2026 Tax Rate that will exceed the lower of the no-new-revenue tax rate or the voter approval tax rate; calling a public hearing on the proposed tax rate which will result in an increase in tax revenue to the City for fiscal year 2026-27, to be held on September 15, 2026; calling a public hearing on the budget for the fiscal year 2026-27 Annual Program of Services of the City of Denton to be held on September 15, 2026; requiring the publication and posting of notices of the public hearings and meetings in accordance with the law; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Resolution 2026 Tax Rate and Budget Public Hearing 4915-0099-066
Exhibit 3 - Presentation

B. A26-0005c Conduct the first of two readings of an ordinance of the City of Denton, Texas annexing approximately 3.27 acres of land, generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road, into the City of Denton, Denton County, Texas; providing for a correction to the City map to include the annexed land; and providing for a savings clause and an effective date. (A26-0005c, West Annexation, Ashley Ekstedt)

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Future Land Use Map
Exhibit 4 - Current Zoning Map
Exhibit 5 - Draft Annexation Ordinance
Exhibit 6 - Presentation

C. ID 26-1287 Consider approval of a resolution of the City of Denton regarding a moratorium on the acceptance, processing, and approval of applications for the development of data centers within the corporate limits of the City of Denton and approving a schedule for required notice and public hearings for such moratorium; providing for severability; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet 1.pdf
Exhibit 2 - Draft Resolution
Exhibit 3- Presentation

D. ID 26-1219 Consider adoption of an ordinance of the City Council of the City of Denton, a Texas

home-rule municipal corporation, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2026 rate review mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attachment establishing a benchmark for pensions and retiree medical benefits; requiring the company to reimburse ACSC's reasonable ratemaking expenses; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; ratifying and authorizing City membership in ACSC; and requiring delivery of this ordinance to the company and the ACSC's legal counsel.

Attachments:
Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Presentation
Exhibit 3 - Ordinance
Exhibit 4 - RRM Tariff
Exhibit 5 - Pension and Retiree Benchmark
Exhibit 6 - Average Bill Comparison

E. ID 26-1207 Consider adoption of an ordinance of the City of Denton, Texas approving the execution and delivery of a financing agreement with the Texas Water Development Board regarding the issuance of utility system revenue bonds by the City for waterworks system improvements and related issuance costs, and approving the obligations of the City with respect to such agreement; authorizing the City Manager, City Secretary and Chief Financial Officer to take the actions necessary to accomplish the purposes of the ordinance and resolving other matters relating to the subject; and providing an effective date.

Attachments:
Exhibit 1 Agenda Information Sheet SWIFT FA yr 3
Exhibit 2 Ordinance
Exhibit 3 Presentation
Exhibit 4 Draft Financing Agreement

7. CONCLUDING ITEMS

A. Under Section 551.042 of the Texas Open Meetings Act, respond to inquiries from the City Council or the public with specific factual information or recitation of policy, or accept a proposal to place the matter on the agenda for an upcoming meeting AND Under Section 551.0415 of the Texas Open Meetings Act, provide reports about items of community interest regarding which no action will be taken, to include: expressions of thanks, congratulations, or condolence; information regarding holiday schedules; an honorary or salutary recognition of a public official, public employee, or other citizen; a reminder about an upcoming event organized or sponsored by the governing body; information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality; or an announcement involving an imminent threat to the public health and safety of people in the municipality that has arisen after the posting of the agenda.

B. Possible Continuation of Closed Meeting topics, above posted.

C E R T I F I C A T E

I certify that the above notice of meeting was posted on the official website (https://tx-denton.civicplus.com/242/Public-Meetings-Agendas) and bulletin board at City Hall, 215 E. McKinney Street, Denton, Texas, on August 12, 2026, in advance of the three (3) business day posting deadline, as applicable, and in accordance with Chapter 551 of the Texas Government Code.

_____

OFFICE OF THE CITY SECRETARY

NOTE: THE CITY OF DENTON'S DESIGNATED PUBLIC MEETING FACILITIES ARE ACCESSIBLE IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT. THE CITY WILL PROVIDE ACCOMMODATION, SUCH AS SIGN LANGUAGE INTERPRETERS FOR THE HEARING IMPAIRED, IF REQUESTED AT LEAST TWO (2) BUSINESS DAYS IN ADVANCE OF THE SCHEDULED MEETING. PLEASE CALL THE CITY SECRETARY'S OFFICE AT 940-349-8309 OR USE TELECOMMUNICATIONS DEVICES FOR THE DEAF (TDD) BY CALLING 1-800-RELAY-TX SO THAT REASONABLE ACCOMMODATION CAN BE ARRANGED.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Cassey Ogden, Interim

DATE: August 18, 2026

SUBJECT

Meeting Questions, Responses & Handouts

BACKGROUND

City Councilmembers direct questions related to items on the agenda to City staff. The questions are assigned to applicable departments and corresponding responses are compiled to a Question & Answer Report (Q&A) which is placed in a file directory for the applicable meeting. Selecting the link above will gain access to the final version of the Q&A for this meeting, which will be available prior to the start of the meeting.

Periodically during a meeting, handouts are distributed to members of the City council. Any information distributed at this meeting will also be added to the directory by 12:00 p.m. on the business day following the meeting.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:

Ingrid Rex
City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **City Manager's Office**

CM/DCM/ACM: **Cassey Ogden**

DATE: **August 18, 2026**

SUBJECT

Receive a report and hold a discussion regarding an update from Denton County Transportation Authority (DCTA).

BACKGROUND

Paul Christina, President and Chief Executive Officer, will provide an update on DCTA service plans, ongoing initiatives, and future planning.

EXHIBITS

1. Agenda Information Sheet
2. Presentation

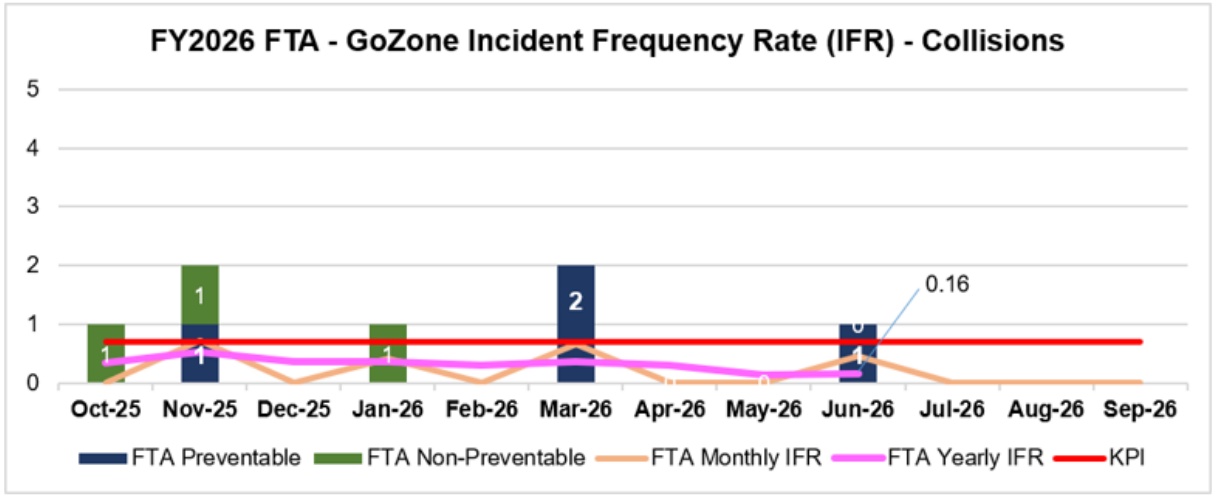
Respectfully submitted:
Kristi Fogle
Chief of Staff

DCTA
DENTON COUNTY
TRANSPORTATION
AUTHORITY

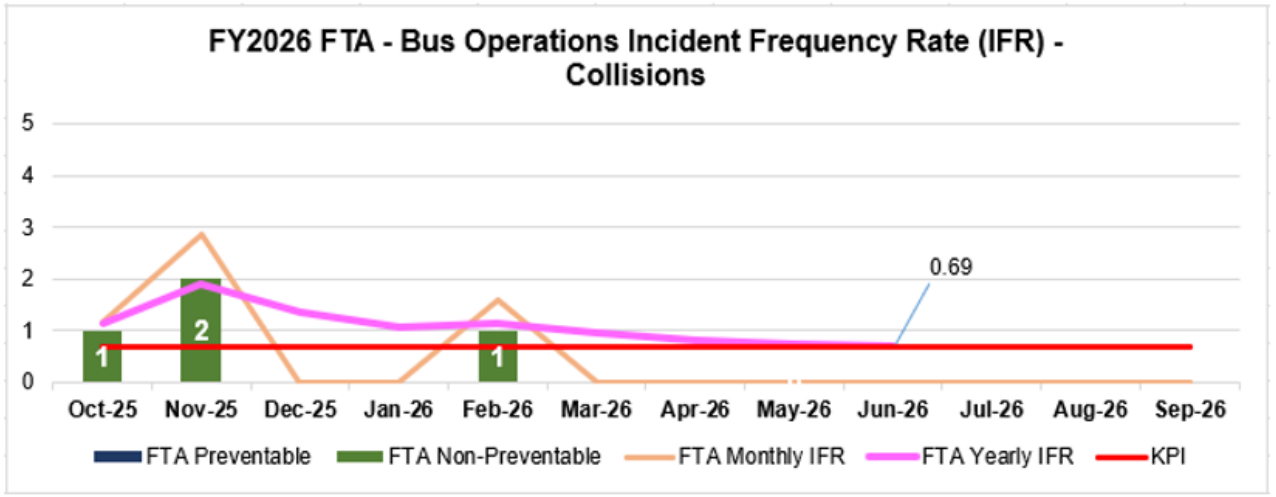
Denton City Council Update

August 18, 2026

Safety Performance Year to Date (June)



FY2025 IFR : 0.34

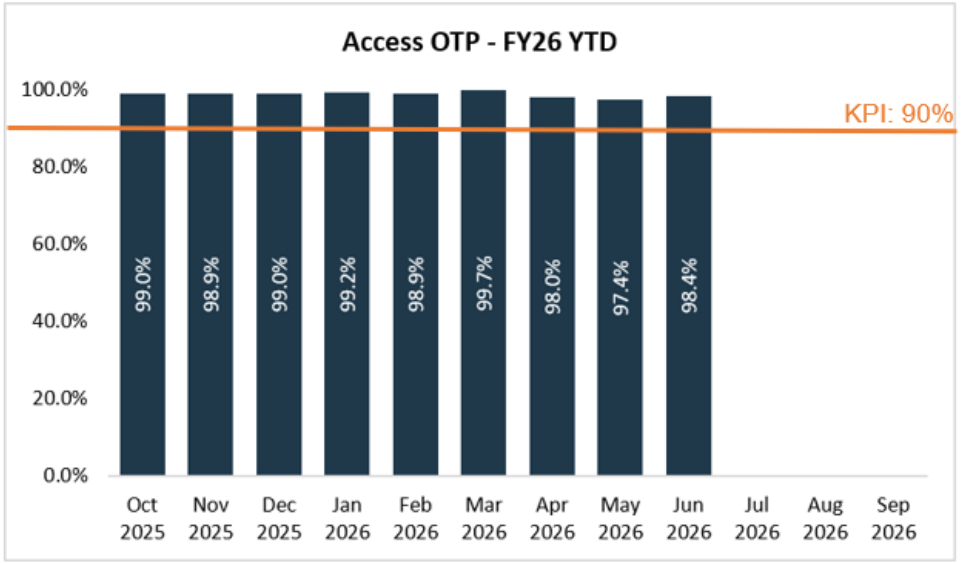


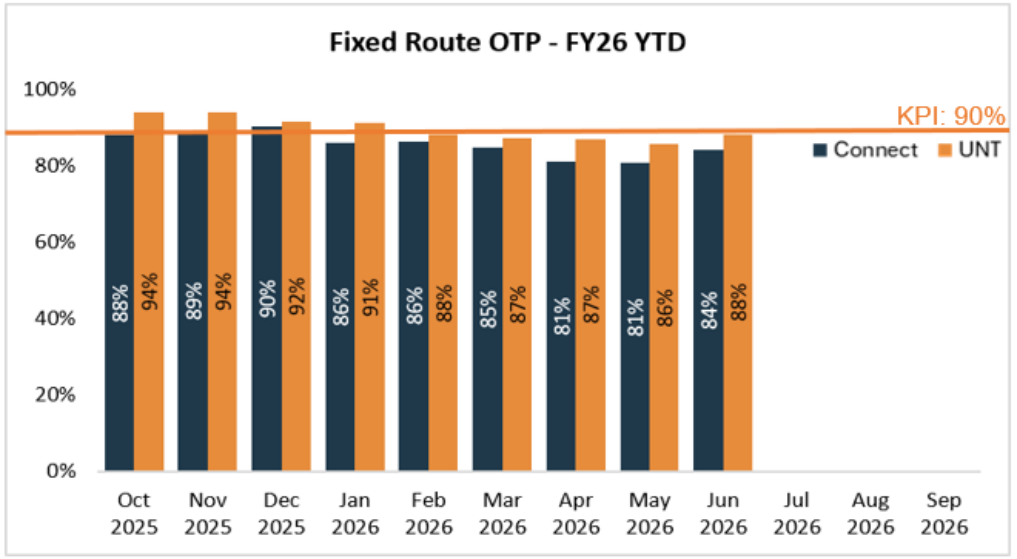
FY2025 IFR : 0.72

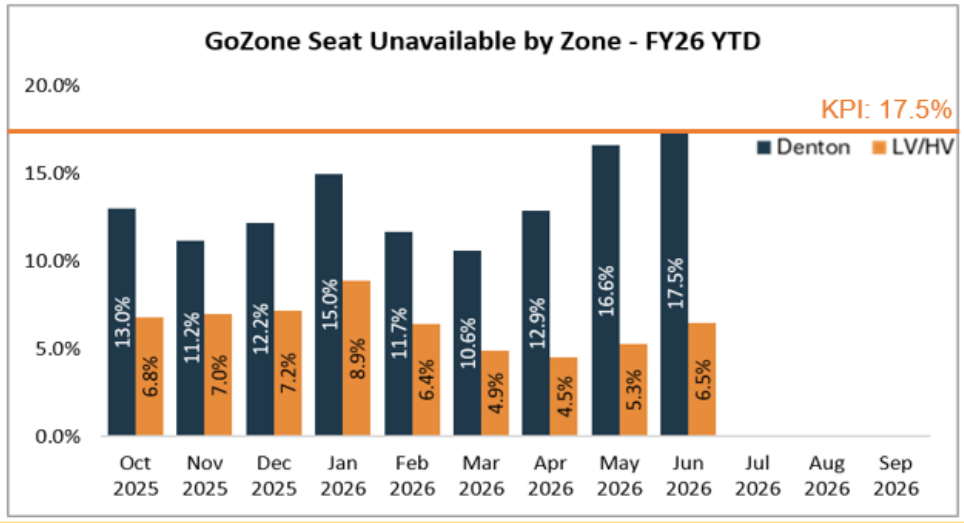
Rio Grande Pacific Operations	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26
1. FRA Preventable	0	0	0	0	0	0	0	0	0			
2. FRA Non-Preventable	0	0	0	0	0	0	0	0	0			
3. FRA Yearly IFR	0	0	0	0	0	0	0	0	0			
FRA Rail Crossing Reportable	0	0	0	0	0	0	0	0	0			

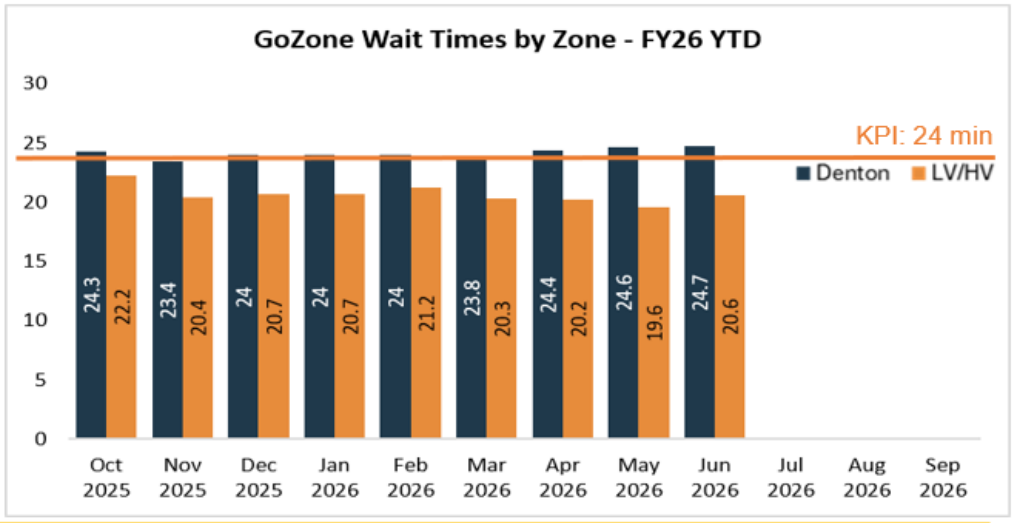
FY2025 IFR : 0.00

Service Performance Year to Date (June)

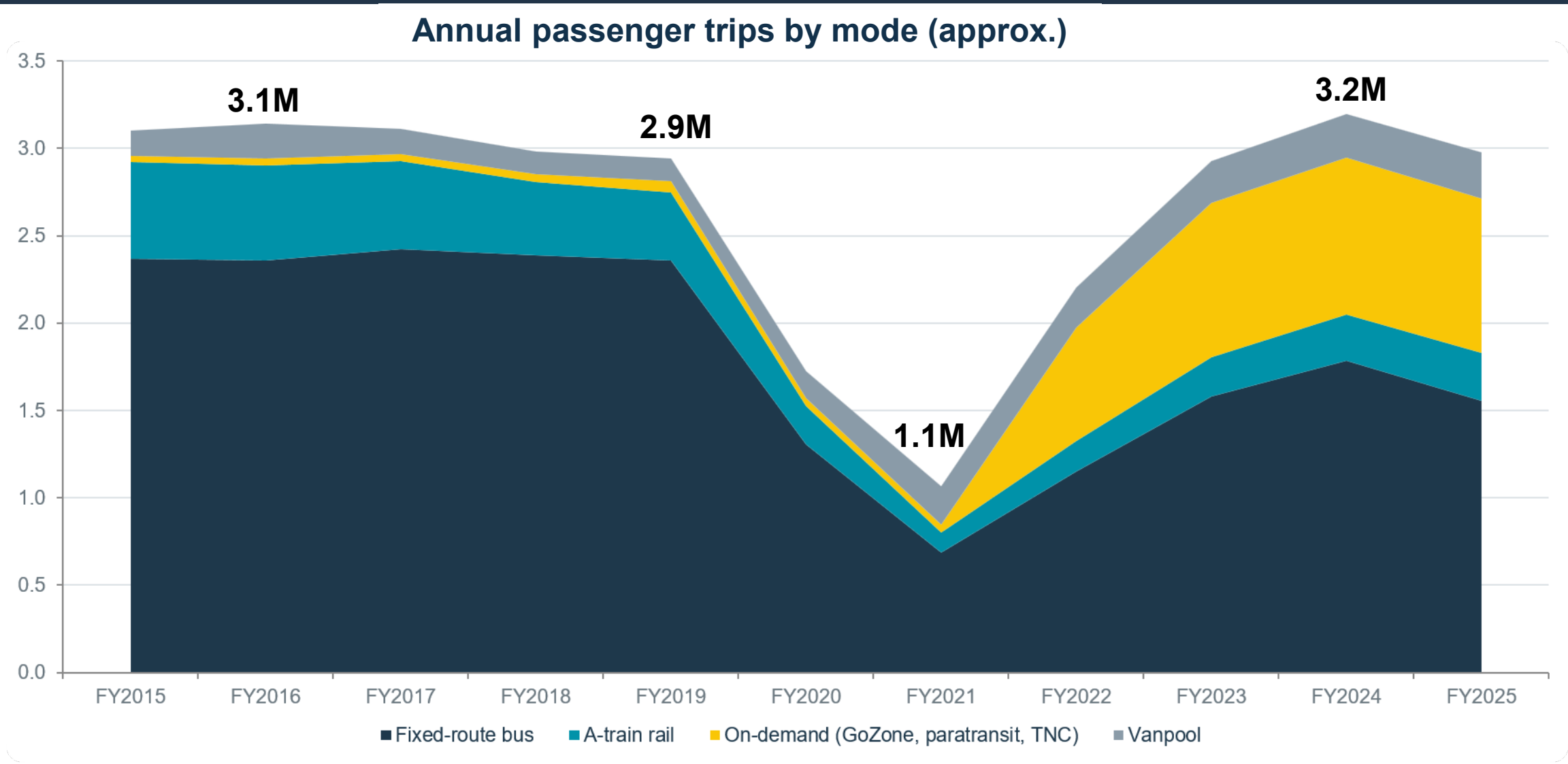




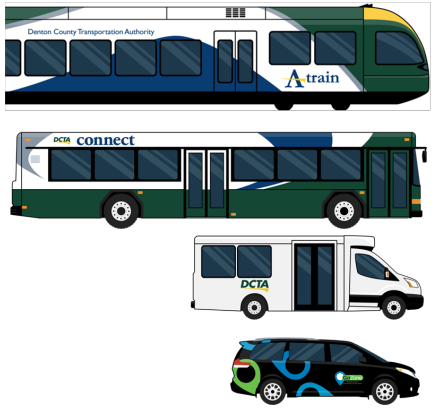




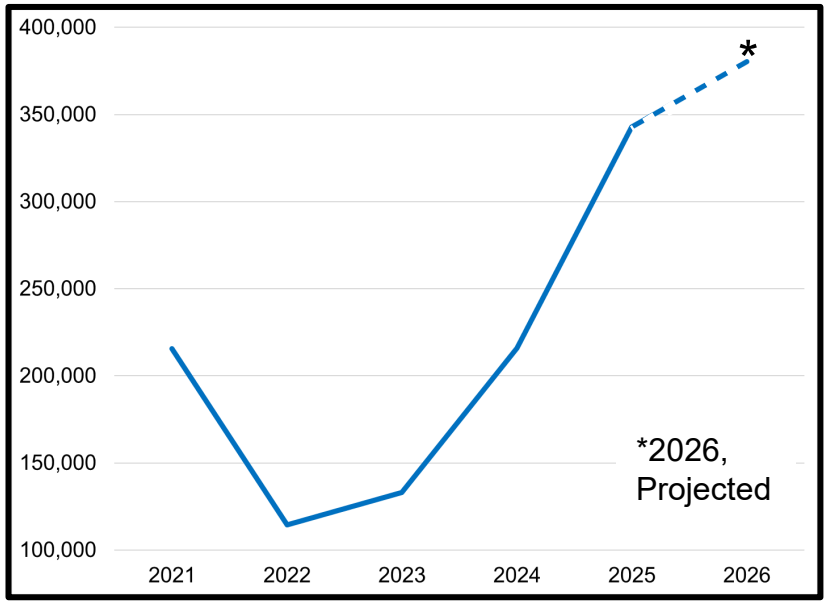
DCTA delivered record ridership in 2025 and continues to optimize the service mix to enable future growth



Ridership Performance Year to Date (June)



	FY25 Oct-Jun	FY26 Oct-Jun	Change
UNT	948,770	816,970	-14%
Fixed Route Bus	251,159	281,834	12%
A-train	207,152	214,530	4%
GoZone	627,763	626,039	-0.3%
Access	22,432	23,050	3%
Vanpool	188,725	258,091	37%
Total	**2,246,001**	**2,220,514**	**-1%**
Non-UNT Total	**1,297,231**	**1,403,544**	**8%**



On pace for 4-consecutive years of fixed route bus ridership growth in Denton on 60% fewer routes

- Member City (non-University) ridership is up 8% YOY
- A-train ridership up 4% year over year
- Intermediate Service Plan Phase 1 took effect 8/19/24. Positive outcomes continue:
  - FY25: 58% ridership growth
  - FY26 YTD: 12% ridership growth

Fixed Routes in Operation, By City

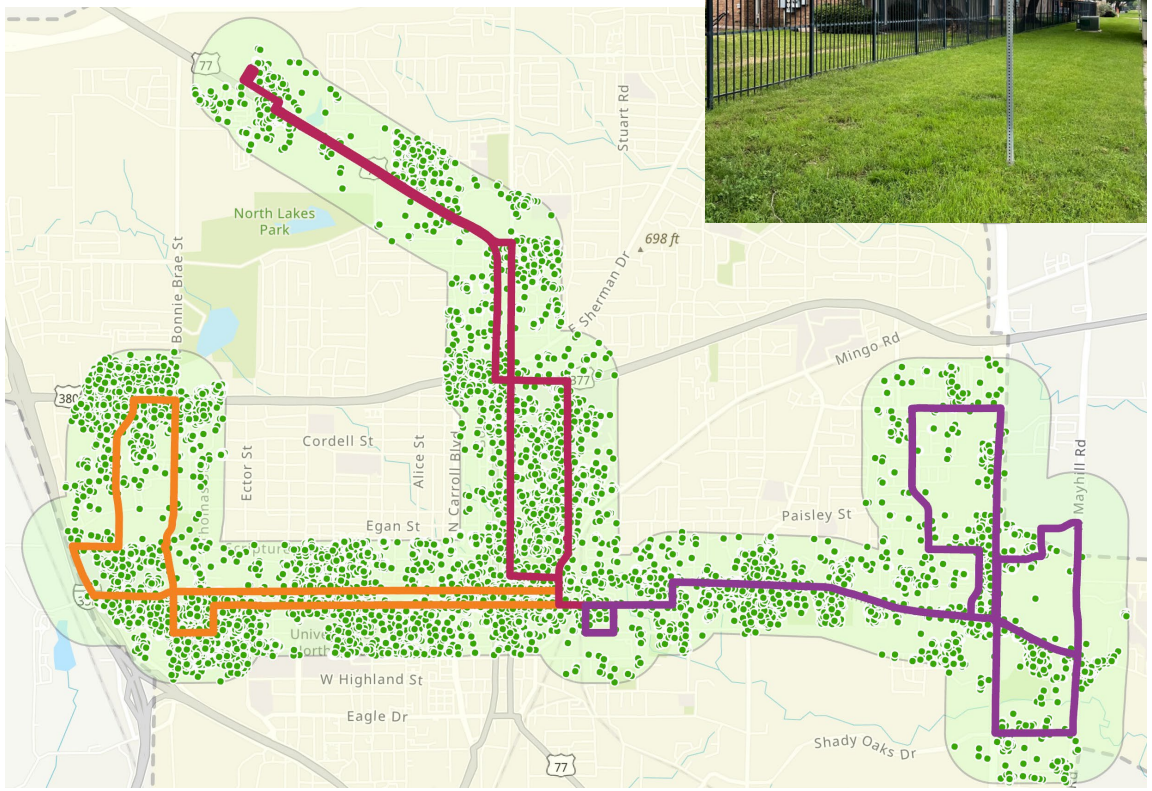
	2019	2026
Denton	8	3
Lewisville	2	0
TOTAL	10	3

August 2024: Intermediate Service Plan (ISP) Phase 1:
10% of GoZone trips in Denton Occurred within Fixed Route Network

- Increased frequency on Connect:
  - 20 Minutes Monday – Friday
  - 7 AM – 9 PM

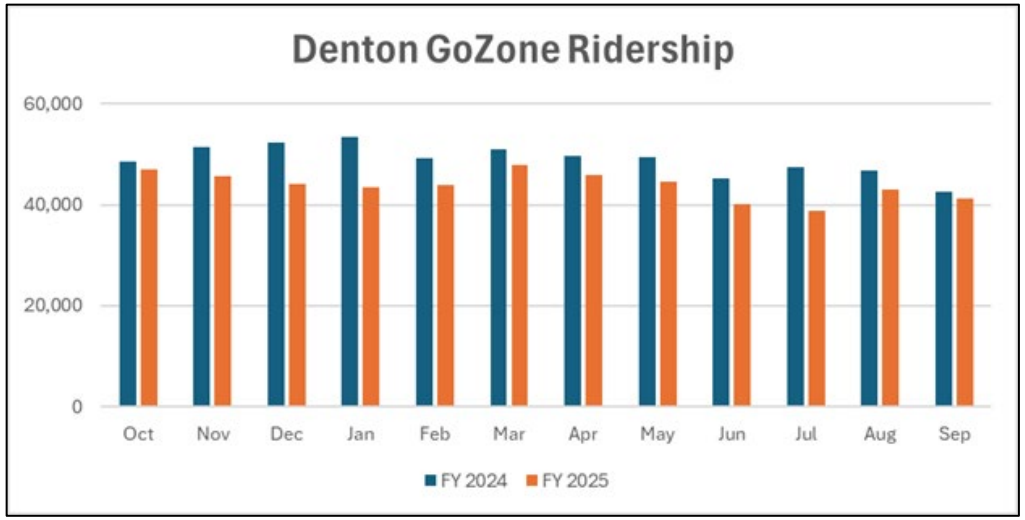
- Additional Bus Stop Infrastructure Plan
  - 18 stops added / relocated across all three routes

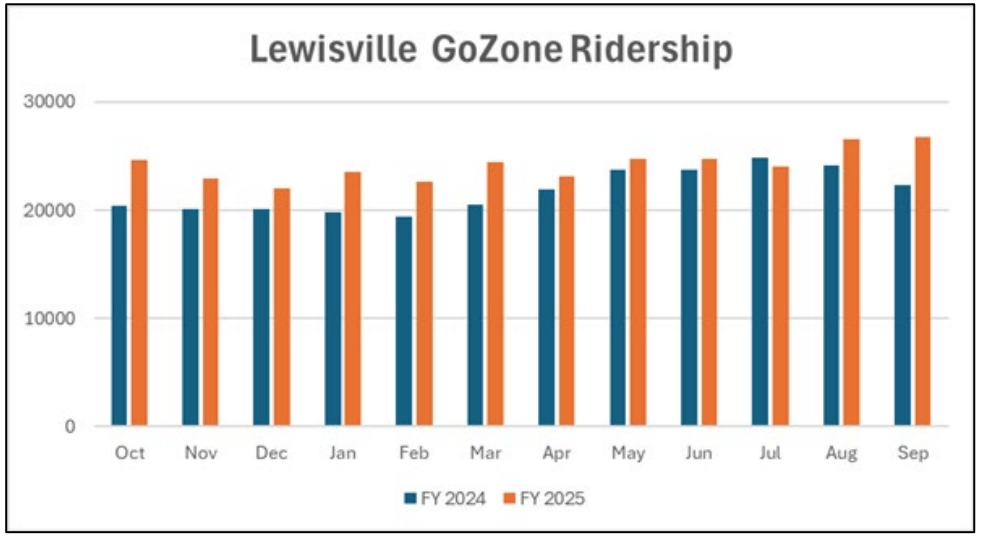
- GoZone App provides fixed route proposal when moving between points captured within the network

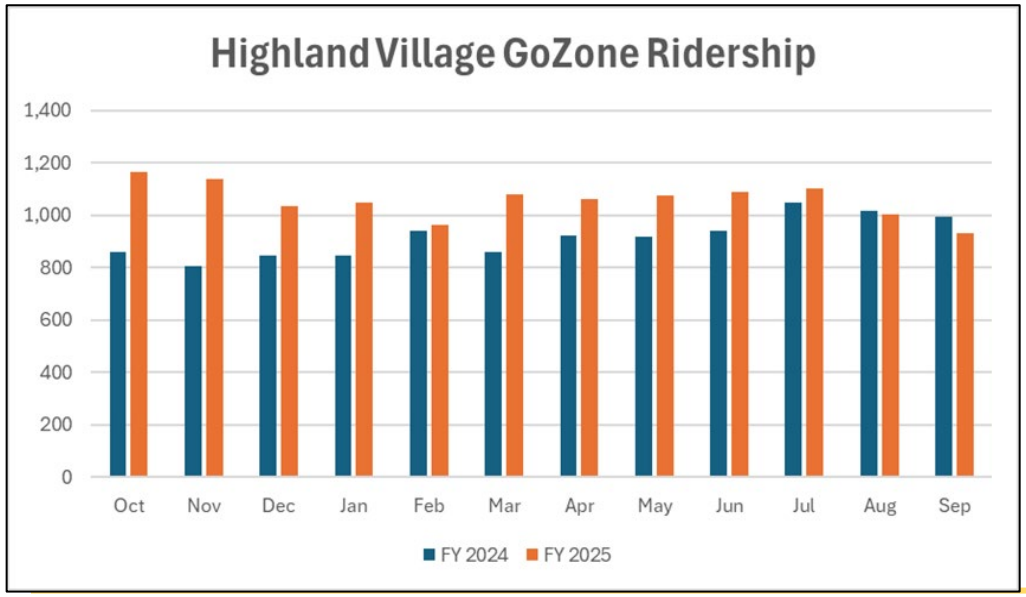


ISP Phase I Results: FY2025

All Member Cities gained ridership through modal optimization



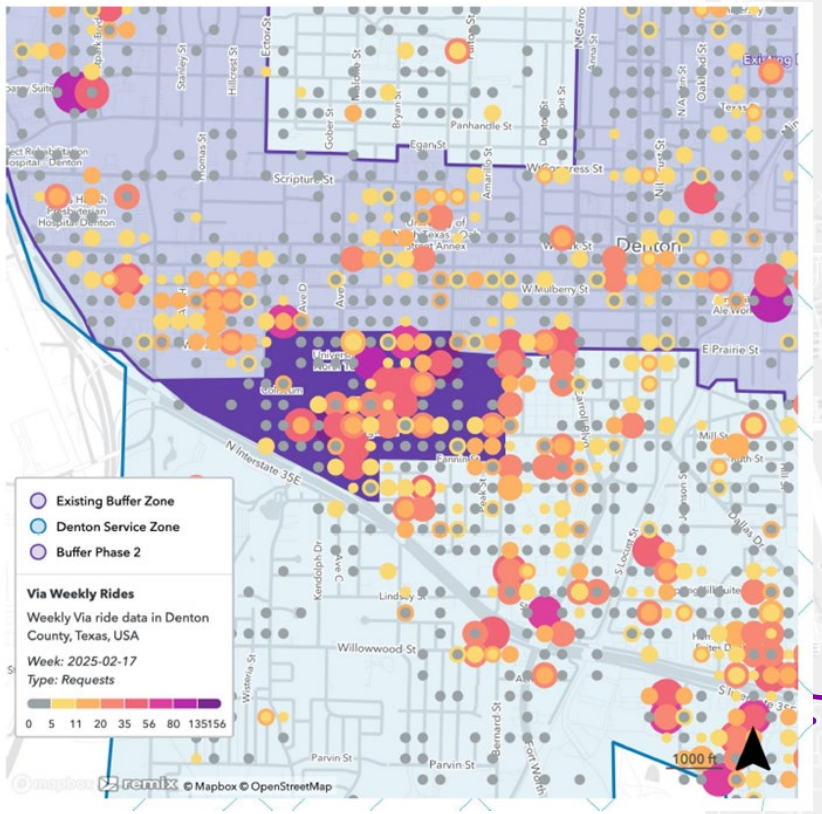


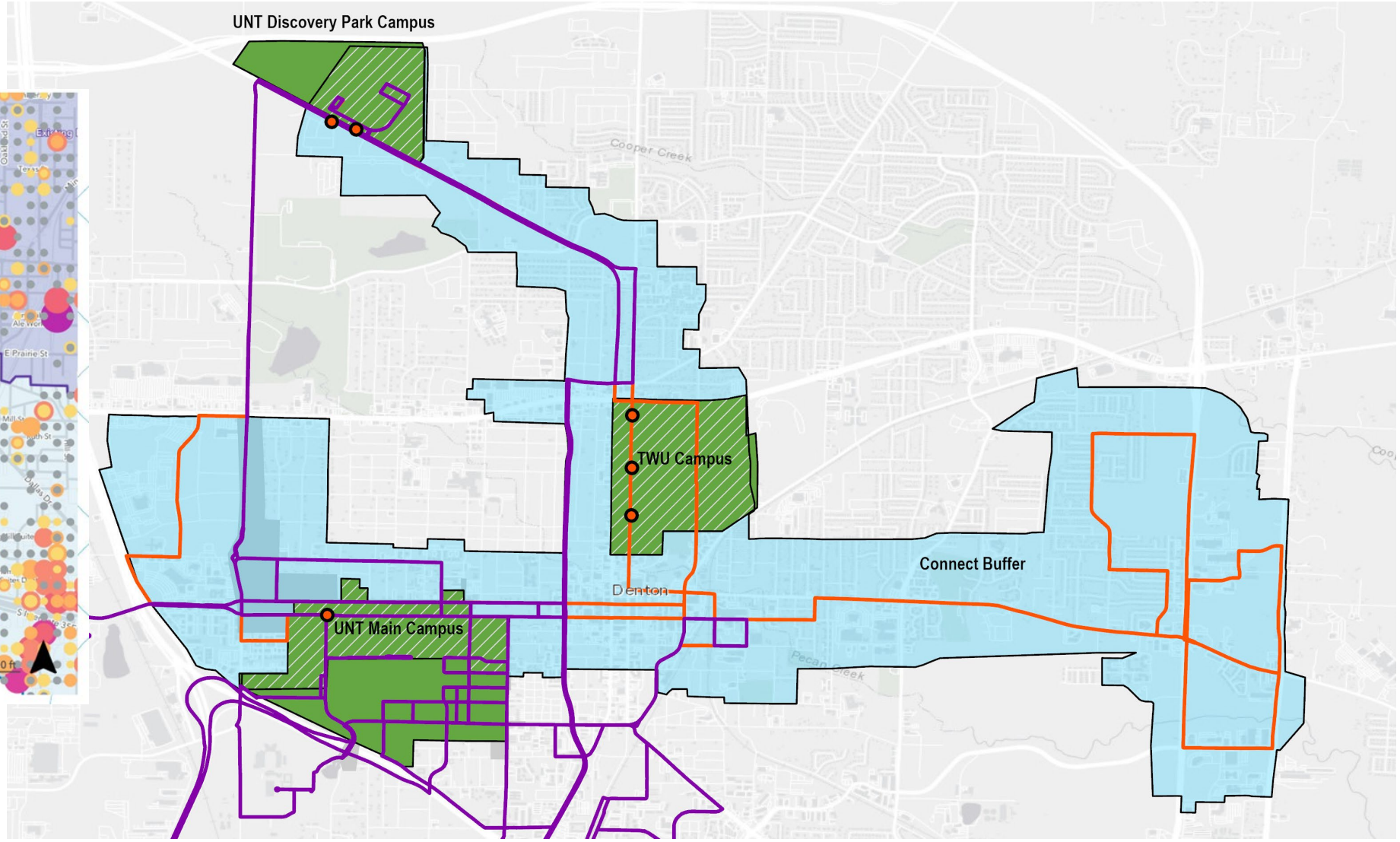


- ISP Phase 1 reduced GoZone ridership 11% in Denton and enabled 12% and 22% increases in Lewisville and Highland Village
- Connect Ridership increased 58% in Denton

	Denton YOY Ridership Change
Connect	+ 91,867
GoZone	- 47,509
Net Change	+ 44,358

ISP Phase II (Summer 2025): *Additional GoZone "Geofencing" Drives Fixed Route Trips To / From High Demand Campus Nodes*



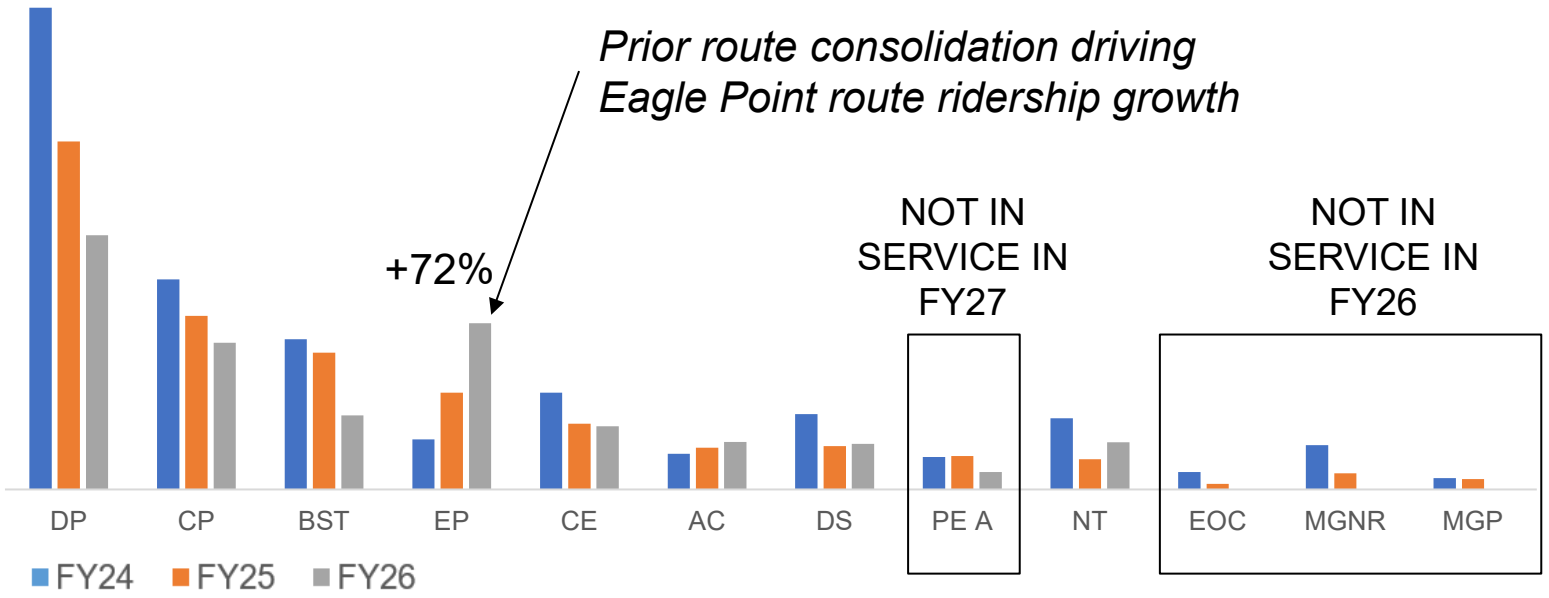


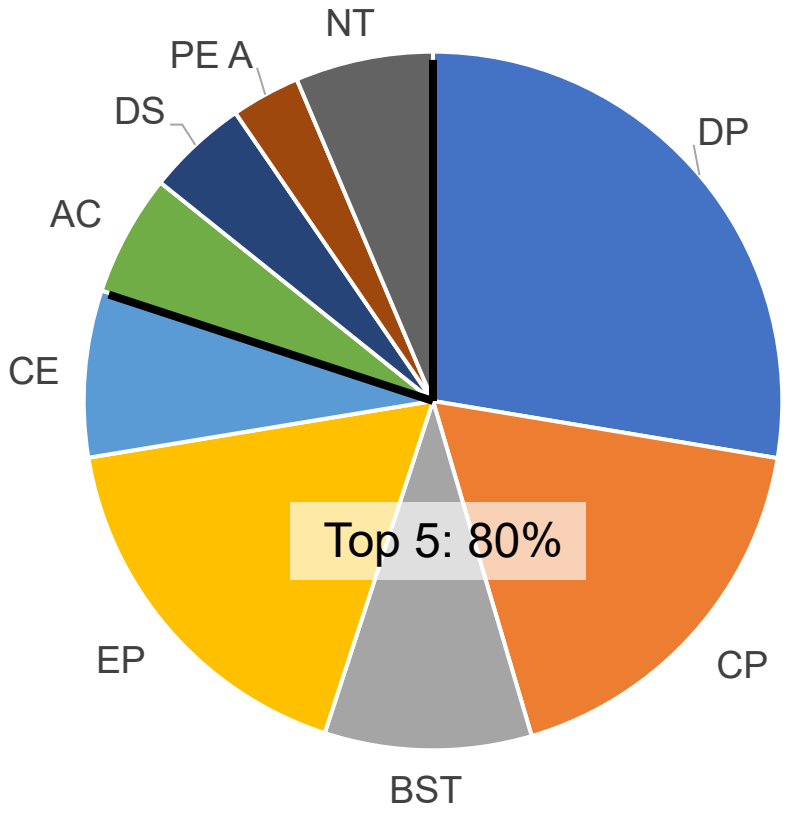
UNT Optimization and Partnership

Measure	FY2023	FY2024	FY2025	FY2026	FY2027 Proposed
Routes in service	14	14	10	9	8
Total annual service hours	40,576	43,941	41,721	42,165	40,900

Note on Total Annual Service Hours: FY23 – 25 reflect actual hours delivered. 2026 and 2027 are as budgeted. Typical "Delivered" versus "Actual" variance applied to FY27 yields

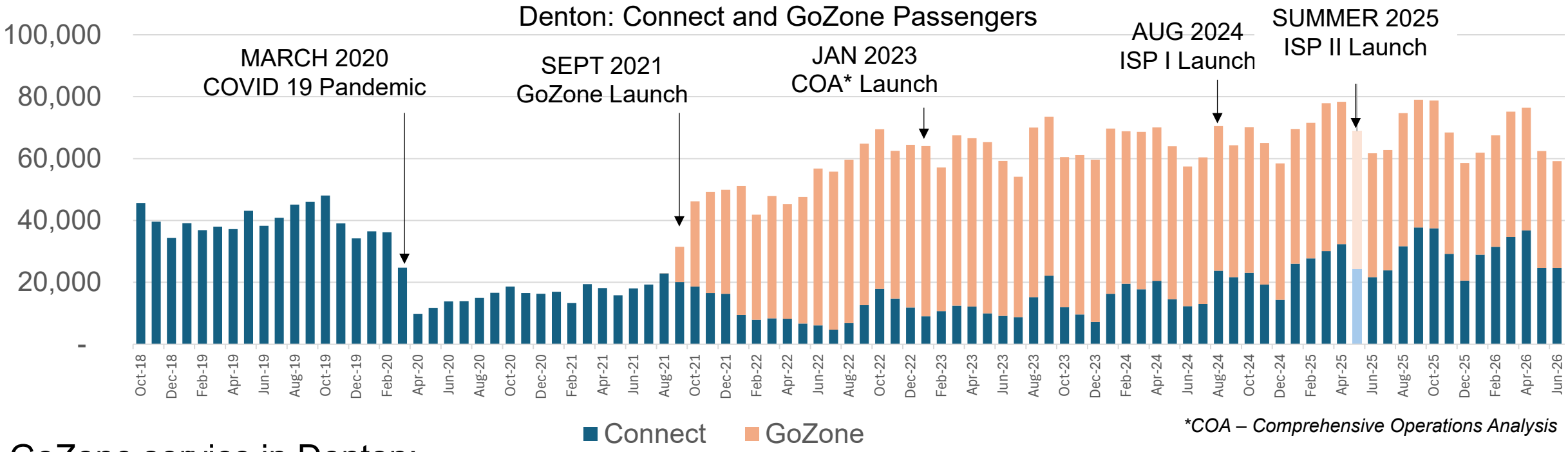
39,700





Denton Transit Evolution, FY2019 - Present

Denton Bus and GoZone Ridership by Month and Year



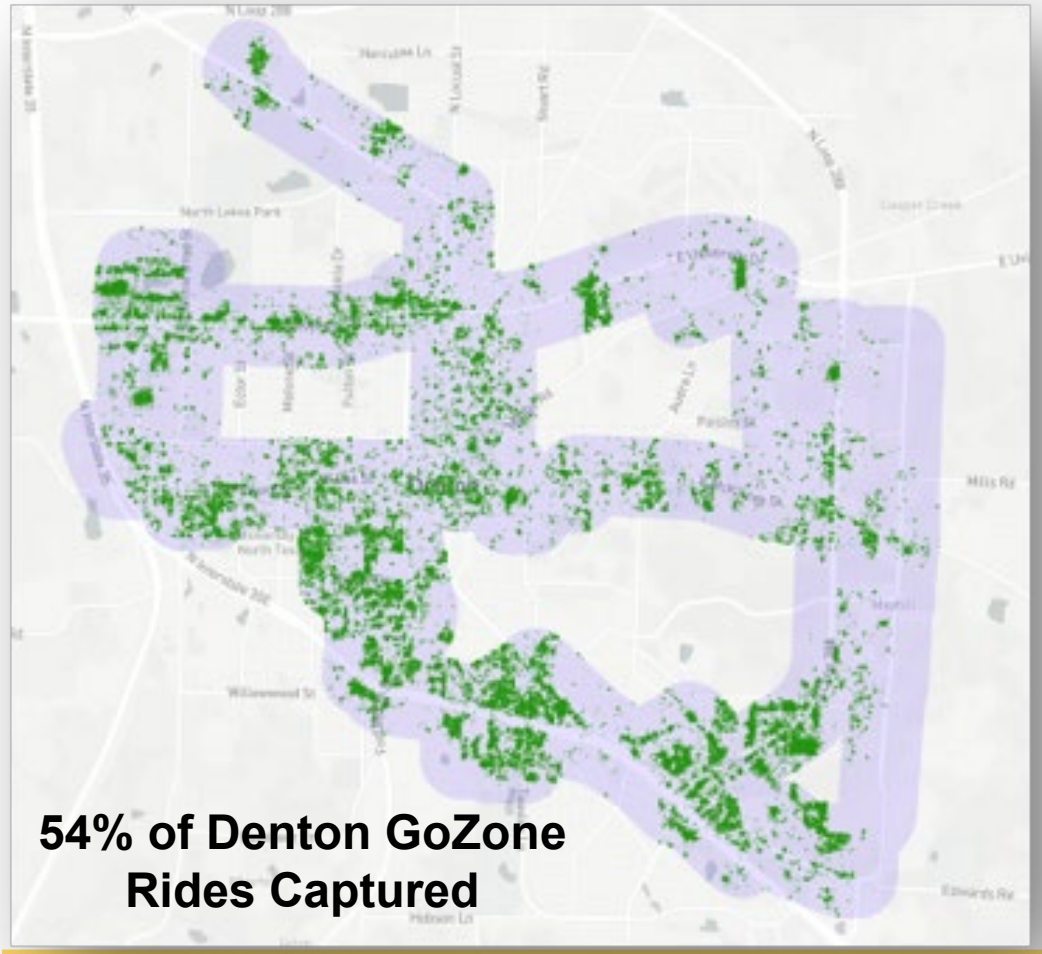
**COA – Comprehensive Operations Analysis*

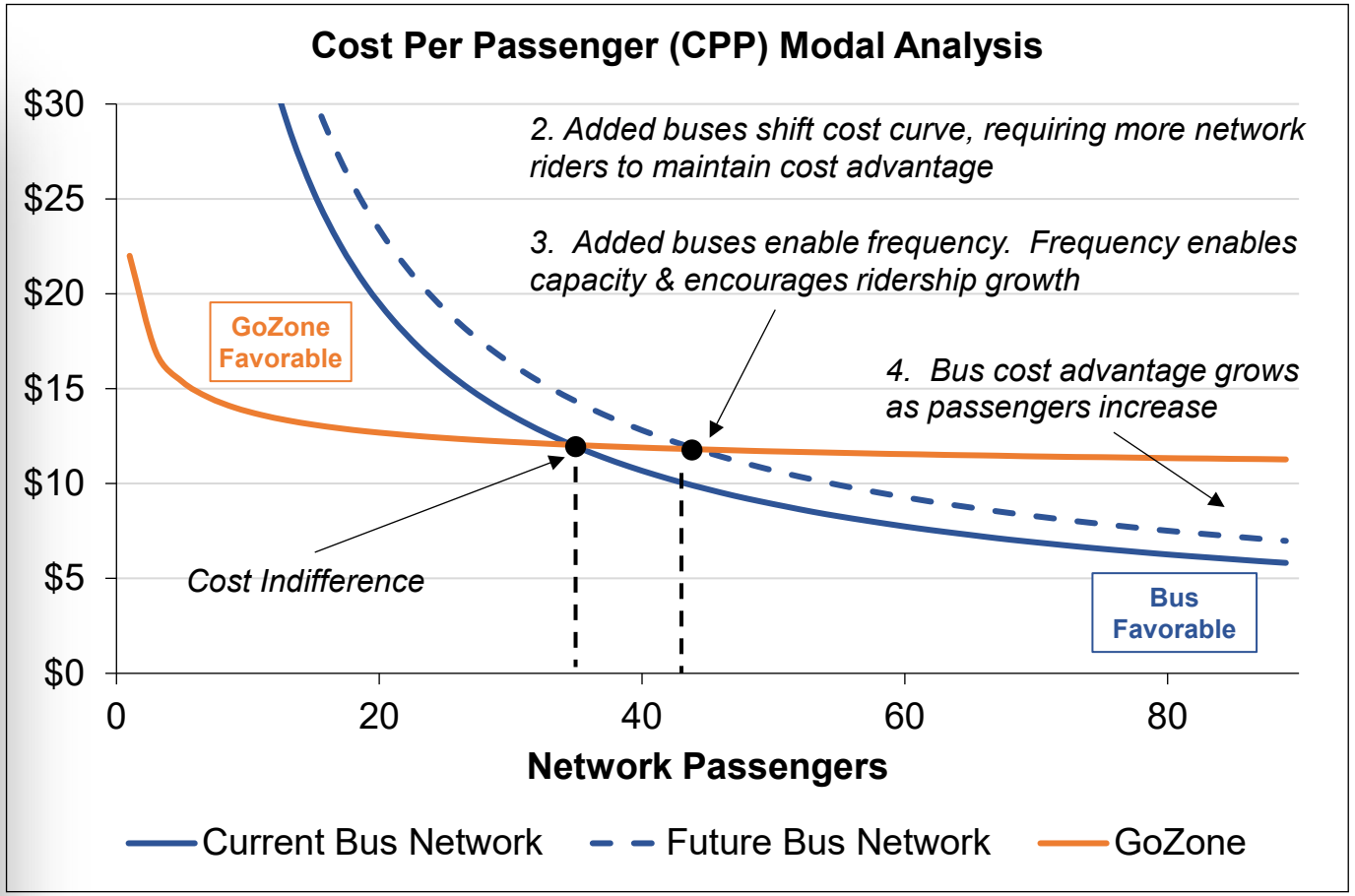
GoZone service in Denton:

- Increased overall transit ridership in the City ~50% annually
- Facilitated DCTA's return to pre-pandemic ridership faster than industry average
- Generates a reliable dataset for future fixed route bus planning

Next Step in Modal Optimization: Intermediate Service Plan (ISP) Phase III

- DCTA considering additional fixed routes to enable cost-efficiency in Denton and re-allocation of GoZone capacity

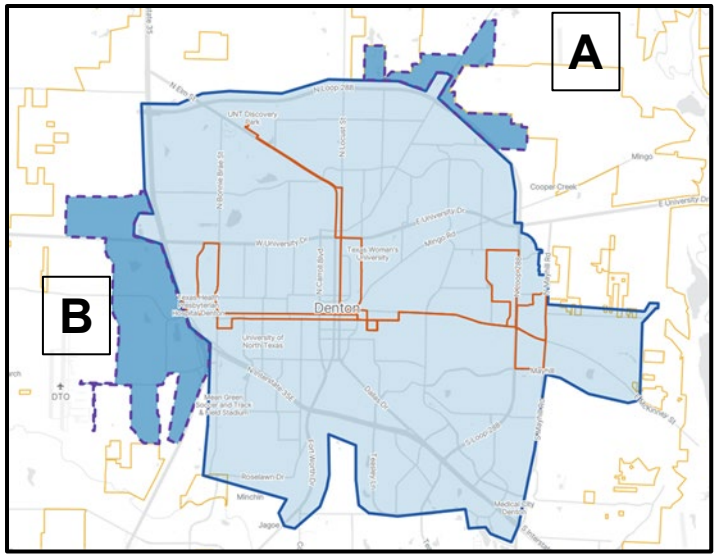


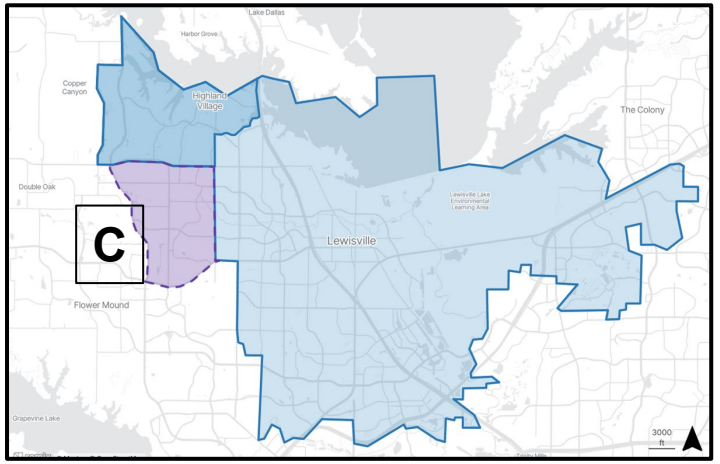


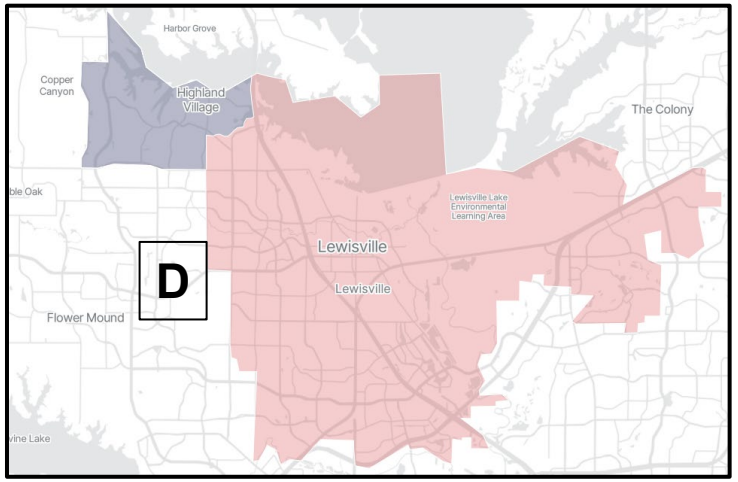
GoZone Productivity: 3.5 – 4.5 Passenger Trips per Hour (per vehicle)
Bus Productivity: 10 – 120 Passenger Trips per Hour (per vehicle, 20-min frequency assumed)

GoZone Redeployment Options

	Scenario 4		
	Low	Average	High
ISP III Hours Available	31,200	32,700	34,200
Cost Per Service Hour		$ 53.19	
Dollar Value		$ 1,739,313	
A) Denton Hodges	720	810	900
B) Denton WI35 / Airport	3,300	3,420	3,540
C) LV / HV / Flower Mound	16,800	17,400	18,000
Total		21,630	
Dollar Value		$ 1,150,500	
Remaining after Scenario Implementation		$ 588,813	
D) LV / HV KPI Contingency		$ 300,000	
Total Remaining		$ 288,813	







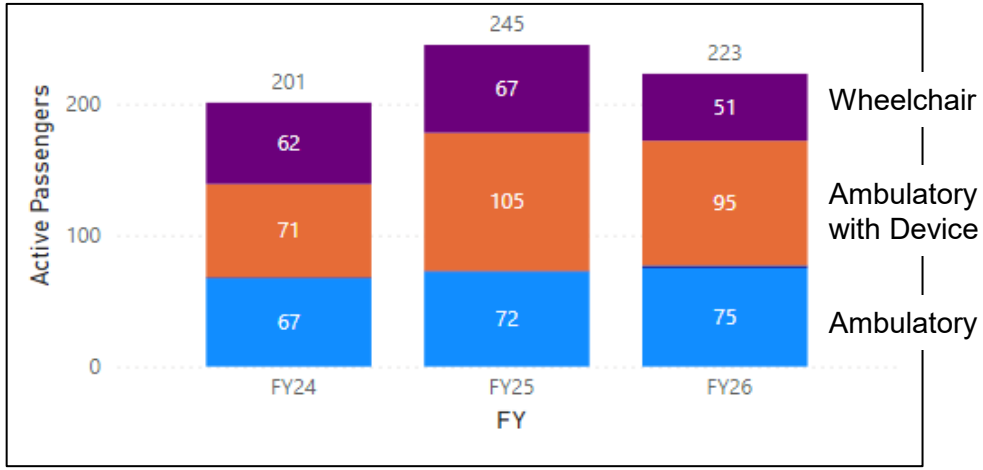
NOTE: Lewisville / Highland Village contingency budget (D) enables additional service hours to be deployed to achieve conceptual 20 minute wait time and 6% seat unavailability target in this zone.

Access Paratransit Service: Denton

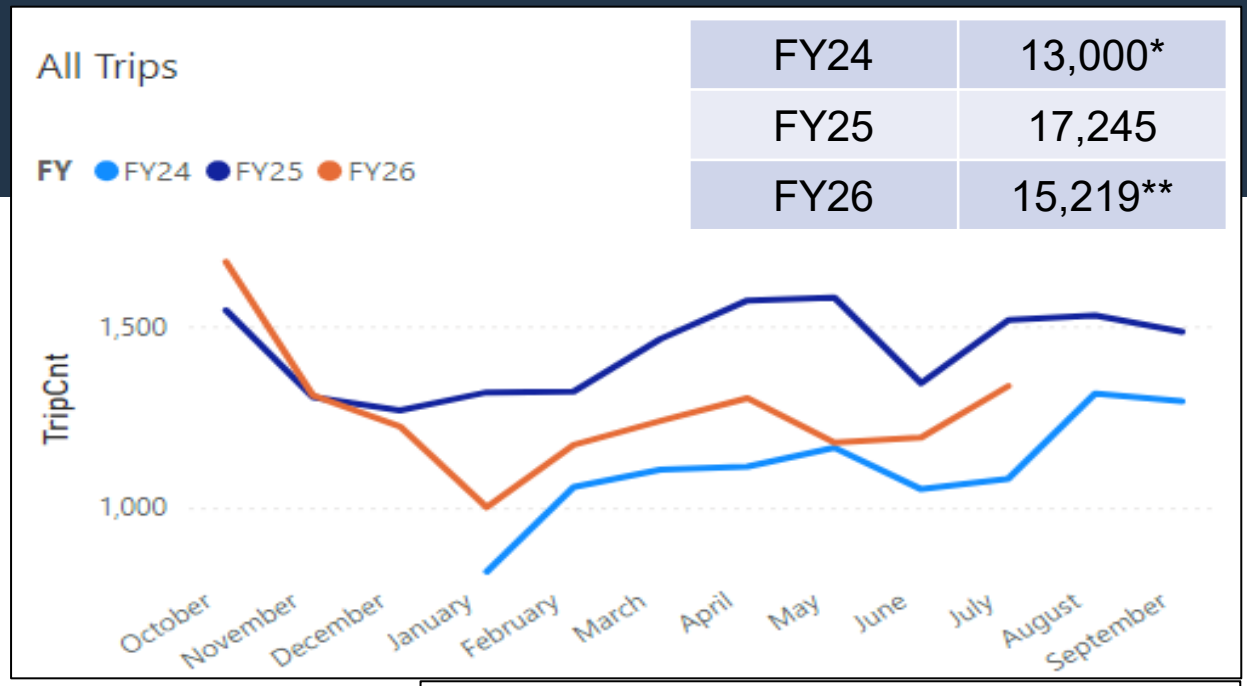
Service Profile:

- Dedicated wheelchair accessible vehicles Monday-Friday, 4:00 a.m. - 8:00 p.m. & Saturday 9:00 a.m. - 4:00 p.m.
- Reservations can be made by phone or with the "Ride DCTA App"
- ~40% of riders currently booking through the App

Active Paratransit Passengers by Mobility Type



- 170 of 223 (77%) of active Denton customers are ambulatory



FY24	13,000*
FY25	17,245
FY26	15,219**

** - Estimated. Data tracking in Spare platform began Jan 2024*
***- Projected based on actuals through July*

Top Demand Response Origins and Destinations

Rank	Destination
1	United Hands
2	DaVita Renal Center Of North Denton
3	Kroger
4	Life Works Community
5	Innovative Outcomes
6	Fresenius Kidney Care
7	Downtown Denton Transit Center
8	UNT Facilities Department
9	Eagle Landing
10	Medical City Denton

A-train Enhancement Program

Four coordinated investments in one corridor: faster trips, a longer line, more frequent trains, and a longer service day.

Curve & Speed Enhancements

Construction Pending

Track and signal work removing / improving some speed restrictions on the existing railroad.

Downtown Carrollton Extension

In design

Two-mile extension from Trinity Mills into Downtown Carrollton for single-seat transfer to the DART Silver Line and DFW Airport.

15-Minute Headways

In design

Passing track, signal upgrades, and equipment to enable 15-minute service. Schematic design and operational modeling underway.

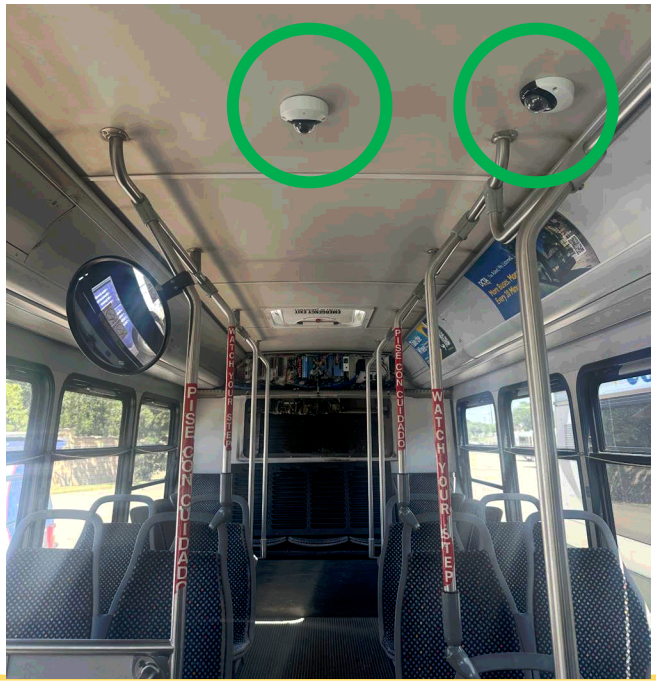
Expanded Service Hours

In analysis

Extending service later into the evening — requires shared-track operating windows with freight railroad and train control compatibility.

DCTA Passenger and Operator Safety Upgrades

1. Nearing completion of Security and Access Control Project, authorized in 2024. $5.1M project provides:
   - 600+ cameras across all facilities, buses, trains, and platforms
   - New platform emergency call boxes
   - Video retention
   - Centralized Security Operations Center

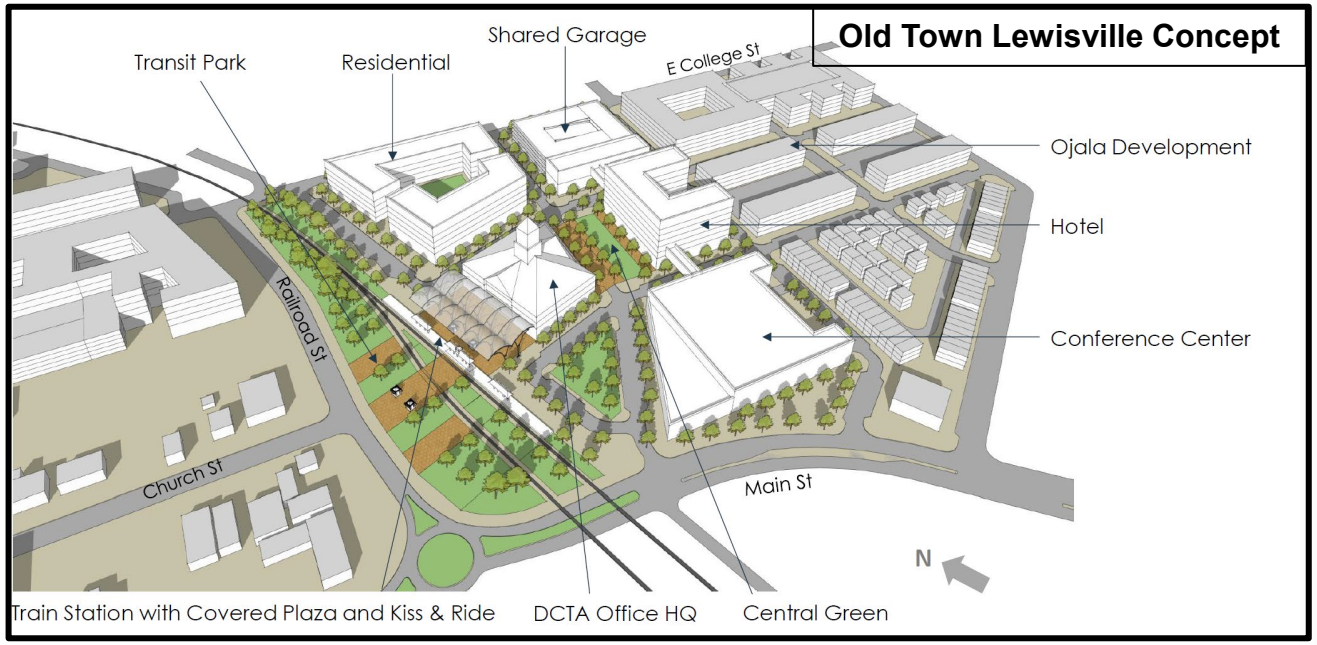


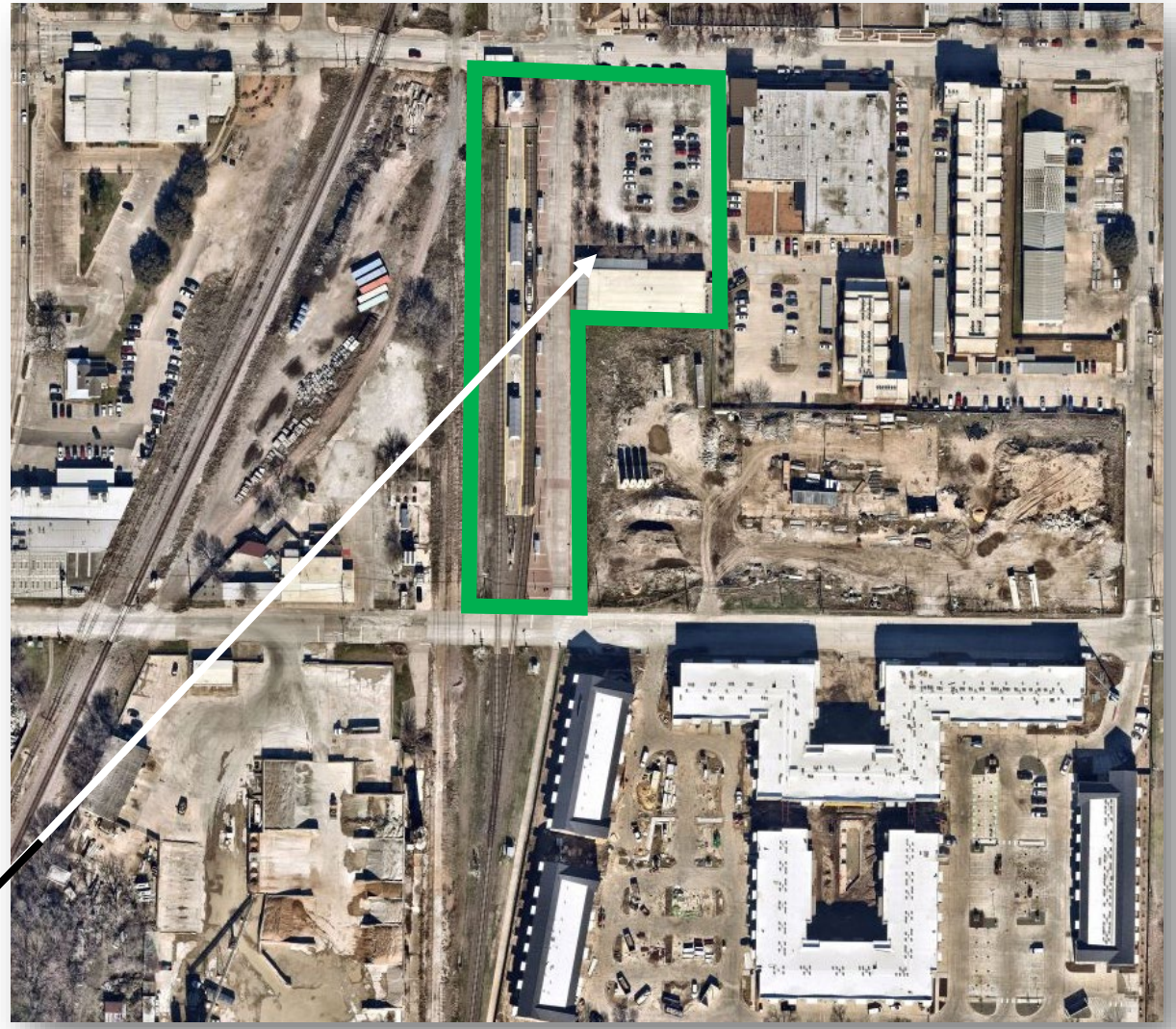
2. Bus Operator protection barriers

3. FY27 Budget request includes funding to increase Denton County Sheriff Presence on A-train with two additional full-time officers

Transit-Oriented Development Opportunity

- Old Town Lewisville partner identified and negotiations underway.





- Potential template to progress discussions around Downtown Denton Transit Center or other locations?

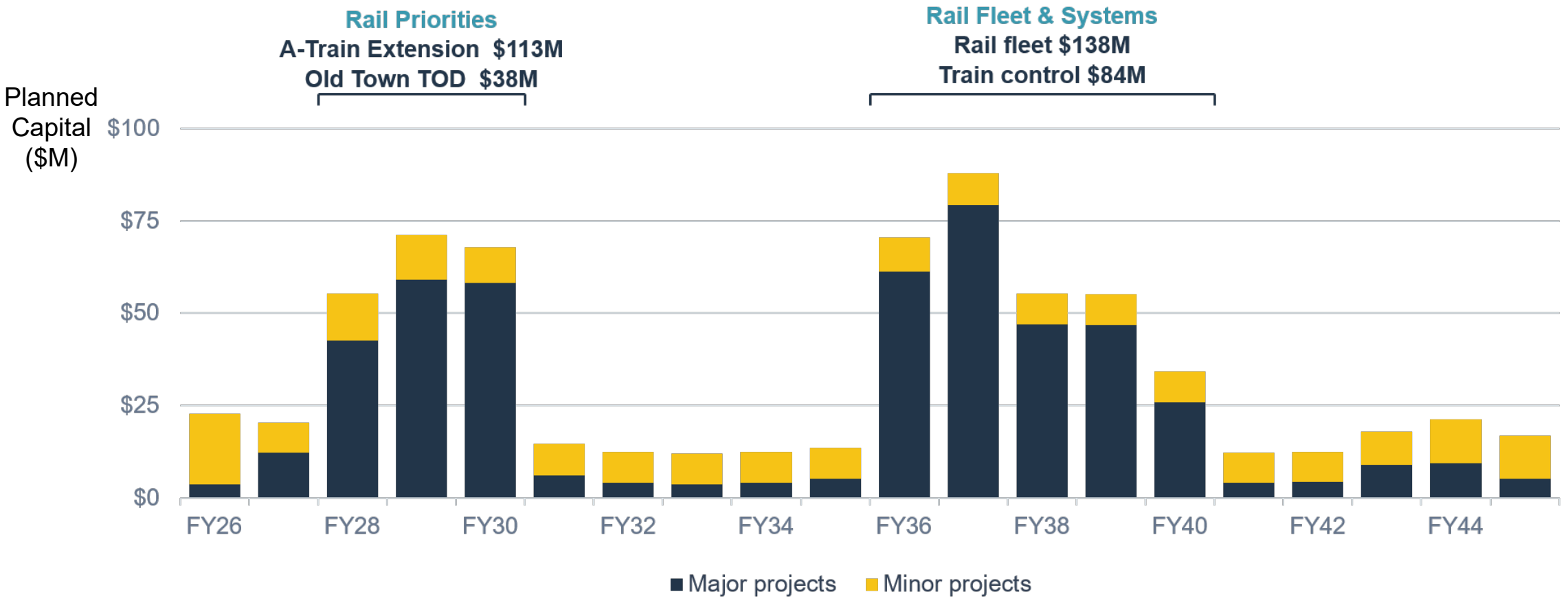
Transportation Reinvestment Program (TRiP)

- The TRiP program provides financial assistance to DCTA member cities for transit-supportive projects
- From FY21 – 26, DCTA has authorized $48.7M in TRiP funds to its Member Cities, or 118% of anticipated 2026 total sales tax collection ($41.4M)
- The City of Denton has been authorized $22.7M from the TRiP program between FY21 – FY26 and has obligated $20.8M of those funds to projects.

CFP Year	Project ID	Project Name	Funding Award	Invoiced to Date	Project Status
FY '21	D1	All-Way Crosswalk Design	$68,210	$68,210	Complete
	D2	A-Train to UNT Bike and Pedestrian Path	$1,626,865	$417,801	Under Construction
	D3	Bell Sidewalk Construction	$98,357	$98,357	Complete
	D4	Ginnings & Alexander Elementary Sidewalks	$505,861	$505,861	Complete
	D5	Medpark Sidewalk Construction	$81,412	$81,412	Complete
	D6	Wilson & Pecan Elementary Sidewalks	$137,292	$137,292	Complete
FY '22	D7	Mayhill Road Extension Phase 2	$592,500	$592,500	Complete
	D8	SED-A Bundle	$82,500	$82,500	Complete
	D9	SED-B Bundle	$228,750	$228,750	Complete
	D10	UPRR Quiet Zone	$568,578	$368,215	Under Construction
	D11	Loop 288 Sidewalks	$360,000	$360,000	Complete
	D12	Downtown Sidewalks	$1,089,750	$97,421	Under Construction
	D13	Morse On-Street Trail	$152,500	$0	Requested Scope Change
	D14	A-Train to UNT Bike and Pedestrian Path (added funding)	$88,490	$0	Under Construction
	D15	All-Way Crossing Construction	$333,561	$333,561	Complete
FY '23	D16	Shady Oaks DCTA Crossing Quiet Zone Improvements	$75,000	$0	95% Design
	D17	Katy Trail Extension - Mayhill/Colorado (aka Grade Crossing Closure at Mayhill/Edwards)	$514,560	$68,784	30% Design
	D18	Bonnie Brae Phase 3 - UNT Sidepath Improvements	$5,000,000	$5,000,000	Complete
FY '24	D19	McKinney Street Multimodal Improvements	$1,519,060	$23,775	30% Design
	D20	Woodrow Lane Multimodal Improvements	$850,000	$17,700	30% Design
	D21	Morse St/Woodrow Signal/Safety Improvements	$850,000	$557,493	Under Construction
	D22	Riney Road Sidepath and Safety Improvements	$750,000	$407,572	Under Construction
	D23	Sidewalk Connectivity and Shelter Pad Allowance	$1,000,000	$0	Not Started
FY '25	D24	Colorado Boulevard Multimodal Improvements	$1,000,000	$0	Not Started
	D25	Fry Street Multimodal Improvements	$257,903	$0	Not Started
	D26	Katy Trail Extension (requesting name change)	$2,500,000	$0	30% Design
	D27	UPRR Quiet Zone Phase 2	$483,949	$0	Under Construction
FY '26	D20	Woodrow Ln Sidewalk/Trail Improvement (Construction, added funding)	$1,844,274	$0	Proposed - Pending Approval

TRiP and DCTA Long-Range Financial Plan Context

- Since 2021, agency has identified requirements for vehicle fleet replacement and priority projects
- Emerging Long Range Financial Plan demonstrates ability to meet agency requirements on 20-year planning horizon
- “Evergreen” TRiP policy enables Board to consider annual program budget up to 15% of Net Available Fund Balance



DCTA Fleet Additions and Vehicle Branding Initiative

- A-train Paint Scheme applied to new buses and GoZone vehicles
- Six model year 2026 and three model year 2020 buses inbound and preparing for service.
- Anticipate 3 buses to be ordered in FY27 with discretionary grant funds at 85%

END

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Office of Strategy, Budget, and Performance**

ACM: **Christine Taylor**

DATE: **August 18, 2026**

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the preliminary FY 2026-27 City Manager's Proposed Budget and Schedule of Fees.

BACKGROUND

The FY 2026-27 City Manager's Proposed Budget was presented to the City Council during the Budget Workshop on August 8, 2026. The purpose of this agenda item is to provide the City Council with an update, as well as provide additional opportunity for questions and dialogue on the proposed tax rate and budget. Additionally, this agenda item will provide a summary of the proposed fee schedule adjustments for General Fund departments, and a summary of the proposed Enterprise fund budgets and rates.

Below is the schedule we will follow to adopt the budget and tax rate:

September 15, 2026	-	Public Hearing on Tax Rate Public Hearing on Proposed Budget
September 22, 2026	-	City Council Adopts Budget, Tax Rate

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The proposed fiscal year 2026-27 utility budgets were presented to the Public Utilities Board on July 27, 2026 and recommended 6-0. A workshop to present the fiscal year 2026-27 proposed budget to the City Council was conducted on August 8, 2026.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 – Budget Workshop Follow-up
Exhibit 3 - Presentation

Respectfully submitted:
Aimee Kaslik
Chief Strategic Officer
Office of Strategy, Budget, and Performance

City Manager's Office
215 E. McKinney St., Denton, TX 76201 • (940) 349-8307

MEMORANDUM

DATE: August 12, 2026

TO: Mayor and Council

FROM: Aimée Kaslik

SUBJECT: FY 26-27 Budget Workshop Follow-Up

On August 8, 2026, the FY 26-27 Budget Workshop was held. During the session, City Council Members requested additional information that required follow-up.

How much sales tax revenue is not being collected from the data center exemption?

At this time, we cannot precisely quantify how much sales tax revenue the City is not collecting due to the data center exemption. The exemption applies only to specific qualifying items that are "necessary and essential" to operating a data center, such as servers, electrical and cooling systems, generators, data storage equipment, and certain software. Determining the value of these exempt purchases requires detailed transaction-level information that is not publicly available and is not reported to the City by vendors or the data center operator.

While we may be able to obtain electric-usage data from DME, this alone does not reveal the full extent of exempt purchases. Other qualifying items—hardware, infrastructure systems, and component parts—are purchased from multiple vendors, and the City has no mechanism to view itemized invoices or distinguish qualifying from non-qualifying purchases. State law also requires the data center to pay *local* sales and use tax on qualifying items, but the City does not receive information listing which purchases were exempt at the state level versus taxable locally.

Because we currently lack access to the underlying purchase records needed to identify and total exempt transactions, any estimate of lost sales tax revenue would be incomplete and potentially inaccurate. A reliable calculation would require cooperation from the operator, access to exemption certificates, and detailed purchase documentation that is not presently available.

Of the $9.6 million dollar increase in property tax revenue, how much is from Business Personal Property?

Approximately $5,561,914, or 57.87% of the increase in property tax revenue comes from Business Personal Property. Additionally, $4,438,418 is from new value, and $1,123,495 is from changes in existing value.

How much electricity revenue does it take to generate $1 Million in Return on Investment for the general fund?

$16.67 Million in revenue generates $1 Million in return on investment (6% of revenues).

Will Pecan Creek Stormwater Master Plan improve flooding in the Southridge area?

The Pecan Creek Stormwater Master Plan is a watershed-wide effort to better understand drainage conditions, identify current and potential future flood risks, and develop a long-term strategy for improving the City's stormwater system. The plan will evaluate both the condition of existing drainage infrastructure and how stormwater moves through the Pecan Creek watershed to identify areas where improvements may be needed to reduce flood risk, address aging infrastructure, and support safe and sustainable growth.

Only a portion of the Southridge neighborhood is located within the Pecan Creek basin with the remainder located within the Hickory Creek drainage basin. The northwest portion of the neighborhood will be evaluated during the Pecan Creek Stormwater Master Plan. However, staff does have plans to complete a similar master plan for the Hickory Creek drainage basin, dependent on funding availability.

What is the impact of drainage leaving the wastewater fund?

There is no year-over-year impact on the wastewater fund from drainage activities leaving the fund. Drainage has always been treated as a separate component and has never been included in wastewater rate projections or wastewater budget assumptions. Staff assigned to drainage have historically been funded through the drainage portion of the overall utility fund, not the wastewater portion. Their personnel and operating costs have been covered entirely by drainage fees and, where applicable, cost allocation charges. As a result, the removal of drainage has no financial or staffing impact on the wastewater fund.

FY 2026-27 Budget Update

Understanding Today's Budget and Preparing for Tomorrow

Overview

- Budget Workshop Follow-up Items
- Rates and Fees Discussion

Council Action Items

Item	Annual Cost	Category	Type	August 8 Workshop Status
One EMS Lieutenant	188,660	Two-Minute Pitch	Ongoing	Recommended for Funding
One EMS Lieutenant	188,660	Two-Minute Pitch	Ongoing	Recommended for Funding
Fire Pension COLA	2,378,648	Two-Minute Pitch	Ongoing	
Woman's Building Lease Revenue	1,320	Council Action	Ongoing	Recommended for Funding (placeholder for future discussion)
Additional Sponsorship Dollars	TBD	Council Consideration		
Additional 1% for Fire Compensation	$301,610	Council Consideration		
Total	**$ 3,058,898**			

$796,320 is available in the General Fund as a placeholder for Council priorities. The items shown in the chart reflect two-minute pitch proposals or Council action items that were directed for discussion during the FY 27 budget process.

Fire/EMS

Rates and Fees Discussion

Overview

- Align fees with actual, updated costs by revising EMS medication charges based on manufacturer pricing and protocol changes.
- Introduce cost-recovery for specialized operations through new technical-rescue reimbursements and replacement charges for damaged equipment.
- Add transparent, event-based service fees for bomb technician standby support at special events.

Proposed Rate Changes

Emergency Medical Service Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Acetaminophen Elixir 160MG/5ML	$2.59	$4.00	$1.41	
Acetaminophen IV, 1GM	-	$10.19	$10.19	New
Adenocard 6MG/2ML ANSYR Syringe	$17.50	$4.10	-$13.40	
Amiodarone 15MG, 3ML vial	$10.08	$2.50	-$7.58	
Atropine 1MG/10ML	$16.50	$12.92	-$3.58	
Cefepime 2GM	-	$9.28	$9.28	New
Cyanokit (Hydroxocobalamin)	$1,174.00	$1,310.48	$136.48	
Dextrose 10% 25GM/250ML Bag	$19.00	$6.81	-$12.19	
Dextrose 25% 10ML Pre-Filled Syringe	$18.50	$25.25	$6.75	
Dextrose 50% 25GM/50ML	$17.10	$22.50	$5.40	
Diltiazem 25MG, 5ML Vial	$7.24	$4.00	-$3.24	
Diphenhydramine 50MG	$3.60	$8.64	$5.04	

Proposed Rate Changes

Emergency Medical Service Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Epinephrine 1:1000 1ML AMPULE	$25.80	$15.60	-$10.20	
Epinephrine 1:10000 1MG 10ML	$12.40	$14.54	$2.14	
Fentanyl	$3.96	$5.00	$1.04	
Glucagon 1MG Lilly Kit Red Box	$207.10	$242.46	$35.36	
Ketamine 50MG/ML, 10ML Vial	$13.73	$8.05	-$5.68	
Lidocaine 2% 5ML Jelly	$9.04	$7.80	-$1.24	
Magnesium Sulfate 1GM 2ML 5GM, 10ML	$3.98	$10.00	$6.02	
Midazolam 1MG/ML	$2.06	$0.00	-$2.06	Removing
Midazolam 10MG/2ML	$1.56	$0.00	-$1.56	Removing
Naloxone 2MG 2ML	$40.26	$10.32	-$29.94	
Ondansetron 4MG 2ML Vial	$2.06	$0.25	-$1.81	
Sodium Bicarbonate 8.4% 50ML	$19.70	$22.40	$2.70	
Tranexamic Acid 100MG/ML, 10 ML Vial	$36.52	$3.04	-$33.48	
Vecuronium 10ML	$26.69	$6.45	$20.24	

Proposed Rate Changes

Technical Rescue Reimbursement

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Apparatus				
Engine	-	$242.00	$242.00	New
Aerial Apparatus	-	$298.00	$298.00	New
Ambulance	-	$150.00	$150.00	New
Battalion Chief Truck	-	$98.00	$98.00	New
Heavy Rescue	-	$641.00	$641.00	New
Lumber				
3/4" plywood walk boards (2'x8')	-	$33.00	$33.00	New
3/4" plywood (4x8 sheets)	-	$55.00	$55.00	New
3/4" plywood half gusset (6"x12")	-	$11.00	$11.00	New
3/4" plywood full gusset (12"x12")	-	$16.50	$16.50	New
3/4" plywood double gusset (12"x24")	-	$22.00	$22.00	New

Proposed Rate Changes

Technical Rescue Reimbursement

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Lumber (continued)				
Fin form plywood shoring (4'x8" sheet)	-	$385.00	$385.00	New
2x4 yellow pine wedges	-	$5.50	$5.50	New
2x4 yellow pine lumber (8')	-	$6.60	$6.60	New
2x4 yellow pine lumber (10')	-	$8.80	$8.80	New
2x4 yellow pine lumber (12')	-	$11.00	$11.00	New
2x4 yellow pine lumber (16')	-	$13.20	$13.20	New
2x6 yellow pine lumber (8')	-	$9.90	$9.90	New
2x6 yellow pine lumber (10')	-	$12.10	$12.10	New
2x6 yellow pine lumber (12')	-	$14.30	$14.30	New
2x6 yellow pine lumber (16')	-	$20.90	$20.90	New
2x8 yellow pine lumber (8')	-	$11.00	$11.00	New
2x8 yellow pine lumber (10')	-	$13.20	$13.20	New
2x8 yellow pine lumber (12')	-	$15.40	$15.40	New

Proposed Rate Changes

Technical Rescue Reimbursement

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Lumber (continued)				
2x8 yellow pine lumber (16')	-	$22.00	$22.00	New
2x10 yellow pine lumber (8')	-	$13.20	$13.20	New
2x10 yellow pine lumber (10')	-	$15.40	$15.40	New
2x10 yellow pine lumber (12')	-	$18.70	$18.70	New
2x10 yellow pine lumber (16')	-	$23.10	$23.10	New
2x12 yellow pine lumber (8')	-	$14.30	$14.30	New
2x12 yellow pine lumber (10')	-	$18.70	$18.70	New
2x12 yellow pine lumber (12')	-	$23.10	$23.10	New
2x12 yellow pine lumber (16')	-	$28.60	$28.60	New
4x4 Douglas Fir posts (8')	-	$29.15	$29.15	New
4x4 Douglas Fir posts (10')	-	$36.85	$36.85	New
4x4 Douglas Fir posts (12')	-	$42.35	$42.35	New
4x4 Douglas Fir posts (16')	-	$58.85	$58.85	New

Proposed Rate Changes

Technical Rescue Reimbursement

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Lumber (continued)				
4x4 Douglas Fir cribbing	-	$13.75	$13.75	New
4x4 Douglas Fir wedges	-	$13.75	$13.75	New
6x6 Douglas Fir posts (8')	-	$87.45	$87.45	New
6x6 Douglas Fir posts (10')	-	$106.15	$106.15	New
6x6 Douglas Fir posts (12')	-	$128.15	$128.15	New
6x6 Douglas Fir posts (16')	-	$172.15	$172.15	New
Fasteners				
8d coated nails (sinkers 1 lb box)	-	$11.00	$11.00	New
16d coated nails (sinkers 1lb box)	-	$11.00	$11.00	New
8d duplex nails (1 lb box)	-	$13.20	$13.20	New
16d duplex nails (1 lb box)	-	$13.20	$13.20	New
Nail Gun Sleeves (per 1,000 box)	-	$66.00	$66.00	New

Proposed Rate Changes

Technical Rescue Reimbursement

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Fasteners				
Roofing nails with caps (1 lb box)	-	$16.50	$16.50	New
Drywall screws-1 1/2" phillips (1 lb box)	-	$11.00	$11.00	New
3 1/2" torx screws (1 lb box)	-	$16.50	$16.50	New
1 1/4" exterior screws (1 lb box)	-	$16.50	$16.50	New
2" coated screws (1 lb box)	-	$16.50	$16.50	New
2 1/2" coated screws (1 lb box)	-	$16.50	$16.50	New
4" coated screws (1 lb box)	-	$16.50	$16.50	New
5" torx screws (per 50 box)	-	$24.20	$24.20	New
T50 staples (per box)	-	$22.00	$22.00	New
Hilti anchor fasteners (1/2"x 5 1/2") (per 12 pack)	-	$66.00	$66.00	New
Hilti anchor fasteners (1/2"x 4") (per 20 pack)	-	$99.00	499.00	New
D ring Anchors (10K capacity)	-	$165.00	$165.00	New

Proposed Rate Changes

Technical Rescue Reimbursement

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Miscellaneous				
small tarps	-	$33.00	$33.00	New
medium tarps	-	$66.00	$66.00	New
large tarps	-	$99.00	$99.00	New
plastic sheeting rolls (10'x100')	-	$110.00	$110.00	New
caution tape	-	$16.50	$16.50	New
saw blades (7 1/4")	-	$33.00	$33.00	New
saw blades (10 1/4")	-	$99.00	$99.00	New
bandsaw blades (44 7/8" cut)	-	$55.00	$55.00	New
grinder blades (4 1/2")	-	$33.00	$33.00	New
sawzall blades	-	$33.00	$33.00	New
marking spray paint can	-	$60.50	$60.50	New
carpentry pencils (pack)	-	$11.00	$11.00	New

Proposed Rate Changes

Technical Rescue Reimbursement

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Paratech Equipment				
Paratech ratchet straps	-	$198	$198	New
Paratech struts	-	$2,464	$2,464	New
Paratech extensions	-	$1,292	$1,292	New
Paratech feet base	-	$841.50	$841.50	New
Paratech tip base	-	$220	$220	New
Pickets	-	$55	$55	New
Paratech Equipment left in place				
Extended Use per Paratech Unit	-	$200 per day	$200 per day	New
***Unit includes 1 strut, 1 extension, 1 foot base, and 1 tip base	-	$1,500 per week	$1,500 per week	New

Proposed Rate Changes

Training Facility

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Phase 5 live burn at training facility, half day (4 hours)(max of 2 burns)	$1,353.00	$1,353.00	-	Update description to include "max of 2 burns"
Phase 5 live burn at training facility, full day (8 hours)(max of 4 burns)	$2,707.00	$2,707.00	-	Update description to include "max of 4 burns"
Class B live burn at training facility, half day (4 hours)	$683.00	$683.00	-	Updated description to remove number of burns
Class B live burn at training facility, half day (8 hours)	$1,366.00	$1,366.00	-	Updated description to remove number of burns

Proposed Rate Changes

Bomb Technician

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Explosive Ordinance Standby – Special Events	-	$80.00/hour with 2 hour minimum	-	New

Library

Rates and Fees Discussion

Overview

- Move to precise, actual-cost fees by using improved tracking for kit components and materials.
- Expand service options by allowing pass-through shipping charges for ILL requests when needed.
- Keep pricing transparent and adaptable as material and component costs change over time.

Proposed Rate Changes

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Lost or ruined Discovery Kit Components	$5, $10, $20, $40, $60, $80, $100	Cost per item as noted in the item record	Varies	
Interlibrary Loan/Document Delivery	-	Cost for item as changed by lending library		New
Miscellaneous Maker Space Materials	$1, $2.50, $5, $10, $15, $20, or $25	Cost per item as indicated on displayed sample materials	Varies	

Parks and Recreation

Rates and Fees Discussion

Overview

- Fees are calculated based on the cost recovery model adopted by the City Council on June 18, 2024.
- Will be reviewed by Parks, Recreation, and Beautification Board on September 14, 2026.

Proposed Rate Changes

	Current FY 2025-26	Proposed FY 2026-27	Change	Fee	Notes
Rec Pass, Memberships, Hunting, and Non-Residential Fees:					
Adapted Recreation Membership	-	$35.00	$35.00	Annual	Fee per participant for access to Adapted Art Programs, Adapted Monthly Dances (excluding February), Adapted Social Connections Outings (Additional fees could apply), and Adapted Structured Gym Class.
Park Event Rentals					
Parks Facility Parking Lot	-	$65.00	$65 .00	Hourly	Fee for the exclusive use of a parks parking lot for large public or private events. New fee due to demand for service.
Community Garden Plot	$20.00	$40.00	$20.00	Annual	Plot fee at the Bowling Green Park Community Garden. New raised beds and additional garden amenities, benchmarking.
Park Contractor	$15.00	$15.00	-	Hourly	Non-exclusive use of a park area to conduct programs or instructional classes or activities in City of Denton park spaces under an approved “Park Use Agreement”

Proposed Rate Changes

	Current FY 2025-26	Proposed FY 2026-27	Change	Fee	Notes
LED Screen Trailer Fees:					
Screen Operations Staff	$100.00	$100.00	-	Hourly	Fee for operational needs during rental including but not limited to transport, setup, and disassembling within Denton city limits.
Non-City Rental fee	TBD	$125.00	$125.00	Hourly	Hourly fee for screen rental outside of Denton city limits,
Travel Fee	-	$0.0725	$0.0725	Per Mile	GSA mileage rate from Quakertown Civic Center to rental destination outside of Denton city limits

Employee Discounts:

City of Denton and DISD Employees | $60 WWP Silver Membership per employee and immediate family (Maximum 6 family members) **New Rate**

City of Denton and DISD Employees | $30 Monthly Membership per employee and immediate family (Maximum 6 family members) **New Rate**

Development Services

Rates and Fees Discussion

Overview

- 2019: City Council approved an overhaul of the City's development services fees to move to a cost recovery model.
- 2025: City Council approved minor amendments to the fee schedule for new or modified fees but didn't update the rates.
- This is an update of those fees based on the current budget information.
- Fees are based on a "bottom-up" approach where time spent for each activity is allocated, then direct and indirect costs per hour are attributed to each of those fee activities.

Proposed Rate Changes

1 & 2 Family Dwelling Permit Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Building Permit Fee - Per Sq Ft	$0.89	$0.94	$0.05	
Plan Review Fee	$141.00	$150.00	$9.00	
Fence Permit - Residential	$44.00	$50.00	$6.00	
Retaining Wall Plan Review	$141.00	$150.00	$9.00	

Proposed Rate Changes

New Commercial Building Permit Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
$1 to $200,000.00	$411.00	$528.00	$117.00	
$1 to $200,000.00	$3.00	$8.31	$5.31	
$200,000.01 to $500,000.00	$561.00	$1,359.00	$798.00	
$200,000.01 to $500,000.00	$2.00	$4.53	$2.53	
$500,000.01 to $1,000,000.00	$1,361.00	$2,717.00	$1,356.00	
$500,000.01 to $1,000,000.00	$7.56	$7.85	$0.29	
$1,000,000.01 and up	$5,141.00	$6,642.00	$1,501.00	
Plan Review Fee	$50.00	$75.00	$25.00	50% of the Building Permit Fee (Min. fee)
Site Plan Review Fee	$0.03	$0.05	$0.02	Per Building SF, $50.00 Min. not to exceed $1,500

Proposed Rate Changes

Parking Lot Permit Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
1-50	$394.00	$415.00	$21.00	
51-100	$538.00	$567.00	$29.00	
101-250	$970.00	$1,022.00	$52.00	
251-500	$1,835.00	$1,932.00	$97.00	
501-750	$2,805.00	$2,842.00	$37.00	
751 - or higher	$3,775.00	$3,751.00	-$24.00	Change to Permit Category Description from "751 – 1000" to "751 – or higher"

Proposed Rate Changes

Building Permit Electrical, Mechanical, & Plumbing Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Minimum Fee - Per Sq Ft (Min $50)	$0.21	$0.22	$0.01	
Irrigation System - Residential	$118.00	$125.00	$7.00	
Irrigation System – Commercial	$249.00	$263.00	$14.00	
Irrigation System Alteration	$48.00	$50.00	$2.00	

Proposed Rate Changes

Additions/Alterations/Fire Damage Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Single Family Residential				
Permit Fee - Per Sq Ft (Min $50)	$0.25	$0.32	$0.07	
Plan Review Fee	$50.00	$112.00	$62.00	
Duplex's, Triplex's, & Townhomes				
Permit Fee - Per Sq Ft (Min $50)	$0.25	$0.33	$0.08	
Plan Review Fee	$50.00	$112.00	$62.00	

Proposed Rate Changes

Additions/Alterations/Fire Damage Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Commercial Alterations*				
$1 to $50,000.00	-	$151.26	$151.26	New
$50,000.01 to $100,000.00	-	$151.26	$151.26	New
$50,000.01 to $100,000.00	-	$3.02	$3.02	New
$100,000.01 to $500,000.00	-	$302.15	$302.15	New
$100,000.01 to $500,000.00	-	$1.51	$1.51	New
$500,000.01 to $1,000,000.00	-	$1,057.70	$1,057.70	New
$500,000.01 to $1,000,000.00	-	$2.41	$2.41	New
$1,000,000.01 and up	-	$2,264.03	$2,264.03	New
$1,000,000.01 and up	-	$1.58	$1.58	New

Proposed Rate Changes

Additions/Alterations/Fire Damage Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Commercial Alteration Flat Fees				
Cell Tower	-	$225	$225	New
Solar- up to 65kwh	-	$603	$603	New
Solar- over 65kwh	-	$906	$906	New
Foundation	-	$150	$150	New
Window/Door	-	$150	$150	New
Generators	-	$376	$376	New

Proposed Rate Changes

Additions/Alterations/Fire Damage Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Commercial Alterations				
Multi-Family (4 units & above)				
Permit Fee - Per Sq Ft (Min $50)	$1.42	-	-$1.42	Removed
Plan Review Fee	$222.00	-	-$222.00	Removed
Commercial Buildings				
Permit Fee - Per Sq Ft (Min $50)	$1.48	-	-$1.48	Removed
Plan Review Fee	$222.00	-	-$222.00	Removed

Proposed Rate Changes

Sign Permit Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Sign Contractor Annual Registration	$66.00	$73.00	$7.00	
Off Premise Signs on State Highways: Annual Review	$100.00	$112.00	$2.00	
Sign Permit				
0-60 sq ft	$137.00	$75.00	-$60.00	
60-120 sq ft	$206.00	$150.00	-$56.00	
120-250 sq ft	$274.00	$225.00	-$49.00	
>250 sq ft	$343.00	$300.00	-$43.00	

Proposed Rate Changes

Sign Permit Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Wind Device Permits	$33.00	$36.00	$3.00	
Sign Permit for Window/Door Vinyl	$50.00	$37.00	-$13.00	
Special Exception Petition - Per request	$250.00	$223.00	-$27.00	
Sign Variance Petition - Per variance	$250.00	$223.00	-$27.00	
Sign Appeal Petition - Per appeal	$250.00	$223.00	-$27.00	
Special Sign District	$549.00	$601.00	$52.00	
Annual Banner Permit - Per Banner	$66.00	$73.00	$7.00	
Sign Installed Without Permit	$108.00	$451.00	$343.00	

Proposed Rate Changes

Miscellaneous Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Curb Cut Permit	$330.00	$350.00	$20.00	Changed curb cut Permit – Commercial into Curb Cut permit.
Curb Cut Permit- Residential	$50.00	-	-$50.00	Removed
Fence Permit - Residential	$44.00	$50.00	$6.00	
Fence Permit - Commercial (Per linear foot)	$0.71	$0.75	$0.04	
Retaining Wall Permit (Per linear foot)	$1.08	$0.76	-0.32	
Retaining Wall Plan Review	$141.00	$150.00	$9.00	
Temporary Power Pole	$48.00	$75.00	$27.00	
Temporary Gas/Electric	$96.00	$75.00	-$21.00	

Proposed Rate Changes

Miscellaneous Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Commercial Reroof				
Plan Review Fee	$141.00	$150.00	$9.00	Changed Base Fee into Plan Review Fee
Per square foot in addition to plan review fee	$0.02	$0.02	-	Changed Per square foot in addition to Plan review fee from base fee
Certificate of Occupancy	$75.00	$394.00	$319.00	
Certificate of Land Use	$75.00	$333.00	$258.00	
Donation Box Permit	$162.00	$112.00	-$50.00	
Golf Cart Permit	$162.00	$345.00	$183.00	
Construction Trailer (temporary-leasing office, construction, etc.)	$287.00	$302.00	$15.00	
House Moving Permit	$573.00	$150.00	$423.00	
Residential Demolition Permit	$179.00	$226.00	$47.00	
Commercial Demotion Permit (complete or partial)	$471.00	$411.00	-$60.00	
Commercial Interior Alteration Demolition	$100.00	$188.00	$88.00	

Proposed Rate Changes

Miscellaneous Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Pool	$357.00	$378	$21.00	
Re-Inspection Fee	$50.00	$75.00	$25.00	
Same Day Inspection Fee	$183.00	$151.00	-$32.00	
Inspection requested after hours per hour, two-hour minimum charge	$183.00	$303.00	$120.00	
Variance Filing Fee	$250.00	-	-$250.00	Removed. Already in Planning Fees
Landscape Fee	$222.00	$150.00	-$72.00	

Proposed Rate Changes

Miscellaneous Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Mobile Home Park Annual License				
<100 stands	$108.00	$113.00	$5.00	
100-499 stands	$216.00	$277.00	$61.00	
≥500 stands	$432.00	$454.00	$22.00	
Mobile Home Move-in	$179.00	$302.00	$123.00	
Irrigation Contractor Annual Registration	$66.00	$73.00	$7.00	
General Contractor Annual Registration	$66.00	$73.00	$7.00	

Proposed Rate Changes

Miscellaneous Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Working Without a Permit	$108.00	$453.00	$345.00	
Investigation Fee	$80.00	$37.00	-$43.00	
Administrative Fee- Per 15 min	$33.00	$37.00	$4.00	
Temporary Certificate of Occupancy (TCO) - Per square foot, minimum $177	$0.008	$0.01	$0.002	Changed Per square foot from minimum $75 to minimum $177
Temporary Certificate of Occupancy (TCO) – each 30-day extension	$75.00	$123.00	$48.00	25% of original TCO fee or $75, whichever is greater
Temporary Portable Storage Unit Permit - Residential	$50.00	$111.00	$61.00	Changed Temporary use permit into Portable Storage unit.
Temporary Portable Storage Unit Permit – Commercial	-	$124.00	$124.00	New
Temporary Batch Plant	$178.00	$179.00	$1.00	
Temporary Construction Fence	$100.00	$49.00	-$51.00	

Proposed Rate Changes

Miscellaneous Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Business License	$207.00	-	-$207.00	Removed
Short Term Rental Registration	$100.00	$150.00	$50.00	
Tree Removal Permit (in addition to tree mitigation fees if applicable)	$215.00	$425.00	$210.00	
Clearing and Grading	$427.00	$453.00	$26.00	

Proposed Rate Changes

Health and Food Safety Permit Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Application fee for new health permits	$162.00	$236.00	$162.00	
Annual Health Permit Fees				
Commercial Pools				
Pool or Spa	$162.00	$163.00	$1.00	
Restaurant				
<1000 sq ft GFA	$162.00	$163.00	$1.00	
>1000 sq ft GFA	$487.00	$490.00	$3.00	
Mobile Food Unit				
Class I Mobile Food Unit	$162.00	$163.00	$1.00	
Class II Mobile Food Unit	$324.00	$327.00	$3.00	
Class III Mobile Food Unit	$162.00	$163.00	$1.00	

Proposed Rate Changes

Health and Food Safety Permit Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Grocery Store				
<12,000 sq ft GFA	$324.00	$327.00	$3.00	
>12,000 sq ft GFA	$487.00	$490.00	$3.00	
Convenience Store without deli	$162.00	$163.00	$1.00	
Convenience Store with deli	$324.00	$327.00	$3.00	
Miscellaneous				
Bars	$324.00	$163.00	-$161.00	
Daycare/Nursing Homes/Other	$324.00	$327.00	$3.00	
School Cafeteria	$487.00	$490.00	$3.00	
Farmers/Community Market	$100.00	$81.00	-$19.00	
Seasonal Permit Fee (Concession Stand, snow-cone stand or similar structure)	$162.00	$81.00	-$81.00	

Proposed Rate Changes

Health and Food Safety Permit Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Alcohol Permits				
Beer & Wine, Mixed Beverage, etc	-	-	-	Removed: Based on TABC Maximum Local Limits
Additional Fees				
Health Re-Inspection	$50.00	$81.00	$31.00	
Fees for Appeals and Variances				
Fee Per Appeal/Variance to Traffic Safety Commission	$300.00	-	-$300.00	Removed
Health and Building Safety Code Appeal or Variance	-	$276.00	$276.00	New

Proposed Rate Changes

Zoning Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Zoning (Change of Zoning Request)*	$8,884.00	$7,282.00	-$1,602.00	
Zoning (Change of Zoning Request) to address residential single lot non-conformity	$1,140.00	$500.00	-$640.00	
Planned Development* - Up to 25 acres	$14,399.00	$15,774.00	$1,375.00	
Per Acre Over 25	$38.00	$39.00	$1.00	
Planned Development Minor Amendment*	-	$4,040.00	$4,040.00	New
Planned Development Major Amendment*	-	$8,225.00	$8,225.00	New
Planned Development Overlay* - Up to 25 acres	$8,884.00	$11,369.00	$2,485.00	
Planned Development Overlay Minor Amendment*	-	$3,224.00	$3,224.00	New
Planned Development Overlay Major Amendment*	-	$7,892.00	$7,892.00	New

Proposed Rate Changes

Zoning Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Planned Development Minor Amendment*	$2,442.00	-	-$2,442.00	Removed
Planned Development Major Amendment*	$6,926.00	-	-$6,926.00	Removed
Specific Use Permit(SUP)*	$8,695.00	$10,013.00	$1,318.00	
SUP not requiring Tier 1 or Tier 2 review as determined by Section 7.2 of the DDC.	$601.00	$500.00	$101.00	
Specific Use Permit Amendment*	$2,060.00	$5,672.00	$3,612.00	
Specific Use Permit Extension	$1,428.00	$999.00	$429.00	
Zoning Compliance Plan	$7,847.00	$12,572.00	$4,725.00	
Zoning Compliance Plan Amendment	$1,871.00	$6,163.00	$4,292.00	
Annexation Petition (voluntary)*	$6,496.00	$6,058.00	$438.00	

Proposed Rate Changes

Zoning Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Master Planned Community Amendments				
0-5 acres	$1,601.00	-	-$1,601.00	Removed
5-25 acres	$2,101.00	-	-$2,101.00	Removed
26-50 acres	$3,101.00	-	-$3,101.00	Removed
Over 50 acres	$4,101.00 + $10.00 per acre	-	-$4,101.00 + $10.00 per acre	Removed
Master Planned Community Minor Amendments	-	$4,393.00	$4,393.00	New
Master Planned Community Major Amendments	-	$30,053.00	$30,053.00	New
Comprehensive Plan Map Amendment*	$8,884.00	$7,248.00	-$1,636.00	
Zoning Verification Letter	$101.00	$95.00	-$6.00	
Will Serve Letter	-	$95.00	$95.00	New
Each additional request (Copies of Certificate of Occupancy, Verification of Code Violations, Others)	$34.00	-	-$34.00	Removed
Mobility Plan Amendment	-	$7,601.00	$7,601.00	New. Previously under comprehensive plan amendment.

Proposed Rate Changes

Alternative Procedures Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Alternative Environmentally Sensitive Area Plan*	$6,484.00	$6,289.00	-$195.00	
Alternative Landscape Plan (Development Impact Area)				
0-5 acres	$3,640.00	$3,469.00	-$171.00	
6-25 acres	$6,295.00	$5,857.00	-$438.00	
26-50 acres	$8,949.00	$8,245.00	-$704.00	
Over 50 acres	$11,603.00	$10,633.00	-$970.00	
Alternative Tree Plan (Development Impact Area)				
1-50 Trees	$3,829.00	$5,260.00	$1,431.00	
51-150 Trees	$6,484.00	$7,648.00	$1,164.00	
151-300 Trees	$9,138.00	$10,036.00	$898.00	
Over 300 Trees	$11,792.00	$12,424.00	$632.00	
Alternative Development Plan Amendment	-	$3,377.00	$3,377.00	New

Proposed Rate Changes

Alternative Procedures Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Zoning Board of Adjustments (Non-Subdivision Variance and Appeals)*	$540.00	$500.00	-$40.00	
Subdivision Variance Request*	$790.00	$500.00	-$290.00	
Tree Preservation Relief	$2,323.00	$3,351.00	$1,028.00	
Tree Preservation Relief for Single Family or MD Zoning District	-	$500.00	$500.00	New

Proposed Rate Changes

Platting Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Preliminary Plat				
1-10 Lots	$7,568.00	$7,202.00	-$366.00	
11-50 Lots	$12,257.00	$9,145.00	-$3,112.00	
51-100 Lots	$15,984.00	$11,584.00	-$4,400.00	
Over 100 Lots	$17,311.00	$16,236.00	-$1,075.00	
Final Plat / Development Plat				
1-10 Lots	$7,708.00	$7,498.00	-$210.00	
11-50 Lots	$12,467.00	$9,462.00	-$3,005.00	
51-100 Lots	$16,264.00	$11,901.00	-$4,363.00	
Over 100 Lots	$17,662.00	$16,574.00	-$1,088.00	
Final Replat				
1-10 Lots	$6,693.00	$7,204.00	$511.00	
11-50 Lots	$7,427.00	$9,147.00	$1,720.00	
51-100 Lots	$8,824.00	$11,980.00	$3,156.00	
Over 100 Lots	$10,222.00	$16,632.00	$6,410.00	

Proposed Rate Changes

Platting Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Amending Final Plat	$1,428.00	$4,660.00	$3,232.00	
Minor Plat or Minor Replat Residential	$721.00	$500.00	-$221.00	
Minor Plat or Minor Replat Non-Residential and/or ETJ	$1,748.00	$3,637.00	$1,889.00	
Plat Extension	$1,428.00	$2,033.00	$605.00	
Plat Vacation	$1,428.00	$2,269.00	$841.00	
Gas Well Development Plat				
1-10 Lots	$5,593.00	$5,463.00	-$130.00	
11-50 Lots	$6,257.00	$6,084.00	-173.00	
51-100 Lots	$7,584.00	$7,327.00	-257.00	
Over 100 Lots	$8,911.00	$8,570.00	-$341.00	
Conveyance Plat	$1,428.00	$5,895.00	$4,497.00	

Proposed Rate Changes

Historic Preservation Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Certificate of Design Consistency requiring Council Approval	$1,871.00	-		Removed
Historical Tax Exemption	$0	$0		New

Proposed Rate Changes

Site Design Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Civil Engineering Plans				
Engineering Review Fee	$101.00 plus $300.00/hour	$304.00	-	Based on hours billed, typically $11,660 - $15,863
Downstream Assessment				
Engineering Review Fee	$101.00 plus $300.00/hour	$339.00	-	Based on hours billed
Letter of Map Revision				
Without CLOMR	$11,941.00	$4,726.00	-$7,215.00	
Following CLOMR	$1,701.00	$3,350.00	-$1,649.00	

Proposed Rate Changes

Site Design Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Conditional Letter of Map Revision (CLOMR)	$2,801.00	$5,476.00	$2,675.00	
City Reviewed TxDOT Driveway & Drainage	$4,741.00	$5,775.00	$1,034.00	
Watershed Protection Permit Relief	$955.00	$1,780.00	$825.00	
Traffic Impact Analysis	$4,581.00	$9,534.00	$4,953.00	
Traffic Impact Analysis Scoping Review and Meeting	-	$1,322.00	$1,322.00	New
Easement Abandonment Request	$3,286.00	$5,041.00	$1,755.00	
Easement Encroachment Agreement	$2,006.00	$3,419.00	$1,413.00	
Easement on City Property	$1,583.00	$3,527.00	$1,944.00	
Lease/License Agreement of City Property	-	$3,027.00	$3,027.00	New
Lease Renewal/Amendment	-	$2,535.00	$2,535.00	New
Land Rights Conveyance	-	$1,365.00	$1,365.00	New

Proposed Rate Changes

Site Design Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Oil – Gas Pipeline License Agreement	$1,583.00	$2,252.00	$669.00	
Gas Well Development Site Plan	$4,967.00	$5,010.00	$43.00	
Street or Alley Right of Way Abandonment	$2,006.00	$3,492.00	$1,486.00	
Street or Alley Right of Way Use Agreement	$3,286.00	$4,347.00	$1,061.00	

Proposed Rate Changes

Other Development Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Certification of Zoning Compliance	$212.00	-	-$212.00	Removed
DDC Minor Modification	$986.00	$1,114.00	$128.00	
Environmentally Sensitive Area Assessment	$101.00	$1,118.00	$1,017.00	
Special Sign District*	$6,484.00	$7,189.00	$705.00	
Special Sign District Amendment*	$1,763.00	$4,497.00	$2,734.00	
Tree Mitigation (Excluding Gas Wells) - Per caliper inch	$200.00	$397.00	$197.00	
Tree Preservation Plan				
1-50 Trees	$3,640.00	$5,857.00	$2,217.00	
51-150 Trees	$6,295.00	$9,837.00	$3,442.00	
151-300 Trees	$8,949.00	$12,623.00	$3,674.00	
Over 300 Trees	$11,603.00	$15,807.00	$4,204.00	
Vested Rights Determination	$1,871.00	$2,035.00	$164.00	

Proposed Rate Changes

Other Development Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Municipal Utility District - Up to 25 acres	$14,210.00	$19,676.00	$5,466.00	
Per Acre Over 25	$38.00	$22.00	-$16.00	

Proposed Rate Changes

Other Development Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Reprographics and Documents Sales				
Color (Oversize)	$16.00	-		Removed
Custom Maps	$209.00	-		Removed
Municipal Setting Designation (MSD)	$5,000.00	$9,994.00	$4,994	
Public Rehearing or Postponement Fee	$664.00	$621.00	-$43	
PAC Pre-Application Conference	-	-	-	Changed from Meeting to Conference
PCM Pre-Construction Meeting	-	-	-	New

Denton Municipal Electric

Rates and Fees Discussion

Overview

- 3% base rate increase (effectively 1.5% increase)
- Presented to PUB
  - July 13: Budget Update
  - July 27: Budget Workshop
    - Recommendation Provided
- Presented to Council
  - July 21: Budget Update
  - August 4: Budget Workshop

Proposed Rate Changes

Residential Electric Service

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Single-Phase Service (R2)	$8.80	$9.06	$0.26	3.0%
Three-Phase Service (R2)	$17.59	$18.12	$0.53	3.0%
Prepaid Service (P2)	$16.26	$16.75	$0.49	3.0%
Usage Charge per kWh				
Winter (Billing months of November through April)				
Tier 1: first 600 kWh	$0.0694	$0.0715	$0.0021	3.0%
Tier 2: Additional kWh	$0.0462	$0.0476	$0.0014	3.0%
Summer (Billing months of May through October)				
Tier 1: All kWh	$0.0694	$0.0715	$0.0021	3.0%

Proposed Rate Changes

General Service – Small

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Single-Phase	$16.85	$17.36	$0.51	3.0%
Three-Phase	$22.50	$23.18	$0.68	3.0%
Usage Charge per kWh				
Tier 1: First 2,500 kWh	$0.0865	$0.0891	$0.0026	3.0%
Tier 2: Additional kWh	$0.0453	$0.0467	$0.0014	3.0%

Proposed Rate Changes

General Service – Medium

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Single-Phase	$16.85	$17.36	$0.51	3.0%
Three-Phase	$22.50	$23.18	$0.68	3.0%
Demand Charge per kW				
All kW	$4.85	$5.00	$0.15	3.0%
Usage Charge per kWh				
GM Tier 1: First 6,000 kWh	$0.0531	$0.0547	$0.0016	3.0%
Tier 2: Additional kWh	$0.0438	$0.0451	$0.0013	3.0%
GM2 Tier 1: First 6,000 kWh	$0.0521	$0.0537	$0.0016	3.0%
Tier 2: Additional kWh	$0.0428	$0.0441	$0.0013	3.0%
GM3 Tier 1: First 6,000 kWh	$0.0500	$0.0515	$0.0015	3.0%
Tier 2: Additional kWh	$0.0408	$0.0420	$0.0012	3.0%

Proposed Rate Changes

General Service – Large

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Three-Phase	$70.10	$72.20	$2.10	3.0%
Demand Charge per kVA				
All kVA	$10.96	$11.29	$0.33	3.0%
Usage Charge per kWh				
GL Tier 1: First 200,000 kWh	$0.0249	$0.0256	$0.0007	3.0%
Tier 2: Additional kWh	$0.0142	$0.0146	$0.0004	3.0%
GL2 Tier 1: First 200,000 kWh	$0.0239	$0.0246	$0.0007	3.0%
Tier 2: Additional kWh	$0.0132	$0.0136	$0.0004	3.0%
GL3 Tier 1: First 200,000 kWh	$0.0218	$0.0225	$0.0007	3.0%
Tier 2: Additional kWh	$0.0112	$0.0115	$0.0003	3.0%

Proposed Rate Changes

General Service – Time of Use

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Three-Phase	$81.75	$84.20	$2.45	3.0%
Demand Charge per kVA				
On-Peak	$13.97	$14.39	$0.42	3.0%
Off-Peak	$2.76	$2.84	$0.08	3.0%
Usage Charge per kWh				
TG All kWh	$0.0083	$0.0085	$0.0002	3.0%
TG2 All kWh	$0.0073	$0.0075	$0.0002	3.0%
TG3 All kWh	$0.0053	$0.0055	$0.0002	3.0%

Proposed Rate Changes

Local Government Service – Small

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Single-Phase	$16.85	$17.36	$0.51	3.0%
Three-Phase	$22.50	$23.18	$0.68	3.0%
Usage Charge per kWh				
Tier 1: First 2,500 kWh	$0.0865	$0.0891	$0.0026	3.0%
Tier 2: Additional kWh	$0.0453	$0.0467	$0.0014	3.0%

Proposed Rate Changes

Local Government Service – Medium

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Single-Phase	$16.85	$17.36	$0.51	3.0%
Three-Phase	$22.50	$23.18	$0.68	3.0%
Demand Charge per kW				
All kW	$4.85	$5.00	$0.15	3.0%
Usage Charge per kWh				
Tier 1: First 6,000 kWh	$0.0531	$0.0547	$0.0016	3.0%
Tier 2: Additional kWh	$0.0438	$0.0451	$0.0013	3.0%

Proposed Rate Changes

Local Government Service – Large

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Three-Phase	$70.10	$72.20	$2.10	3.0%
Demand Charge per kVA				
All kVA	$10.96	$11.29	$0.33	3.0%
Usage Charge per kWh				
GOL Tier 1: First 200,000 kWh	$0.0249	$0.0256	$0.0007	3.0%
Tier 2: Additional kWh	$0.0142	$0.0146	$0.0004	3.0%
GO2 Tier 1: First 200,000 kWh	$0.0239	$0.0246	$0.0007	3.0%
Tier 2: Additional kWh	$0.0132	$0.0136	$0.0004	3.0%
GO3 Tier 1: First 200,000 kWh	$0.0218	$0.0225	$0.0007	3.0%
Tier 2: Additional kWh	$0.0112	$0.0115	$0.0003	3.0%

Proposed Rate Changes

Temporary Service

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Single-Phase	$16.85	$17.36	$0.51	3.0%
Three-Phase	$22.52	$23.20	$0.68	3.0%
Usage Charge per kWh				
All kWh	$0.0867	$0.0893	$0.0026	3.0%

Proposed Rate Changes

Athletic Fields

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Single-Phase	$23.09	$23.78	$0.69	3.0%
Three-Phase	$34.62	$35.66	$1.04	3.0%
Demand Charge per kVA				
On-Peak	$6.15	$6.33	$0.18	3.0%
Off-Peak	$1.46	$1.50	$0.04	3.0%
Usage Charge per kWh				
On-Peak	$0.0992	$0.1022	$0.0030	3.0%
Off-Peak	$0.0496	$0.0511	$0.0015	3.0%

Proposed Rate Changes

Street Lighting

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Luminaire Style Type				
100 W Sodium Cobra (LSA)	$6.17	$6.36	$0.19	3.0%
250 W Sodium Cobra (LSB)	$8.75	$9.01	$0.26	3.0%
400 W Sodium Cobra (LSC)	$11.02	$11.35	$0.33	3.0%
100 W LED Cobra (LSD)	$6.17	$6.36	$0.19	3.0%
250 W LED Cobra (LSE)	$8.75	$9.01	$0.26	3.0%
400 W LED Cobra (LSF)	$11.02	$11.35	$0.33	3.0%
85 W LED Post (LSG)	$11.02	$11.35	$0.33	3.0%

Proposed Rate Changes

Traffic Lighting

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Metered Traffic Lighting Net Monthly Rate (LT)				
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%
Unmetered Traffic Lighting Net Annual Rate (ULT)				
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%

Proposed Rate Changes

Other Lighting

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Metered Lighting Net Monthly Rate (LOB)				
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%
Unmetered Lighting Net Monthly Rate (LOA)				
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%
400 W Equivalent LED (DSF)	$15.55	$16.02	$0.47	3.0%

Proposed Rate Changes

Security Lighting

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge per bill				
Luminaire Style Type				
100 W Sodium Vapor (DSA)	$9.75	$10.04	$0.29	3.0%
250 W Sodium Vapor (DSB)	$12.90	$13.29	$0.39	3.0%
400 W Sodium Vapor (DSC)	$15.55	$16.02	$0.47	3.0%
250 W Metal Halide (DHA)	$15.17	$15.63	$0.46	3.0%
400 W Metal Halide (DHB)	$18.09	$18.63	$0.54	3.0%
100 W Equivalent LED (DSD)	$9.75	$10.04	$0.29	3.0%
250 W Equivalent LED (DSE)	$12.90	$13.29	$0.39	3.0%
400 W Equivalent LED (DSF)	$15.55	$16.02	$0.47	3.0%

Proposed Rate Changes

Miscellaneous Services

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Unmetered School Zone Crossing Flashers				
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%
Unmetered Security Camera				
Facility Charge per bill	$18.09	$18.63	$0.54	3.0%
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%
Unmetered Wi-Fi Devices				
Facility Charge per bill	$18.09	$18.63	$0.54	3.0%
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%

Proposed Rate Changes

Miscellaneous Services

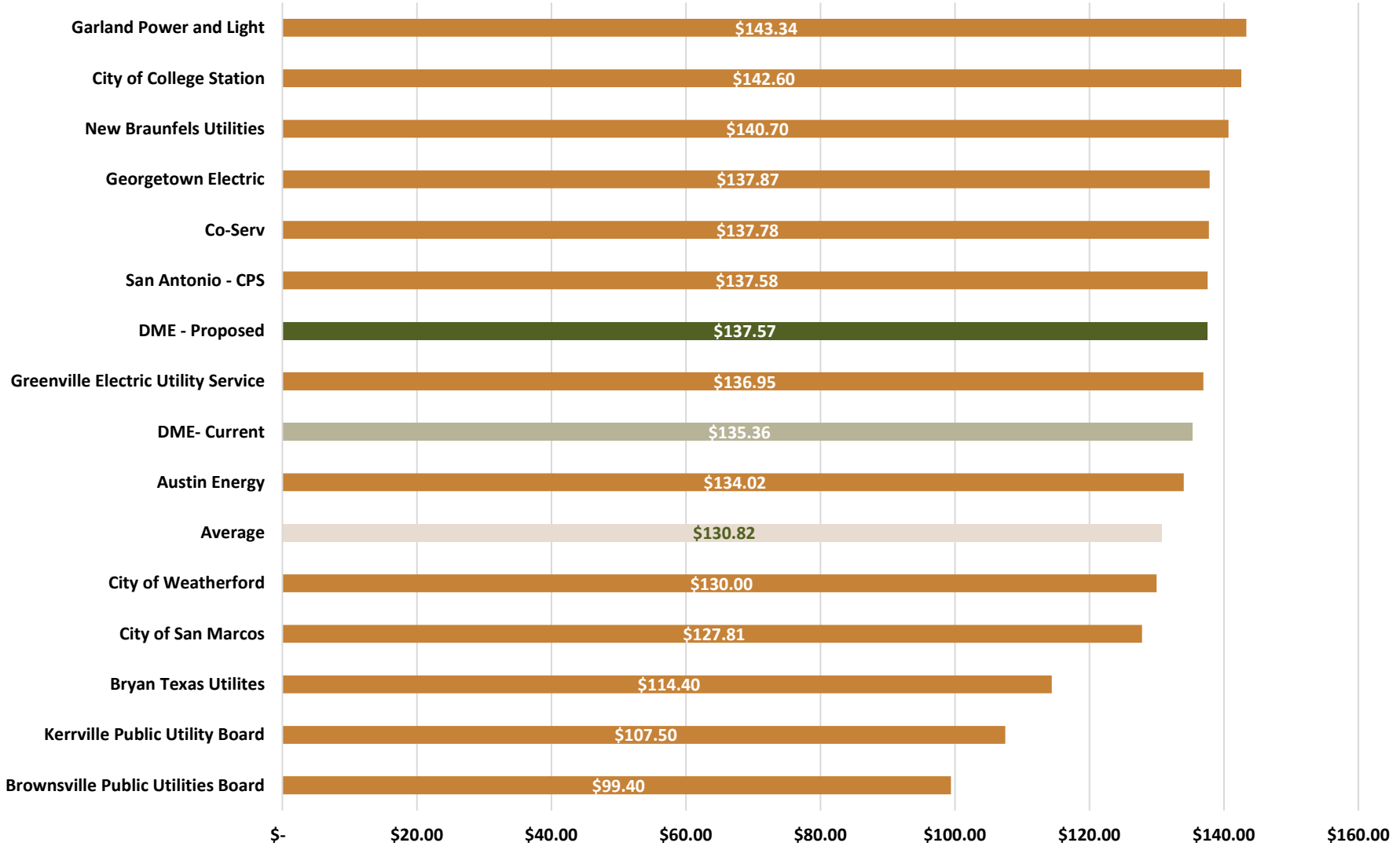
	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Non-Standard Street Lighting				
Facility Charge per bill	$9.32	$9.60	$0.28	3.0%
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%
Wireless Node Attachments				
Facility Charge per bill	$18.09	$18.63	$0.54	3.0%
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%
Electric Vehicle Charging Rate				
Usage Charge per kWh	$0.0406	$0.0418	$0.0012	3.0%

Proposed Rate Changes

Miscellaneous Services

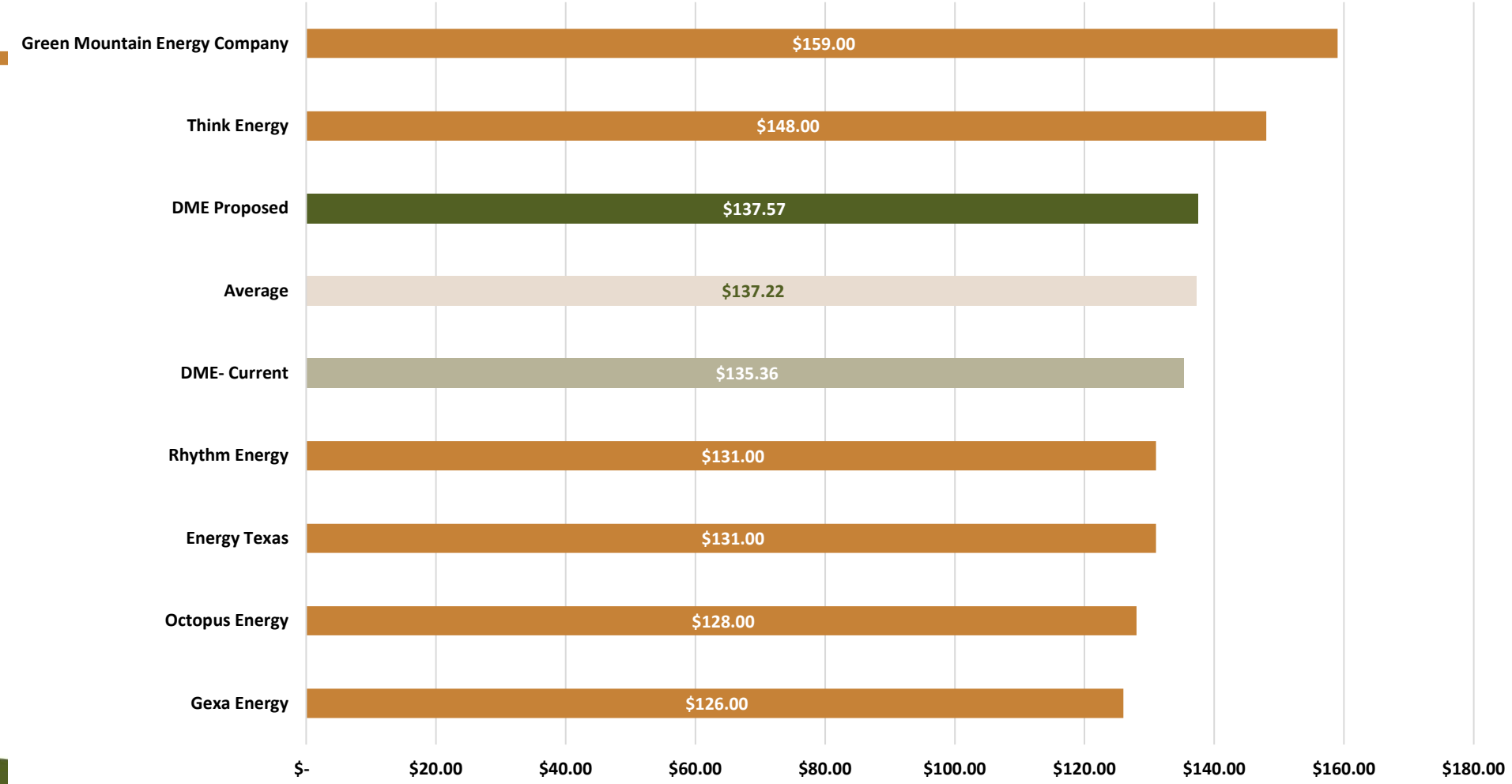
	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Non-Standard Street Lighting				
Facility Charge per bill	$9.32	$9.60	$0.28	3.0%
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%
Wireless Node Attachments				
Facility Charge per bill	$18.09	$18.63	$0.54	3.0%
Usage Charge per kWh	$0.0674	$0.0694	$0.0020	3.0%
Electric Vehicle Charging Rate				
Usage Charge per kWh	$0.0406	$0.0418	$0.0012	3.0%

MOU Comparison



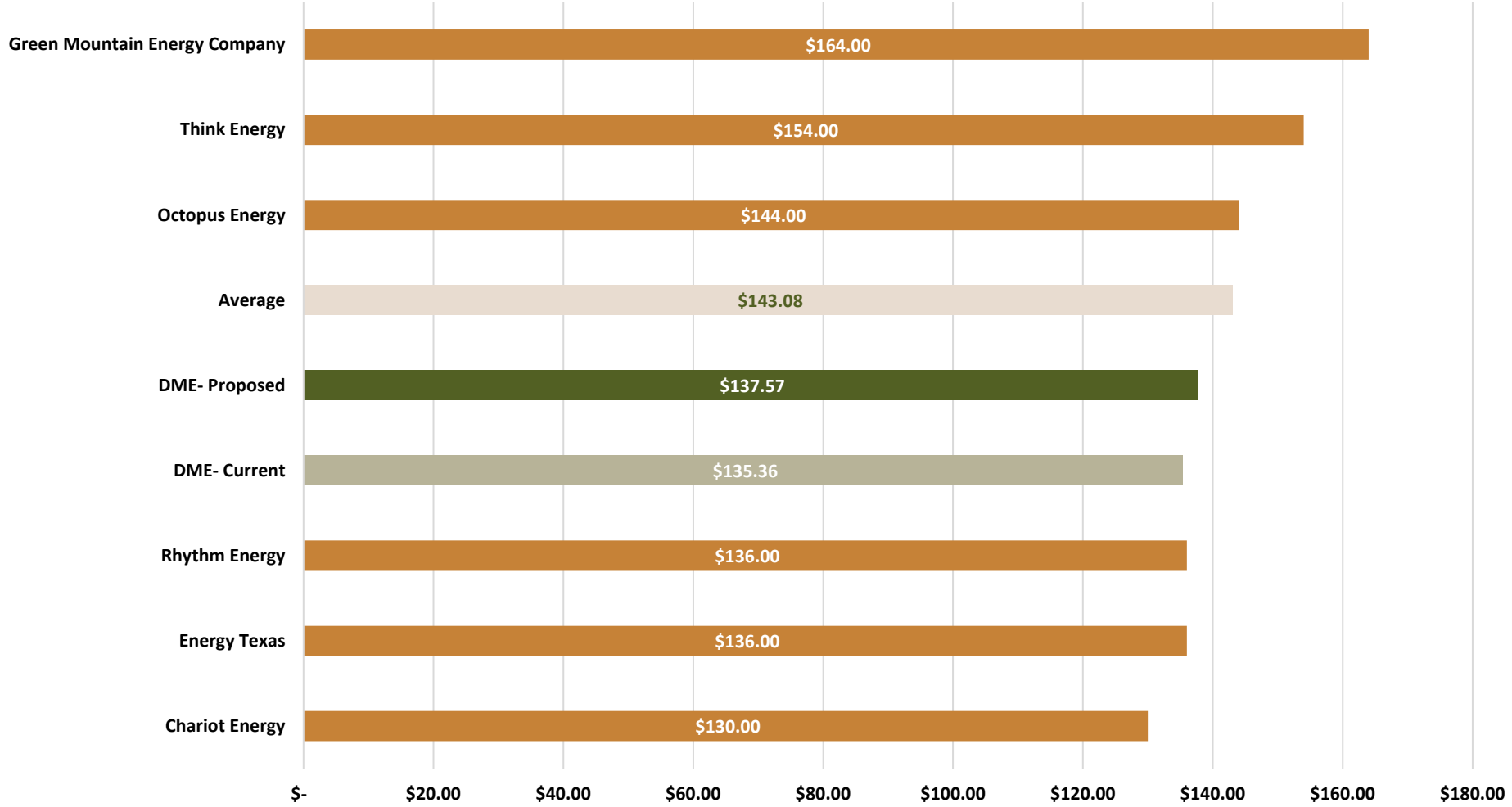
*Based on 1,000 kWh

100% Renewable Fixed 12 Month Retail Rate Comparison



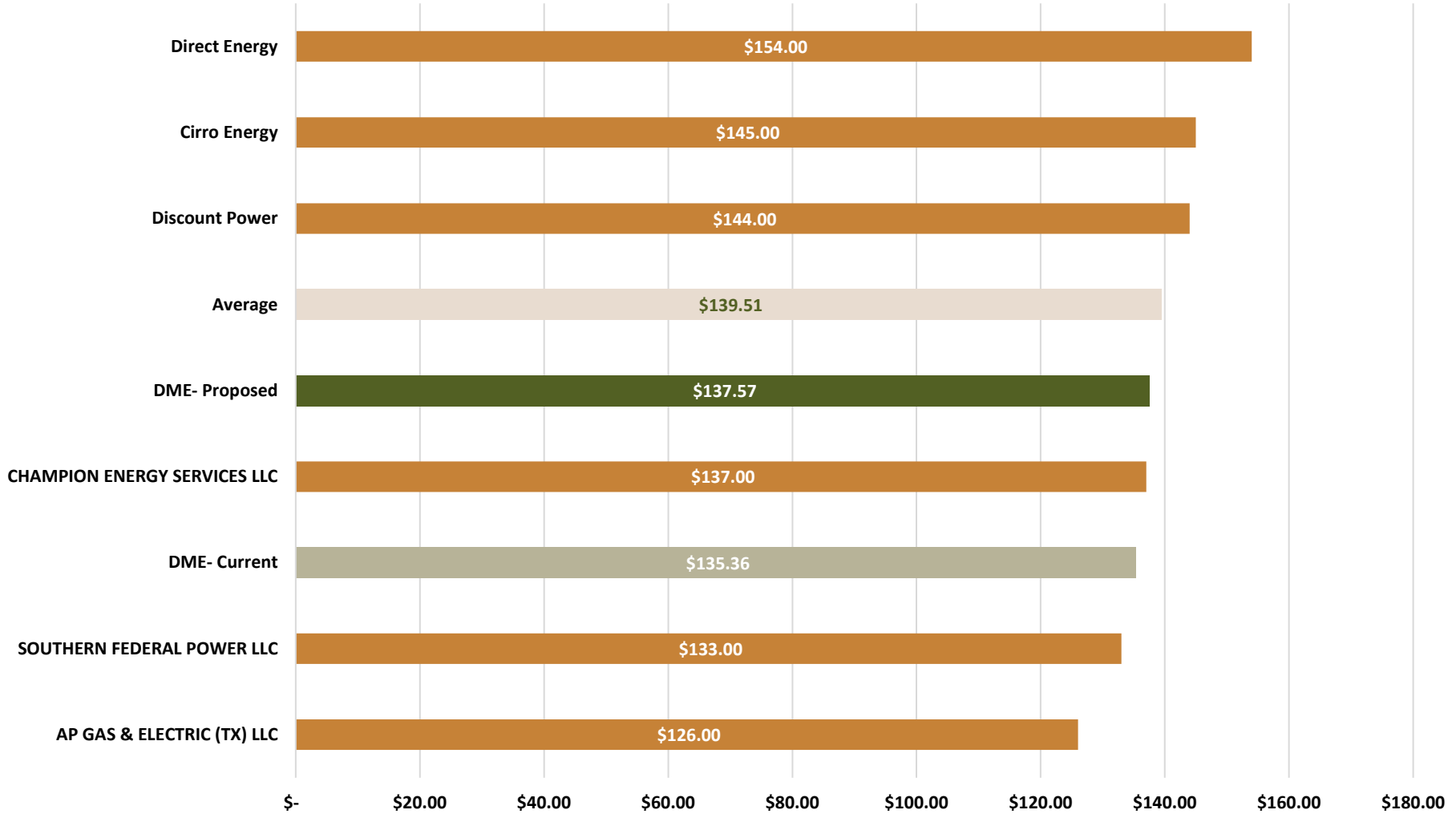
*Based on 1,000 kWh

100% Renewable Fixed 24 Month Retail Rate Comparison



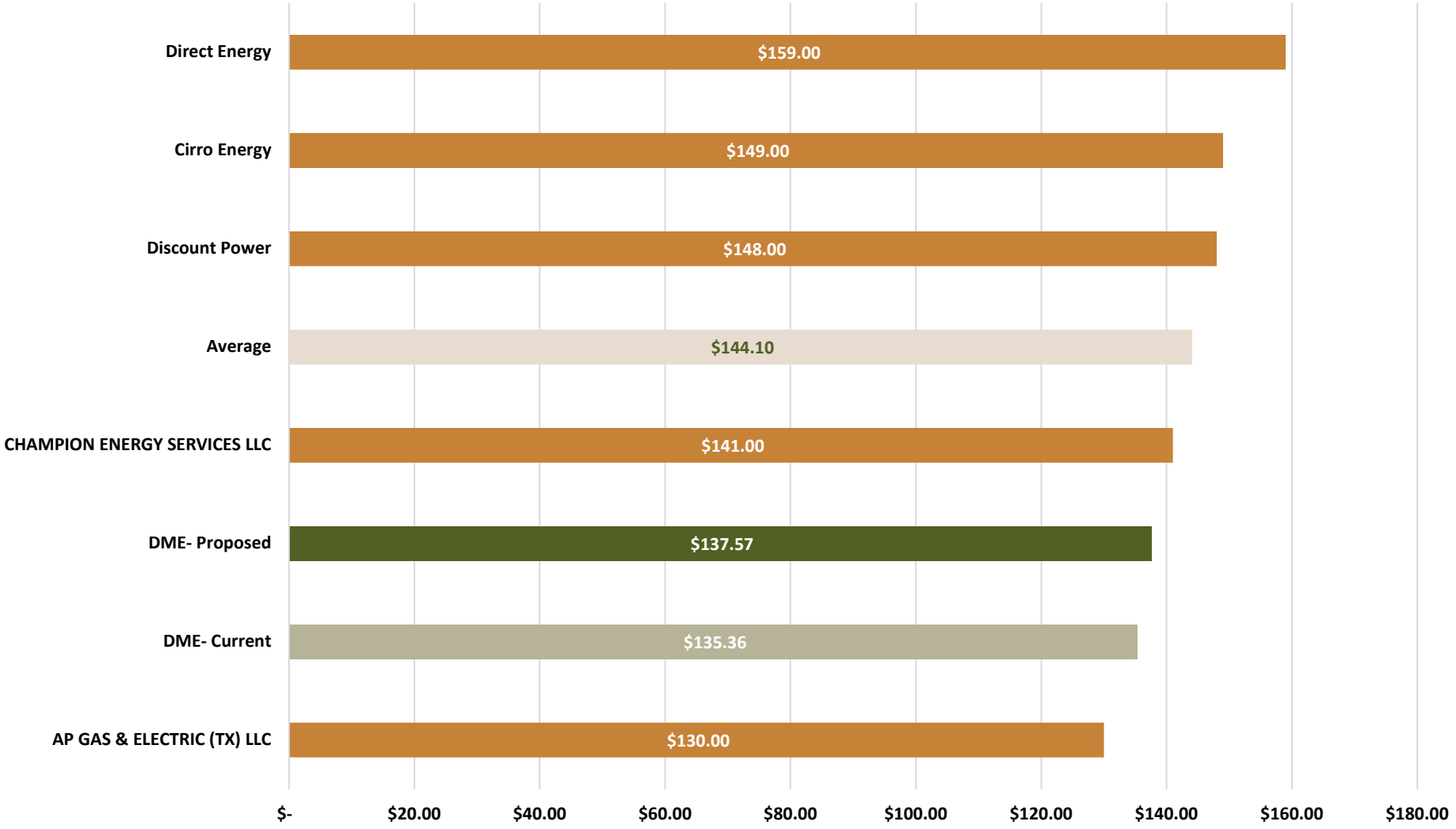
*Based on 1,000 kWh

Non-Renewable Fixed 12 Month Retail Rate Comparison



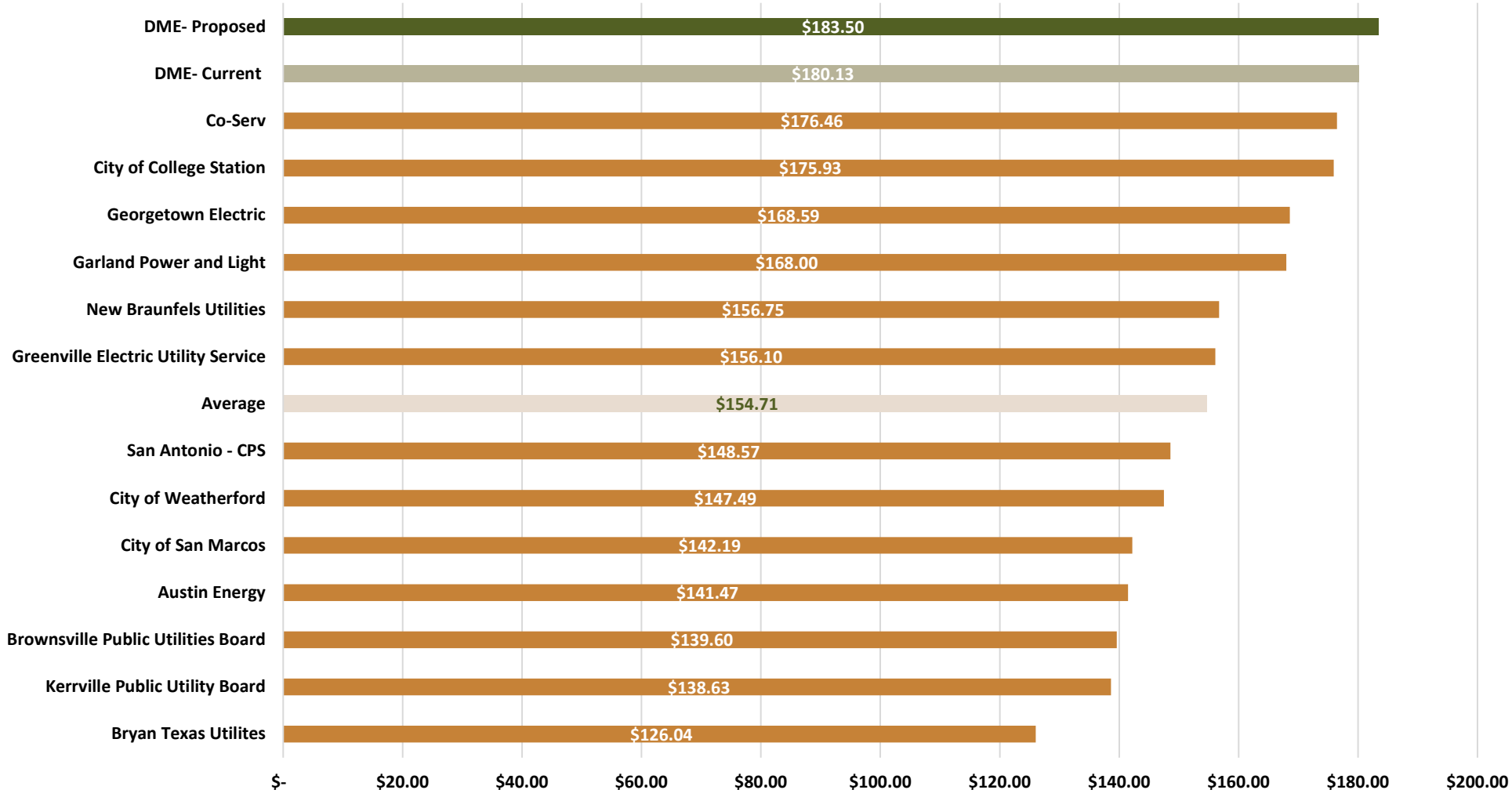
*Based on 1,000 kWh

Non-Renewable Fixed 24 Month Retail Rate Comparison



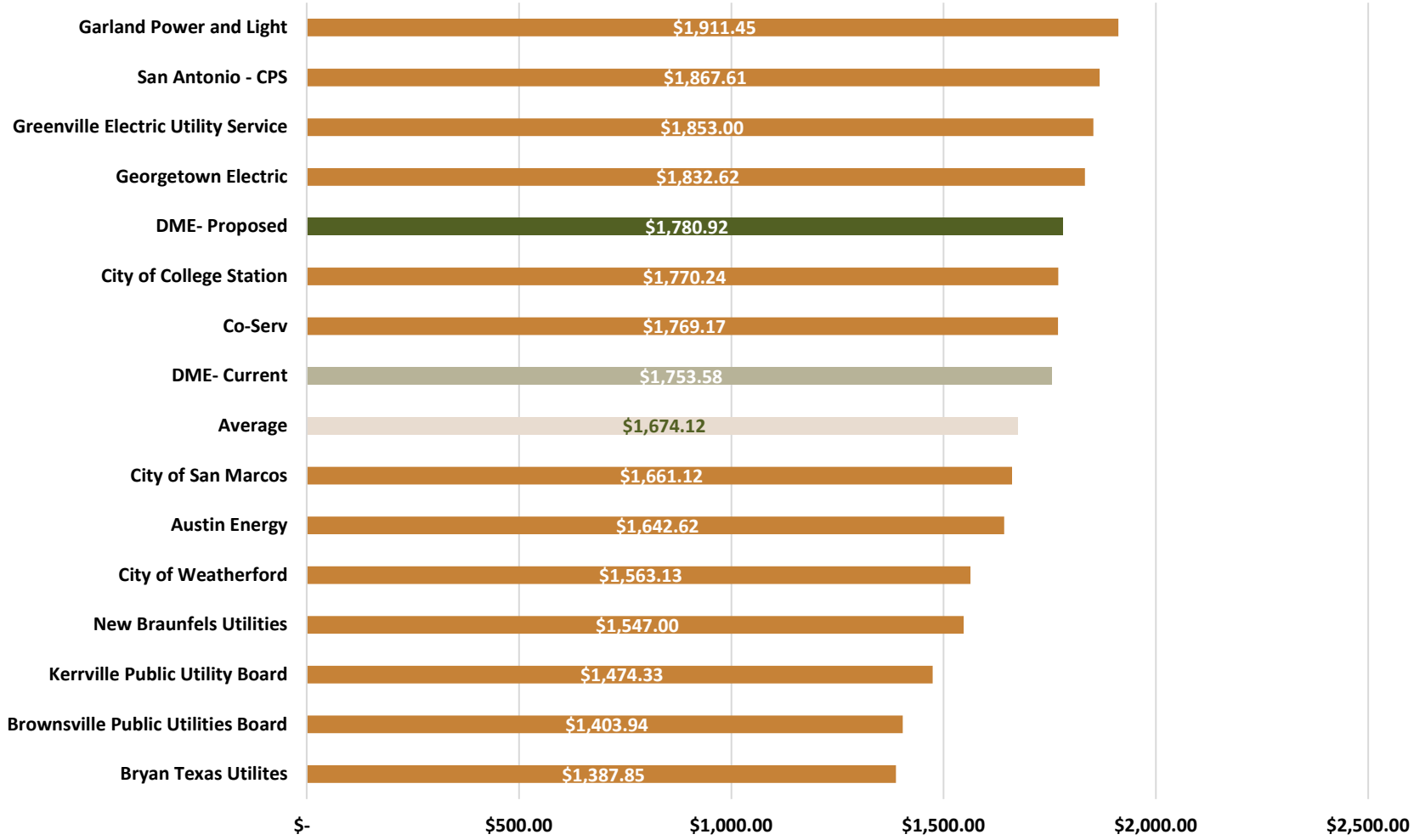
*Based on 1,000 kWh

General Service Small Comparison



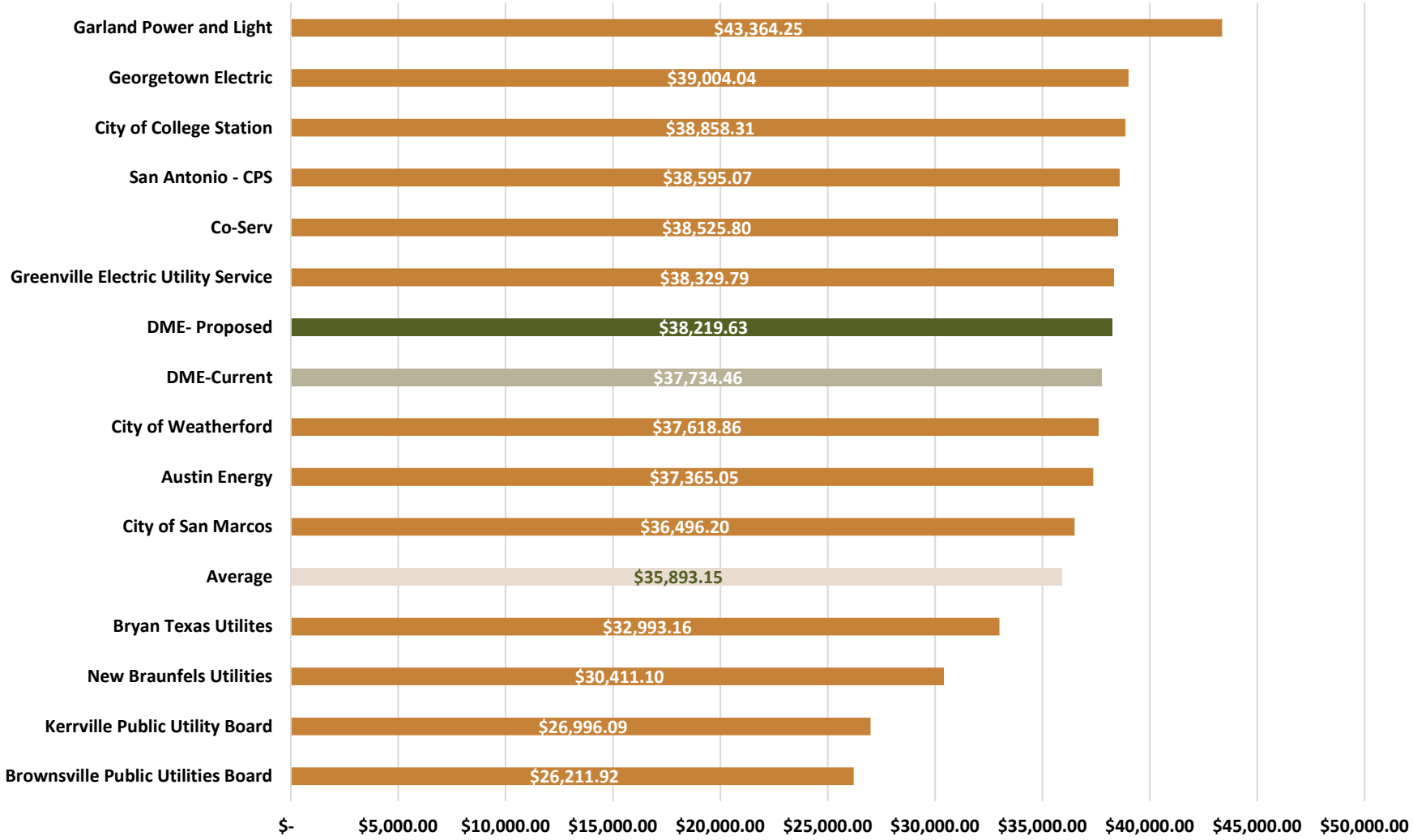
*Based on 1,101 kWh

General Service Medium Rate Comparison



*Based on 13,717 kWh & 48 kW

General Service Large Rate Comparison



*Based on 342,406 kWh & 867 kVA

Proposed Rate Changes

Miscellaneous Customer Service Fees

	Current FY 2025-26	Proposed FY 2026-27	Change	Notes
Returned Item Fee	$27	$27	-	Update language to include electronic payments
Service Fee for Card Payments	-	1.55%	1.55%	Only applies to card payments (credit & debit) made online through the Customer Service payment portal, or via telephone with a Customer Service representative.

Water Utilities

Rates and Fees Discussion

Overview

- 3% base rate increase
- Presented to PUB
  - July 13: Budget Update
  - July 27: Budget Workshop
    - Recommendation Provided
- Presented to Council
  - July 21: Budget Update
  - August 4: Budget Workshop

Proposed Rate Changes

Water Service – Inside Corporate Limits

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Residential				
0 – 5,000 Gallons	$3.84	$3.96	$0.12	3.0%
5,001 – 7,000 Gallons	$4.13	$4.25	$0.12	3.0%
7,001 – 15,000 Gallons	$4.30	$4.43	$0.13	3.0%
15,001 – 30,000 Gallons	$7.68	$7.91	$0.23	3.0%
30,001 – 50,000 Gallons	$10.27	$10.58	$0.31	3.0%
Over 50,000 Gallons	$12.77	$13.15	$0.38	3.0%
Facility Charge	Varies	Varies		3.0%
Commercial				
Volume Charge	$4.60	$4.74	$0.14	3.0%
Facility Charge	Varies	Varies		3.0%

Proposed Rate Changes

Water Service – Outside Corporate Limits

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Residential				
0 – 5,000 Gallons	$4.44	$4.57	$0.13	3.0%
5,001 – 7,000 Gallons	$4.76	$4.90	$0.14	3.0%
7,001 – 15,000 Gallons	$4.94	$5.09	$0.15	3.0%
15,001 – 30,000 Gallons	$8.85	$9.12	$0.27	3.0%
30,001 – 50,000 Gallons	$11.80	$12.15	$0.35	3.0%
Over 50,000 Gallons	$14.70	$15.14	$0.44	3.0%
Facility Charge	Varies	Varies		3.0%
Commercial				
Volume Charge	$5.41	$5.57	$0.16	3.0%
Facility Charge	Varies	Varies		3.0%

Proposed Rate Changes

Irrigation – Inside Corporate Limits

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Residential				
0 – 5,000 Gallons	$3.84	$3.96	$0.12	3.0%
5,001 – 7,000 Gallons	$4.13	$4.25	$0.12	3.0%
7,001 – 15,000 Gallons	$4.30	$4.43	$0.13	3.0%
15,001 – 30,000 Gallons	$7.68	$7.91	$0.23	3.0%
30,001 – 50,000 Gallons	$10.27	$10.58	$0.31	3.0%
Over 50,000 Gallons	$12.77	$13.15	$0.38	3.0%
Facility Charge	Varies	Varies		3.0%
Commercial				
Volume Charge	$6.10	$6.28	$0.18	3.0%
Facility Charge	Varies	Varies		3.0%

Proposed Rate Changes

Irrigation – Outside Corporate Limits

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Residential				
0 – 5,000 Gallons	$4.44	$4.57	$0.13	3.0%
5,001 – 7,000 Gallons	$4.76	$4.90	$0.14	3.0%
7,001 – 15,000 Gallons	$4.94	$5.09	$0.15	3.0%
15,001 – 30,000 Gallons	$8.85	$9.12	$0.27	3.0%
30,001 – 50,000 Gallons	$11.80	$12.15	$0.35	3.0%
Over 50,000 Gallons	$14.70	$15.14	$0.44	3.0%
Facility Charge	Varies	Varies		3.0%

Proposed Rate Changes

Irrigation – Outside Corporate Limits

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Commercial				
0 – 7,000 Gallons	$7.00	$7.21	$0.21	3.0%
7,001 – 20,000 Gallons	$7.47	$7.69	$0.22	3.0%
20,001 – 40,000 Gallons	$8.76	$9.02	$0.26	3.0%
Over 40,000 Gallons	$9.79	$10.08	$0.29	3.0%
Facility Charge	Varies	Varies		3.0%

Proposed Rate Changes

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Metered Water from Hydrant				
Fire Hydrant Meter Deposit (Per Meter)	$3,000.00	$4,690.00	$1,690.00	56.3%
Volume Charge (Per 1,000 Gallons)	$5.38	$5.54	$0.16	3.0%
Facility Charge (Per Bill)	$117.37	$120.89	$3.42	3.0%
UTRWD Wholesale Raw				
Wholesale Raw Water Service to UTRWD (85% of Dallas)	$1.1364	$1.2383	$0.1019	9.0%
Wholesale Raw Water Pass-Through	$0.0395	$0.0406	$0.0011	2.8%
UTRWD Wholesale Treated				
Wholesale Treated Water – Volume Rate	$4.96	$4.96	-	-

Proposed Rate Changes

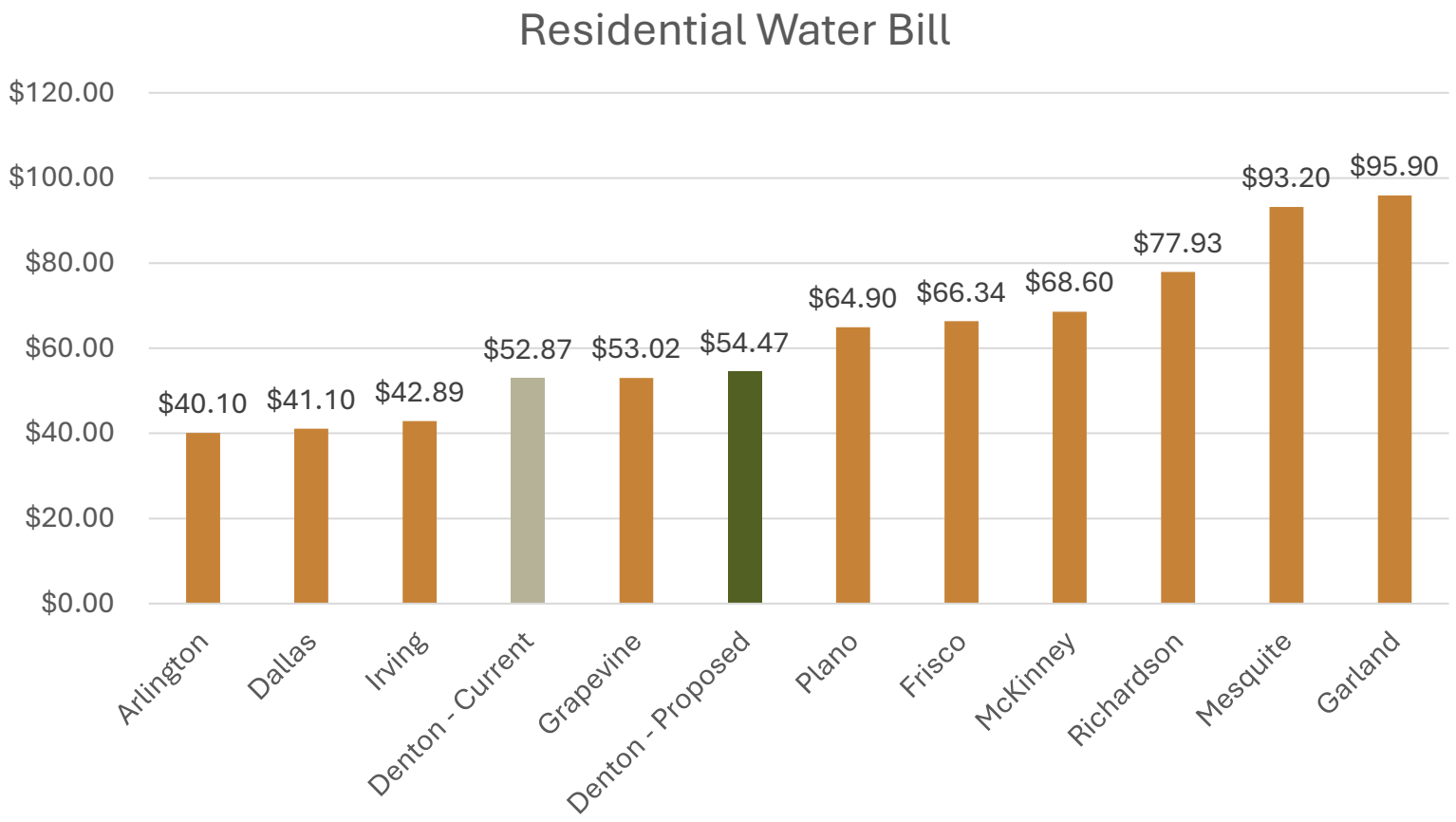
	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Meter Fees				
5/8 x 3/4 Inch	$323.57	$ 333.28	$ 9.42	3.0%
3/4 x 3/4 Inch	$366.01	$ 376.99	$ 10.66	3.0%
1 Inch	$397.84	$ 409.78	$ 11.59	3.0%
1 1/2 Inch	$710.80	$ 732.12	$ 20.70	3.0%
2 Inch	$721.41	$ 743.05	$ 21.01	3.0%
Meter Relocation Fees (10 Feet or Less)				
3/4 Inch	$302.36	Removed	-	-
1 Inch	$302.36	$ 311.43	$ 9.07	3.0%
1 1/2 Inch	$360.71	Removed	-	-
2 Inch	$413.75	$ 426.16	$ 12.41	3.0%

Proposed Rate Changes

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Fire Hydrant Installation*				
Paved Street	$ 6,578.00	$ 11,206.28	$ 4,628.28	70.4%
Unpaved Street	$ 4,562.00	$ 11,206.28	$ 6,644.28	145.6%

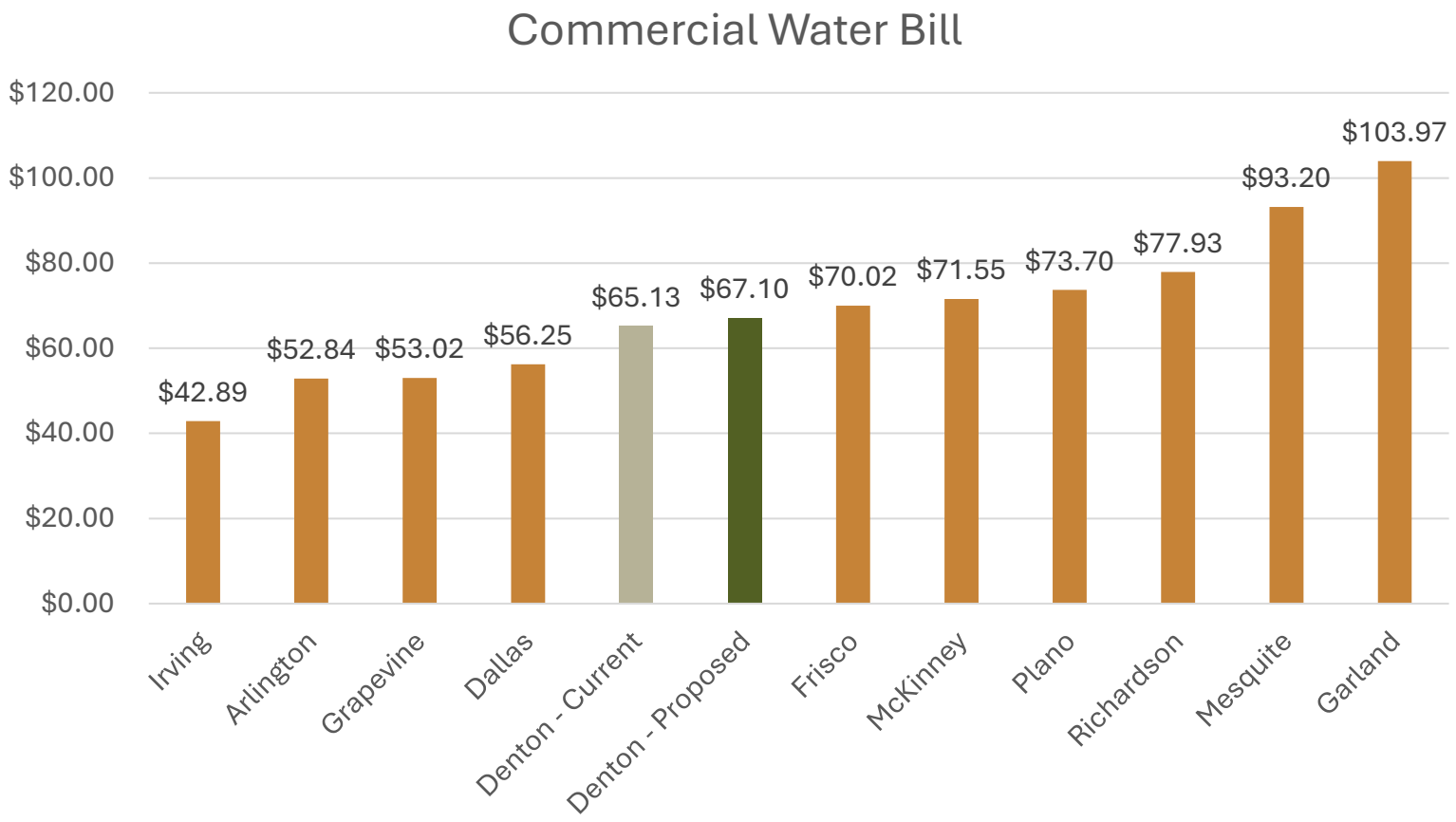
*Installation fee is no longer separate for paved or unpaved street.

Residential Rate Comparison



*Based on 9,000 gallons

Commercial Rate Comparison



*Based on 9,000 gallons

Wastewater Utility

Rates and Fees Discussion

Overview

- 9% base rate increase
- Presented to PUB
  - July 13: Budget Update
  - July 27: Budget Workshop
    - Recommendation Provided
- Presented to Council
  - July 21: Budget Update
  - August 4: Budget Workshop

Proposed Rate Changes

Residential Service

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge	$ 15.04	$ 16.39	$1.35	9.0%
Volume Charge (1,000 gal. effluent)	$ 5.19	$ 5.66	$ 0.47	9.0%
Outside City of Denton Limits:				
Facility Charge	$ 17.44	$ 19.01	$ 1.57	9.0%
Volume Charge (1,000 gal. effluent)	$ 6.02	$ 6.56	$ 0.54	9.0%

*9% proposed rate change also applies to accounts without City of Denton water service.

Proposed Rate Changes

Mobile Home Park Service

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge	$ 36.25	$ 39.51	$ 3.26	9.0%
Volume Charge (1,000 gal. effluent)	$ 5.19	$ 5.66	$ 0.47	9.0%
Outside City of Denton Limits:				
Facility Charge	$ 41.71	$ 45.46	$ 3.75	9.0%
Volume Charge (1,000 gal. effluent)	$ 6.02	$ 6.56	$ 0.54	9.0%

*9% proposed rate change also applies to accounts without City of Denton water service.

Proposed Rate Changes

Commercial and Industrial Service

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Facility Charge	$ 36.25	$ 39.51	$ 3.26	9.0%
Volume Charge (1,000 gal. effluent)	$ 6.63	$ 7.23	$ 0.60	9.0%
Outside City of Denton Limits:				
Facility Charge	$ 41.71	$ 45.46	$ 3.75	9.0%
Volume Charge (1,000 gal. effluent)	$ 7.53	$ 8.21	$ 0.68	9.0%

*9% proposed rate change also applies to accounts without City of Denton water service.

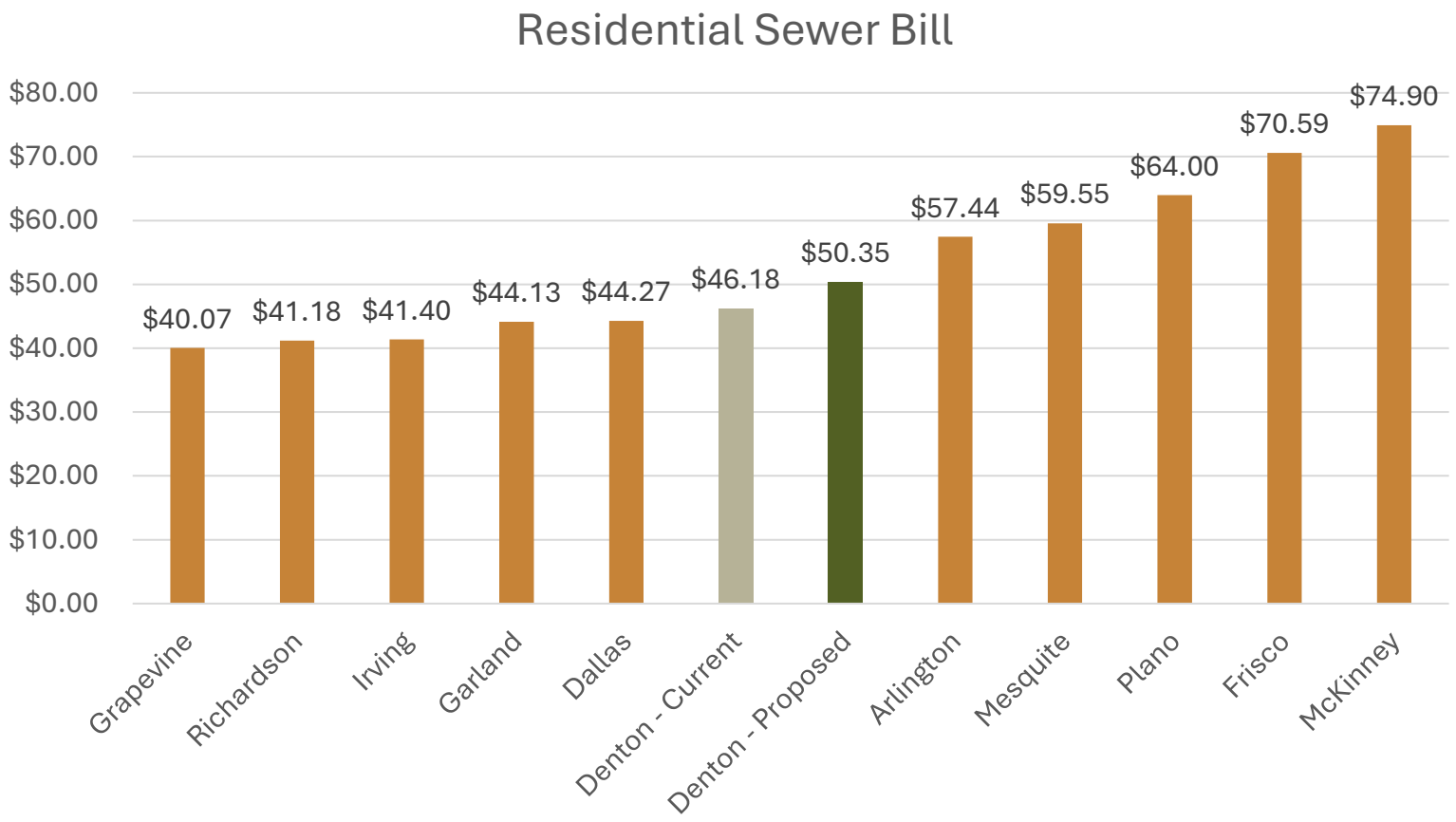
Proposed Rate Changes

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Commercial & Industrial (Metered, Sub-Metered)				
Facility Charge	Varies	Varies	-	9.0%
Volume Charge (1,000 gal. effluent)	Varies	Varies	-	9.0%
Septage & Chemical Toilet Disposal				
Facility Charge	$ 7.94	$ 8.65	$ 0.71	9.0%
Volume Charge (1,000 gal. effluent)	$ 50.87	$ 55.45	$ 4.58	9.0%
Restaurant & Food Establishments				
Facility Charge	$ 36.25	$ 39.51	$ 3.26	9.0%
Volume Charge (1,000 gal. effluent)	$ 9.22	$ 10.05	$ 0.83	9.0%

Proposed Rate Changes

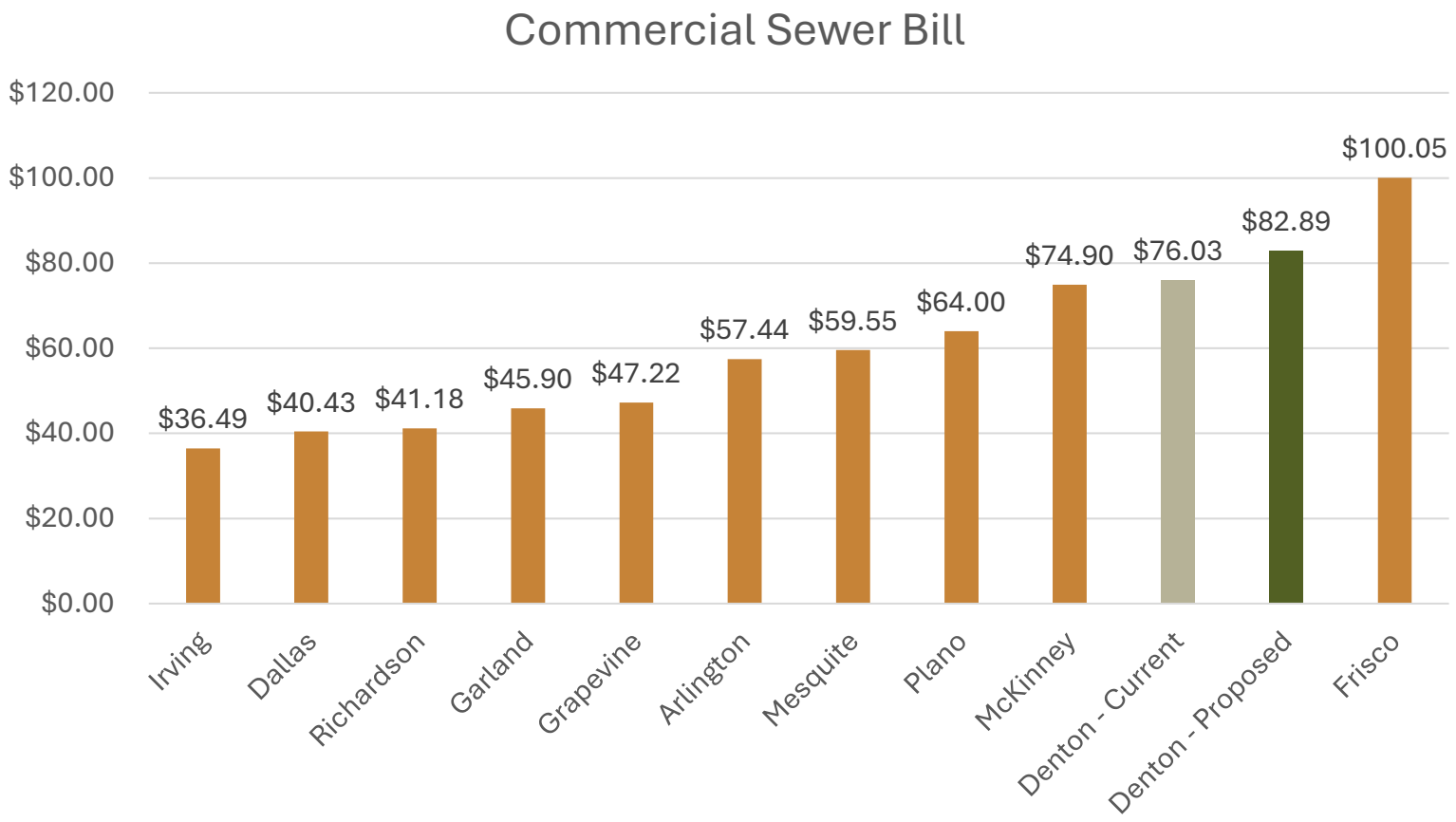
	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Sale of Treated Effluent				
Facility Charge	Varies	Varies	-	9.0%
Volume Charge (1,000 gal. effluent)	$ 2.78	$ 3.03	$ 0.25	9.0%
Dyno Dirt Products				
Compost, Wood Mulch, Dyno Mulch	Varies	Varies	-	9.0%

Residential Rate Comparison



*Based on 6,000 gallons

Commercial Rate Comparison



*Based on 6,000 gallons

Drainage

Rates and Fees Discussion

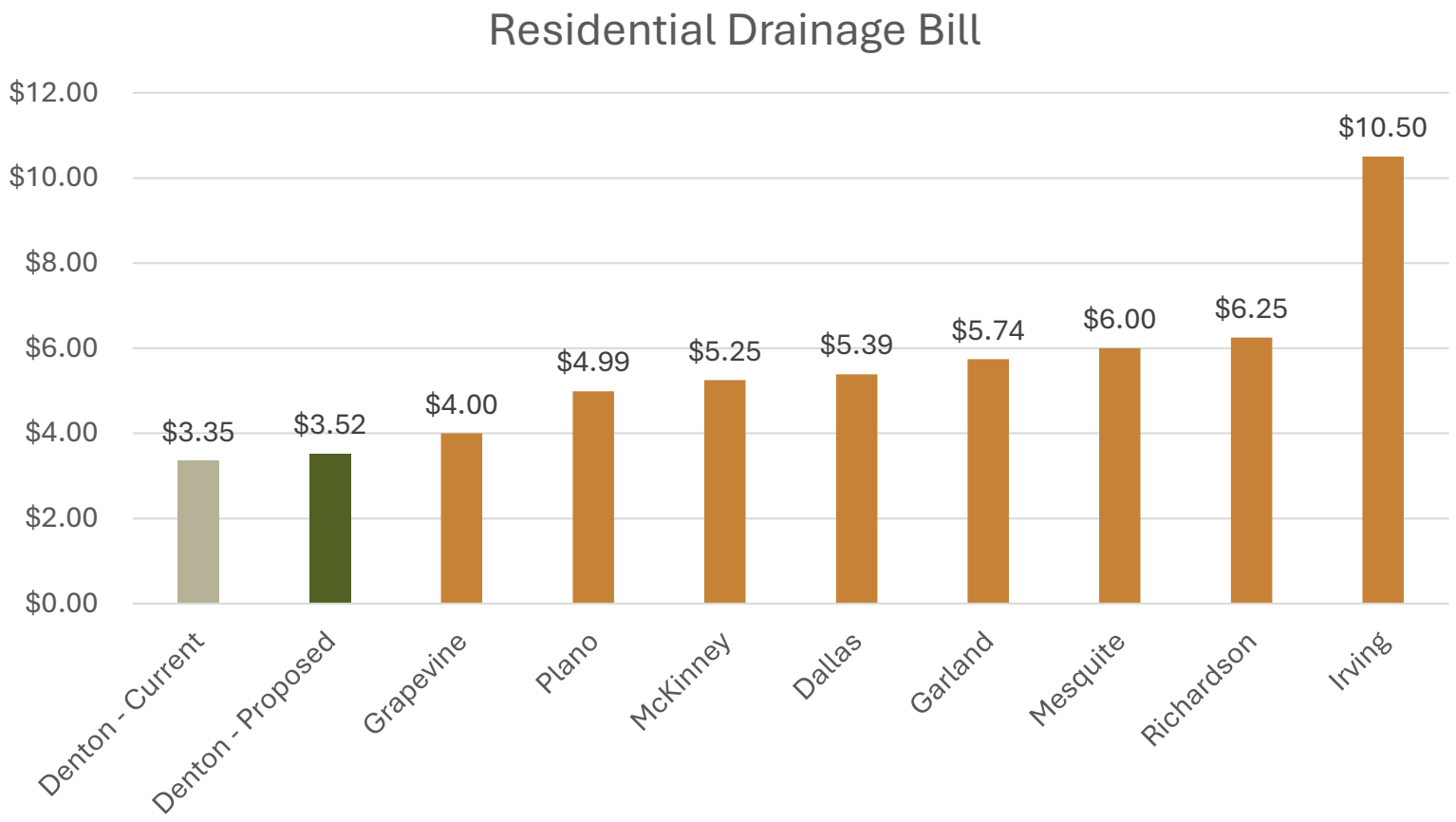
Overview

- 5% base rate increase
- First increase since fee adoption in 2002
- Presented to PUB
  - July 13: Budget Update
  - July 27: Budget Workshop
    - Recommendation Provided
- Presented to Council
  - July 21: Budget Update
  - August 4: Budget Workshop

Proposed Rate Changes

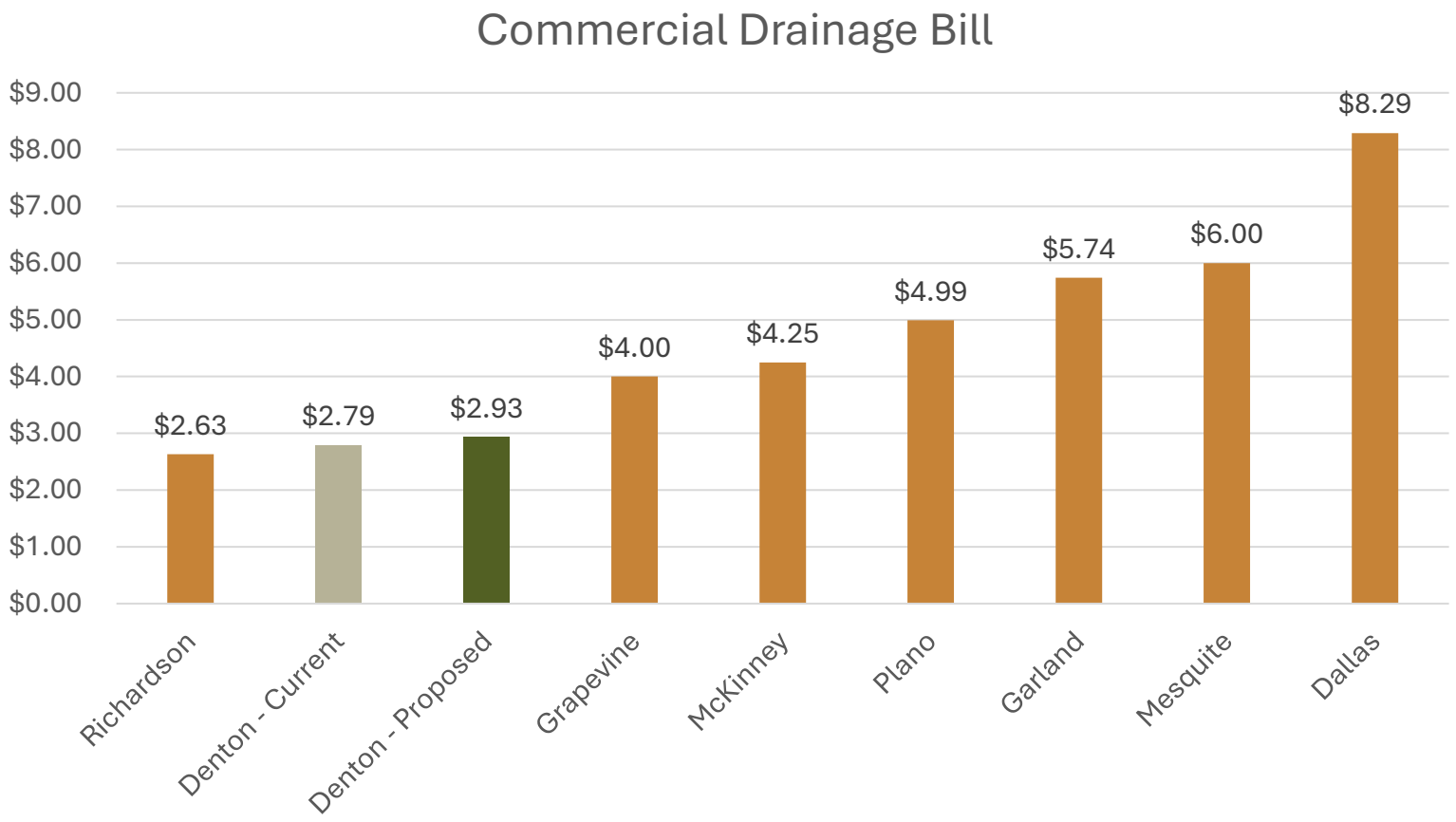
	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Residential				
0 – 600 Square Feet	$0.50	$0.53	$0.03	5.0%
601 – 1,000 Square Feet	$1.00	$1.05	$0.05	5.0%
1,001 – 2,000 Square Feet	$3.35	$3.52	$0.17	5.0%
2,001 – 3,000 Square Feet	$5.45	$5.72	$0.27	5.0%
3,001 – 4,000 Square Feet	$7.60	$7.98	$0.38	5.0%
4,001 – 5,000 Square Feet	$9.75	$10.24	$0.49	5.0%
5,001 – 6,000 Square Feet	$12.00	$12.60	$0.60	5.0%
Over 6,000 Square Feet	$15.50	$16.28	$0.78	5.0%
Commercial				
Measured Square Footage of Impervious Surface Cover	$0.00186	$0.00195	$0.00009	5.0%

Residential Rate Comparison



*Based on 1,500 Square feet

Commercial Rate Comparison



*Based on 1,500 Square feet

Solid Waste and Recycling

Rates and Fees Discussion

Rate Ordinance Revisions

- No proposed changes to rates
- Corrections to language
- Addition of permit fee for:
  - **Commercial Collection**
  - **Transportation Service Permit -** for special waste and recyclables.
    - Solid Waste and Recycling permitting rates were included within the Water and Wastewater liquid waste rate ordinance. To better align the permitting fees, W/WW is separating liquid waste from special/recyclable waste. W/WW will continue to keep liquid waste permitting within their rate ordinance. SW&R is proposing to add the special/recyclable waste fees to their rate ordinance.

Collection and Transportation Rates	
Commercial Recycling Permit	
Application Fee (per calendar year)	$200.00
Vehicle Permit (per vehicle per calendar year)	$400.00
Commercial Special Waste Permit	
Application Fee (per calendar year)	$200.00
Vehicle Permit (per vehicle per calendar year)	$400.00

Denton Enterprise Airport

Rates and Fees Discussion

Proposed Rate Changes

	Current FY 2025-26	Proposed FY 2026-27	$ Change	% Change
Commercial Aeronautical Service Permit Fees (Annual)				
Independent Operator	$ 500	$ 0	-$ 500	-100.0%
30-Day (Temporary) All Services	$ 0	$ 100	$ 100	100.0%

FY 2026-27 Budget Development

Next Steps

- September 15: Budget and Tax Rate Hearing
- September 22: Budget and Tax Rate Adoption

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Finance

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the special events sponsorship and Hotel Occupancy Tax funds.

BACKGROUND

The Finance department currently administers two separate and distinct programs to support community organizations and events on an annual basis. These programs include the Hotel Occupancy Tax (HOT) funds, and Sponsorship funds. These programs are overseen by the Community Partnership Committee (CPC) which monitors allocation and use, ensuring HOT funds are being used to directly enhance and promote tourism and the hotel industry, and ensuring the sponsorship funds are being used to further a charitable cause, economic or community purpose. The CPC receives presentations from organizations, reviews applicant requests, and makes funding recommendations to City Council in conjunction with the budget process.

To support the administration of the program, clear guidelines and a standardized application have been developed for both programs. In addition, a scoring rubric has been developed to quantify an applicant's ability to meet the intent of each program. Each year, the Committee reviews and updates the guidelines and application as necessary. These tools assist the Community Partnership Committee in evaluating applicants' funding requests. The scoring rubric outlines the following categories for organizations to focus on:

Tourism Impact	Measures the applicant's ability to generate overnight stays and attract visitors from outside the local area.
Economic Impact	Measures measurable benefit to the local economy including restaurants, retail, and other local businesses.
Marketing Plan	Measures the applicant's ability to effectively promote tourism.
Budget & Fiscal Responsibility	Measures financial sustainability and responsible budgeting.
Organizational Capacity	Measures ability to successfully execute the project.
Community Benefit & Alignment	Measures cultural and tourism value.
Reporting & Evaluation Plan	Measures accountability and reporting.

Sponsorship applications have the same categories as HOT, with the exception of Tourism Impact removed. As a result, sponsorship recipients do not have a requirement to generate any overnight stays or attract visitors from outside the local area. Sponsorship funding is specifically intended for local community events.

Once the updated guidelines and application are approved, notification of the application period is sent via email to current and past recipients, as well as to other interested organizations. The documents are also made available on the City's website.

The application period opened on May 1, 2026, and closed on June 30, 2026. An application workshop was hosted by staff for event organizers on Tuesday, May 5, 2026, to provide guidance and answer questions regarding the application and scoring process for each program. The recording of the meeting was made available online to any organizers who could not attend in-person.

Hotel Occupancy Taxes

Program guidelines based on Tax Code Section 351.001 have been established to guide the administration of the HOT Program. The state statutes limit the use of the tax to only promote tourism and the convention and hotel industries. Organizations must use the revenue to both attract tourists to hotels for overnight stays, and use the funds within nine allowable use categories. The law requires that when a hotel tax is used for one of the nine purposes, it must also have the effect of attracting tourists to hotels for overnight stays. The following nine categories are provided as allowable uses:

1. Constructing, improving, enlarging, equipping, repairing, operating and maintaining a convention center or visitor information center;
2. Furnishing of facilities, personnel and materials for the registration of convention delegates or registrants;
3. Advertising and conducting promotional programs to attract tourists and convention delegates or registrants;
4. Encouragement, promotion, improvement and application of the arts;
5. Historical restoration and preservation projects or advertising and conducting promotional programs to encourage tourists to visit preserved historic sites or museums;
6. Expenses related to a sporting event in which a majority of participants are tourists;
7. Enhancement and upgrading of existing sports facilities or fields;
8. Constructing, improving, enlarging, equipping, repairing, operating and maintaining a coliseum or multiuse facility; and
9. Signage directing public to sights and attractions that are visited by hotel guests.

To note, category number 6 and 7 in the list above do not apply to the City of Denton due to restrictions in the statutes for specific geographic locations and county populations. However, the remaining sections would be allowable uses.

Additionally, program expenditures have a 15% cap on both the Art and Historical statute categories. The Public Art Committee, administered by the Greater Denton Arts Council, is allocated a minimum of 2.4 percent of estimated hotel revenue by Resolution 2013-021.

Sponsorship Funds

The Sponsorship Program provides a combination of cash support and in-kind services to non-profit and civic-minded programs and organizations. Beginning in Fiscal Year 2022–23, the Denton Parks and Recreation Department's Co-Sponsorship Program was merged with the broader City Sponsorship Program to more efficiently evaluate cash and in-kind requests.

Sponsorship funds are not restricted by state statute for allowable uses, however the City does require the following:

- The applicant must be a tax-exempt non-profit organization or public agency
- Applicant and event must be based in the City of Denton
- The organization must have successfully fulfilled prior contracts (if applicable)

- Must be compliant with the Special Event Ordinance
- Must further a charitable cause, economic or community growth, or public interest
- Serve to benefit the entire community
- Open to the public
- Encourage community engagement
- Event must be held in a safe, accessible and family-friendly location
- Must support the City's core values

FISCAL INFORMATION

The revenue projection for Fiscal Year 2026-27 is based on historical collections and current trends. The proposed revenue budget includes total resources of $5,391,802. The proposed HOT fund expenditure budget is $4,898,653, resulting in an ending fund balance of $493,149. The Sponsorship program is budgeted at $150,000 for cash support and $200,000 for in-kind support.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Presentation
Exhibit 3 – PY 2027 HOT Funds Program Guidelines
Exhibit 4 – PY 2027 Sponsorship Funds Program Guidelines
Exhibit 5 – PY 2027 Scoring Rubric
Exhibit 6 – Funding Requests (Combined Programs)

Respectfully submitted:
Matt Hamilton
Chief Financial Officer

Hotel Occupancy Tax (HOT)

& Sponsorship Program

Matt Hamilton
Chief Financial Officer

ID 26-1303 August 18, 2026

Program Types

Hotel Occupancy Taxes (HOT) - Restricted

- Governed by Texas Tax Code 351
- 351.101 Use - Tax may only be used to promote tourism and the convention and hotel industries. The Texas Comptroller refers to a “Texas Two-Step” to assist with determining allowable expenditures.
  - ❑ Step #1 – Tax must be used to attract tourists to hotels for overnight stays.
  - ❑ Step #2 – The expenditures must fall within nine (9) statutory categories.
    - The law requires that when a hotel tax is used for one of the nine purposes, it must also have the effect of attracting tourists to hotels for overnight stays.
- The Art and Historical categories expenses in a fiscal year cannot exceed 15% each of the total HOT revenue
- City of Denton Resolution 2013-021 requires at least 2.4% of total HOT revenue be allocated to the Public Art.

Sponsorship Funding - Unrestricted

- Cash and In-Kind donation of the City to support local organizations.
- Funded by General Fund & Denton Municipal Electric.
- Funding level is determined in the annual budget process by City Council.

HOT Program

Recipient Requirements

- The applicant must be a tax-exempt non-profit organization or public agency.
- Applicant and event must be based in the City of Denton.
- Nondiscrimination practice.
- Successfully fulfilled prior contracts.
- Must be compliant with the Special Event Ordinance.

Prioritization of Qualified Events and Programs

- Limit applications to events with a minimum of 200 attendees (aligns with Special Event Criteria).
- Require applicants to have alternative funding sources besides City HOT or Sponsorship funds.
- Event must successfully have taken place in prior years (no first-time events).
- Events must demonstrate a positive economic impact to the City of Denton.
- Applicants will be required to submit an application online via Neighborly Software.
- Recommendations are based on scoring criteria.

HOT Program Scoring Rubric

Scoring Rubric:

Section	Description	Points
A. Eligibility & Compliance	Applicants must be a government entity or nonprofit and must demonstrate alignment with eligible HOT fund uses including tourism promotion, arts, or convention-related activities.	
B. Tourism Impact	Measures the applicant's ability to generate overnight stays and attract visitors from outside the local area.	25
C. Economic Impact	Measures measurable benefit to the local economy including restaurants, retail, and other local businesses.	15
D. Marketing Plan	Measures the applicant's ability to effectively promote tourism.	15
E. Budget & Fiscal Responsibility	Measures financial sustainability and responsible budgeting.	15
F. Organizational Capacity	Measures ability to successfully execute the project.	10
G. Community Benefit & Alignment	Measures cultural and tourism value.	10
H. Reporting & Evaluation Plan	Measures accountability and reporting.	10
TOTAL		**100**

HOT Program Scoring Rubric

Final Scoring Interpretation:

Score Range	Description	Funding
90–100 Points:	Exceptional – Priority funding	100%
75–89 Points:	Strong – Recommended funding	80%
60–74 Points:	Moderate – Partial funding consideration	60%
Below 60 Points:	Low – Minimal funding consideration	40%

HOT Funding Scenario #1

Provide funding at the same level as program year 2026.

Expenditures:	Application Score	PY 2026 Funding	PY 2027 Request	% Request Increase over Prior Year Funding	Scenario # 1 Funding Option
North Texas Fair & Rodeo	95	$ 417,200	$ 490,000	17%	$ 417,200
Denton's Day of the Dead	94.5	80,000	100,000	25%	80,000
Denton Black Film Festival Institute	93	62,500	98,000	57%	62,500
Denton 31 Days of Halloween 2026	93	250,000	250,000	0%	250,000
Discover Denton	90.5	1,964,250	2,300,000	17%	1,964,250
Texas Filmmakers Corporation	87	75,000	100,000	33%	75,000
Denton Festival Foundation	86.5	94,000	125,000	33%	94,000
Denton County Office of History & Culture	83	300,000	300,000	0%	300,000
Downtown Denton Foundation	83	111,680	201,310	80%	111,680
Theatre Denton, Inc. (Denton Community Theater)	82	35,100	40,000	14%	35,100
Denton Black Chamber of Commerce	79.5	48,000	85,000	77%	48,000
Greater Denton Arts Council - Operations	78	160,400	300,000	87%	160,400
Instant Film Society	78	-	5,000	100%	-
Southwest Celtic Music Association	77	-	25,000	100%	-
Tejas Storytelling Association	75.5	59,055	59,055	0%	59,055
Denton Breakfast Kiwanis	75.5	-	7,000	100%	-
Denton Holiday Festival Association	66	30,000	75,000	150%	30,000
Denton Parks Foundation - Juneteenth	62.5	30,800	70,000	127%	30,800
Denton Main Street Association	60	10,000	85,500	755%	10,000
DMAC Amplify	57	9,900	11,000	11%	9,900
Texas Veterans Hall of Fame Foundation	56	70,000	98,800	41%	70,000
Denton Parks Foundation - Dog Days of Denton	48	30,000	20,000	-33%	20,000
Greater Denton Arts Council - Public Art	N/A	70,728	-		77,560
TOTAL:		**$ 3,908,613**	**$ 4,845,665**	**23.97%**	**$ 3,905,445**

HOT Funding Scenario #2

Provide funding based on rubric scoring tiers.

Expenditures:	Application Score	PY 2026 Funding	PY 2027 Request	% Request Increase over Prior Year Funding	Scenario # 2 Funding Option
North Texas Fair & Rodeo	95	$ 417,200	$ 490,000	17%	$ 417,200
Denton's Day of the Dead	94.5	80,000	100,000	25%	80,000
Denton Black Film Festival Institute	93	62,500	98,000	57%	62,500
Denton 31 Days of Halloween 2026	93	250,000	250,000	0%	250,000
Discover Denton	90.5	1,964,250	2,300,000	17%	1,964,250
Texas Filmmakers Corporation	87	75,000	100,000	33%	60,000
Denton Festival Foundation	86.5	94,000	125,000	33%	75,200
Denton County Office of History & Culture	83	300,000	300,000	0%	240,000
Downtown Denton Foundation	83	111,680	201,310	80%	89,344
Theatre Denton, Inc. (Denton Community Theater)	82	35,100	40,000	14%	28,080
Denton Black Chamber of Commerce	79.5	48,000	85,000	77%	38,400
Greater Denton Arts Council - Operations	78	160,400	300,000	87%	128,320
Instant Film Society	78	-	5,000	100%	-
Southwest Celtic Music Association	77	-	25,000	100%	-
Tejas Storytelling Association	75.5	59,055	59,055	0%	47,244
Denton Breakfast Kiwanis	75.5	-	7,000	100%	-
Denton Holiday Festival Association	66	30,000	75,000	150%	18,000
Denton Parks Foundation - Juneteenth	62.5	30,800	70,000	127%	18,480
Denton Main Street Association	60	10,000	85,500	755%	6,000
DMAC Amplify	57	9,900	11,000	11%	3,960
Texas Veterans Hall of Fame Foundation	56	70,000	98,800	41%	28,000
Denton Parks Foundation - Dog Days of Denton	48	30,000	20,000	-33%	12,000
Greater Denton Arts Council - Public Art	N/A	70,728	-		77,560
Contingency					100,000
TOTAL:		**$ 3,908,613**	**$ 4,845,665**	**23.97%**	**$ 3,744,538**

HOT Financials

Scenario #1:

Forecasted Resources	**$ 5,391,802**
Embassy Suites 380 Agreement rebate	1,154,115
Baseline Recommendation	3,905,445
Total Expenditure	**$ 5,059,560**
Remaining fund balance	**$ 332,242**

Scenario #2:

Forecasted Resources	**$ 5,391,802**
Embassy Suites 380 Agreement rebate	1,154,115
Baseline Recommendation	3,744,538
Total Expenditure	**$ 4,898,653**
Remaining fund balance	**$ 493,149**

Sponsorship Program

Recipient Requirements

- The applicant must be a tax-exempt non-profit organization or public agency
- Applicant and event must be based in the City of Denton
- Nondiscrimination practice
- Successfully fulfilled prior contracts
- Must be compliant with the Special Event Ordinance

Community Purpose

- Must further a charitable cause, economic or community growth, or public interest
- Serve to benefit the entire community
- Open to the public
- Encourage community engagement
- Event must be held in a safe, accessible and family-friendly location
- Must support the City’s core values

Sponsorship Program

Cash Support

$150,000 Budget

- $110,000 General Fund
- $40,000 Electric Fund

In-Kind Support

$200,000 Budget

- General Fund – PARD Operating Budget
- Covers in-kind services provided by the City
- Expenses transferred from impacted departments

• Budget History:

2023 - $250,000
2024 - $400,000
2025 - $400,000
2026 - $200,000
2027 - $200,000

Sponsorship Scoring

Scoring Rubric:

Section	Description	Points
A. Eligibility & Compliance	Applicants must be a government entity or nonprofit and must demonstrate alignment with eligible HOT fund uses including tourism promotion, arts, or convention-related activities.	
B. Economic Impact	Measures measurable benefit to the local economy including restaurants, retail, and other local businesses.	40
C. Marketing Plan	Measures the applicant's ability to effectively promote tourism.	15
D. Budget & Fiscal Responsibility	Measures financial sustainability and responsible budgeting.	15
E. Organizational Capacity	Measures ability to successfully execute the project.	10
F. Community Benefit & Alignment	Measures cultural and tourism value.	10
G. Reporting & Evaluation Plan	Measures accountability and reporting.	10
TOTAL		**100**

- Sponsorship applications have the same categories as HOT, with the exception of Tourism Impact removed. As a result, sponsorship recipients do not have a requirement to generate any overnight stays or attract visitors from outside the local area. This funding is specifically intended for local community events.

Sponsorship Scoring

Final Scoring Interpretation:

Score Range	Description	Funding
90–100 Points:	Exceptional – Priority funding	100%
75–89 Points:	Strong – Recommended funding	70%
60–74 Points:	Moderate – Partial funding consideration	50%
Below 60 Points:	Not Recommended	0%

CPC Funding Recommendation

Community Partnership Committee Recommendation:

- Utilize the scoring rubrics and apply funding based on the application scores.
- Utilize contingency funds to add funding to the following organizations:
  - Denton Black Film Festival Institute (+$17,500 HOT Funding)
  - Denton Festival Foundation - Arts & Jazz Festival (+$18,800 HOT Funding)
  - Kiwanis Youth Services Inc - 4th of July Fireworks (+$5,000 Cash Sponsorship & $10,000 In-Kind Sponsorship)
- Remaining contingency balances:
  - HOT Funds: $493,149 (target balance $500,000)
  - Cash Sponsorship: $5,650
  - In-Kind Sponsorship: $10,000

Combined Requests

	PY 2026 Total Funding	2027 Requested HOT	2027 Requested Sponsorship	**PY 2027 Total Requested Funding**	2027 CPC Recommended HOT Funds	2027 CPC Recommended Sponsorship Funds	2027 CPC Recommended In Kind	**PY 2027 Total CPC Recommended Funding**
Childrens Advocacy	**$ -**	$ -	$ 30,000	**$ 30,000**	$ -	$ -	$ -	**$ -**
Denton 31 Days of Halloween 2026	**250,000**	250,000	-	**250,000**	250,000	-	-	**250,000**
Denton Black Chamber of Commerce – Blues Festival	**52,000**	85,000	10,000	**95,000**	38,400	5,000	10,000	**53,400**
Denton Black Film Festival Institute	**74,500**	98,000	12,000	**110,000**	80,000	8,400	-	**88,400**
Denton Breakfast Kiwanis – Turkey Roll	**-**	7,000	7,000	**14,000**	-	3,500	2,000	**5,500**
Denton Community Market	**11,800**	-	12,000	**12,000**	-	6,000	12,000	**18,000**
Denton County Friends of the Family – Coffee Crawl	**2,000**	-	5,000	**5,000**	-	2,500	-	**2,500**
Denton County Friends of the Family – Friends of the Badge	**2,932**	-	5,000	**5,000**	-	-	-	**-**
Denton County Office of History & Culture	**300,000**	300,000	-	**300,000**	240,000	-	-	**240,000**
Denton Festival Foundation – Arts and Jazz Festival	**114,000**	125,000	20,000	**145,000**	94,000	20,000	76,000	**190,000**
Denton Holiday Festival Association	**36,000**	75,000	10,000	**85,000**	18,000	7,000	20,000	**45,000**
Denton Main Street Association	**10,000**	85,500	-	**85,500**	6,000	-	-	**6,000**
Denton Maker Center (DMC)	**-**	-	10,000	**10,000**	-	-	-	**-**
Denton Parks Foundation	**-**	-	25,000	**25,000**	-	-	-	**-**
Denton Parks Foundation - Dog Days of Denton	**30,000**	20,000	-	**20,000**	12,000	-	-	**12,000**
Denton Parks Foundation - Juneteenth	**34,800**	70,000	5,000	**75,000**	18,480	2,500	20,000	**40,980**
Denton's Day of the Dead	**88,000**	100,000	15,000	**115,000**	80,000	15,000	15,000	**110,000**
Discover Denton	**1,964,250**	2,300,000	-	**2,300,000**	1,964,250	-	-	**1,964,250**

Combined Requests (Cont.)

	PY 2026 Total Funding	2027 Requested HOT	2027 Requested Sponsorship	**PY 2027 Total Requested Funding**	2027 CPC Recommended HOT Funds	2027 CPC Recommended Sponsorship Funds	2027 CPC Recommended In Kind	**PY 2027 Total CPC Recommended Funding**
DMAC Amplify	**12,500**	11,000	6,500	**17,500**	3,960	3,250	5,000	**12,210**
DMAC Joan of Bark	**2,000**	-	5,000	**5,000**	-	-	-	-
DMAC Monster Dash	**1,800**	-	4,500	**4,500**	-		-	-
Downtown Denton Foundation – Arts and Autos	**111,680**	201,310	25,000	**226,310**	89,344	17,500	-	**106,844**
Filmmaking Access Incorporated	-	-	12,000	**12,000**	-	-	-	-
Friends with Benefits - Boil Buddies	**3,000**	-	5,000	**5,000**	-	2,500	5,000	**7,500**
Greater Denton Arts Council – Operations	**164,168**	300,000	6,000	**306,000**	128,320	4,200	-	**132,520**
Greater Denton Arts Council – Public Art (2.4%)	**70,728**	-	-	-	77,560	-	-	**77,560**
Health Services of North Texas	-	-	6,000	**6,000**	-	-	-	-
Instant Film Society	-	5,000	-	**5,000**	-	-	-	-
Kiwanis Youth Services Inc – 4th of July Fireworks	**26,800**	-	65,000	**65,000**	-	5,000	10,000	**15,000**
North Texas State Fair Association	**427,200**	490,000	32,000	**522,000**	417,200	32,000	5,000	**454,200**
Southwest Celtic Music Association*	-	25,000	-	**25,000**	-	-	-	-
Tejas Storytelling Association	**59,055**	59,055	-	**59,055**	47,244	-	-	**47,244**
Texas Filmmakers Corporation – Thin Line Fim Festival	**83,000**	100,000	10,000	**110,000**	60,000	5,000	10,000	**75,000**
Texas Veterans Hall of Fame Foundation – Museum	**72,000**	98,800	10,000	**108,800**	28,000	5,000	-	**33,000**
Theatre Denton, Inc. (Denton Community Theater)	**35,100**	40,000	-	**40,000**	28,080	-	-	**28,080**
Vokkaliga Parishat of America*	-	-	40,000	**40,000**	-	-	-	-
Contingency	-	-	-	-	63,700	5,650	10,000	**79,350**
Total	**$ 4,039,313**	$ 4,845,665	$ 393,000	**$ 5,238,665**	$ 3,744,538	$ 150,000	$ 200,000	**$ 4,094,538**

Next Steps

- Discuss funding recommendations.
- Funding recommendations will be included in the City’s budget.

QUESTIONS?

CITY OF DENTON

Hotel Occupancy Tax (HOT) Program Guidelines
Program Year 2027

I. PURPOSE

To actively promote Denton as a tourist destination.

Tourist is an individual who travels from the individual's residence to a different municipality, county, state or country for pleasure, education, or culture. Texas Tax Code 351.101 (5)

II. ELIGIBILITY

A. Must present, perform, exhibit, conduct workshops, or provide services and other activities that promote tourism and the hotel and convention industry.

B. Event or program must involve 200 or more attendees.

C. Must be based in the City of Denton.

D. Must be a governmental entity or a non-profit Texas corporation, federally tax-exempt under the Internal Revenue Code.

E. Must demonstrate corporate good standing with the State of Texas at the time of application and throughout the program or contract period.

F. Must have a history of continuous, stable programming prior to the application date.

G. Must have an active governing body.

H. Must have programming, administrative practices, and board membership that does not discriminate on the basis of race, color, religion, age, pregnancy, national origin, sexual orientation or gender identity, citizenship, familial status, disability, or veteran status.

If previously funded, an applicant must have successfully fulfilled all prior contracts or program requirements.

An eligible organization may apply on behalf of another third-party organization. The third-party organization will become a subrecipient of funds and must meet all eligibility and program requirements, except for tax status.

III. USE OF HOTEL FUNDS

There is a two-part test that every expenditure of local hotel occupancy tax must pass to be valid. First, the revenue derived from the tax authorized by Tax Code 351.101(a) shall be expended in a manner directly enhancing and promoting tourism and the convention and hotel industry as permitted

by Subsection (a). That revenue may not be used for the general revenue purposes or general governmental operations of a municipality.

The second part of the test is that all expenditures must clearly fit into one of the nine statutorily provided categories that apply to the City of Denton for expenditures of local hotel occupancy tax revenues. These nine categories are as follows:

A. Convention & Visitor Information Centers - Funding the acquisition of sites for and the construction, improvement, enlarging, equipping, repairing, operation, and maintenance of convention center facilities or visitor information centers, or both.

B. Convention Registration - Funding the furnishings of facilities, personnel, and materials for the registration of convention delegates or registrants.

C. Advertising - Funding for advertising and conducting solicitations and promotional programs to attract tourists and convention delegates or registrants to the City of Denton or its vicinity.

D. Arts - Funding for the encouragement, promotion, improvement, and application of the arts, including instrumental and vocal music, dance, drama, folk art, creative writing, architecture, design and allied fields, painting, sculpture, photography, graphic and craft arts, motion pictures, radio, television, tape and sound recording, and other arts related to the presentation, performance, execution, and exhibition of these major art forms.

E. Historical - Funding for historical restoration and preservation projects or activities or advertising and conducting solicitations and promotional programs to encourage tourists and convention delegates to visit preserved historic sites or museums 1) at or in the immediate vicinity of convention center facilities or visitor information centers, or 2) located elsewhere in the City of Denton or its vicinity that would be frequented by tourists and convention delegates.

F. Sporting Events - Expenses, including promotion expenses, directly related to a sporting event in which the majority of participants are tourists who substantially increase economic activity at hotels and motels within the City of Denton or its vicinity.

G. Sports Facility/Fields - Funding the enhancement or upgrading of existing sports facilities or sports fields (baseball, softball, soccer, flag football, etc.). The City of Denton must own the sporting facility and the field/facility must have been used a combined total of more than 10 times for district, state, regional, or national sports tournament in the preceding calendar year.

Municipality shall determine HOT revenue by hotel activity attributed to the sports events held at a field for five years after the date of the enhancements. Municipality may not use HOT revenue for the enhancement of the facility/field in a total that exceeds the amount of the HOT revenue attributable to the enhancement. The municipality shall also reimburse from its general fund any of the expenditures in excess of the amount of HOT revenue attributable to the enhancements of the facility/field.

Athletics staff will compile attendance, revenue, and team data, as well as calculate estimated economic impact for each major tournament held throughout the year. Additionally, staff will collect and compile the estimated hotel revenue and hotel tax attributable to any events held at complexes which have been improved with HOT funds money within the last five years.

H. Signage – Funding for signage directing the public to sights and attractions that are frequently visited by hotel guests. Must comply with all signage regulations.

I. Transportation - Transporting of tourist from hotels to nearby tourism venues using

transportation systems which may be owned and operated by the municipality or privately owned and operated but partially financed by the municipality and does not serve the public.

IV. ADDITIONAL USES OF HOTEL FUNDS

Expenditures listed below are allowable for organizations, to the extent that such expenditures are used exclusively to attract tourists and convention delegates or registrants to the City of Denton or its vicinity as governed by the Tax Code 351.101 (a). These special allowance expenditures may not be used for the benefit of local businesses or individuals, and the benefit to tourism may not be indirect or incidental but must be direct or purposeful.

A. Administrative Expenses - Hotel occupancy tax revenue spent for the purpose authorized by Tax Code 351.l01 may be spent for day-to-day operations, supplies, salaries, office rental, travel expenses, and other administrative costs only if those administrative costs are incurred directly in the promotion and servicing expenditures authorized under section 351.101 (a). If a municipality or other public or private entity that conducts an activity authorized under section 351.l01 (a) conducts other activities that are not authorized under section 351.101 (a), the portion of the total administrative costs of the entity for which local occupancy tax revenue may be used may not exceed the portion of those administrative costs incurred in conducting the authorized activities.

For Example: Organization A has a total operating budget of $500,000 which consists of $250,000 for administrative expenses, $100,000 for advertising, and $150,000 for stages, lighting, and artists. Under this example, 50% ($250,000/$500,000) is their eligible proportion for administrative expenses, only if at least 50% is devoted to the event and promotes tourism and the hotel and convention industry.

Therefore, assuming the committee approves a $100,000 budget from Hotel Occupancy Tax Funds, $50,000 ($100,000 X 50%) of this budget may be spent for administrative expenses.

The following expenses may be incurred, but may not exceed the eligible proportion, as authorized under section 351.101 (e): salaries, supplies, equipment, fixed assets, utilities, event insurance, communications, technology, office space, janitorial maintenance & supplies, non-local printed matter such as newsletters, applications, and entry forms, etc.

Requests for administrative expenses, including the purchase of fixed assets and equipment, must be provided in detail to the committee for consideration during the application process.

B. Promotion Expenses - Expenditures for food and beverages for meetings and special events and promotional items may be funded if the focus of that event or meeting directly promotes and services expenditures authorized under section 351.101 (a). If a municipality or other public or private entity that conducts an activity authorized under section 351.l01 (a) conducts other activities that are not authorized under section 351.101 (a), the portion of the total costs of the entity for which local occupancy tax revenue may be used may not exceed the portion of those costs actually incurred in conducting the authorized activities.

Each entity that is ultimately funded by the tax shall, before making such expenditure, specify in a list each scheduled activity, program, or event that 1) is directly funded by the tax or has its administrative costs funded in whole or in part by the tax; and 2) is directly enhancing and promoting tourism and the convention and hotel industry.

The listing of meetings and special events (and purpose) where expenses for food, beverages, or promotional items will be incurred must be provided in detail to the committee for consideration during the application process.

V. LIMITATIONS OF HOTEL FUNDS

A. Section 351.103 (c) of the Tax Code imposes two category restrictions to the city of Denton.

1. The Art category expenses in a fiscal year cannot exceed 15% of the HOT revenue.

2. The Historical category expenses in a fiscal year cannot exceed 15% of the HOT revenue.

B. City of Denton Resolution 2013-021 requires at least 2.4% of the 15% in Art expenses be allocated to the Public Art Committee.

C. Recipients are responsible for assuring compliance with all statutory, and other legal requirements applicable to receipt, use, expenditure, and accounting of hotel tax revenues. No provision, restrictions, or lack thereof, in these guidelines shall excuse the failure of a recipient to comply with all such requirements.

Hotel funds may not be used for the following:

1. Funding to individuals;

2. Reduction of deficits from, or expenditures related to, activities of previous or future fiscal, calendar, or program years;

3. Capital improvements, except for those funded by the City through bonds or are historical restoration or preservation projects;

4. Contracted auditing, accounting, or bookkeeping fees;

5. Landscaping;

6. Travel for a person to attend an event or conduct an activity the primary purpose of which is not directly related to the promotion of tourism and the convention and hotel industry or the performance of the person's job in an efficient and professional manner; or

7. Advertising materials that will be distributed inside the city limits of Denton.

VI. RECIPIENT REQUIREMENTS

A. In all publications (e.g., flyers, programs, brochures, press releases, advertisements, annual reports, and all other mailing pieces), the recipient shall acknowledge in some meaningful way that their organization is funded in part by the City of Denton. Such acknowledgment might take the form of inclusion on a donors list for particular events. Recipients are advised that usage of the official City logo is restricted by policy (505.02) and ordinance. Any use of the City logo must be coordinated with and approved by the appropriate City representatives, to ensure compliance with these standards. Written authorization must be obtained from the City Manager or their designee.

B. An organization with whom a municipality contracts to conduct an activity authorized by section 351.101 (a) shall maintain complete and accurate financial records of each expenditure of hotel occupancy tax revenue made by the organization and, on request of the governing body of the

municipality or other person, shall make the records available for inspection and review to the governing body or other person.

All financial records and any other records relating to the contracts shall be subject to the requirements of the Public Information Act. Organizations must maintain and account for revenue provided from the tax authorized by section 351.101 (a) within one of the two forms of accounting listed below:

1. Maintain hotel occupancy tax funds in a separate checking account established for that sole purpose and may not commingle with any other money or in any other bank account or

2. Maintain segregated fund accounting, whereby the accounting of HOT revenues and expenditures may not be commingled with any other revenues and expenditures. The funds may be maintained in the same bank account. However, if the HOT funds are invested in an interest-bearing account, then a separate account must be established for that sole purpose and may not commingle with any other money. All interest earned on the invested account will be considered restricted Hotel Occupancy Tax funds.

C. Payments to approved, contracted recipients will be made quarterly. The quarterly payments will be equal to 25% of the fixed contract amount unless the annual base revenue is less than originally estimated for the fiscal year. In this case, any quarterly payment will be adjusted accordingly. Payments will be disbursed to recipients after the 25th of the next month following the quarter end. Payment will not be released until the recipients' quarterly reports are completed and approved by the Finance Department.

On a case-by-case basis, a recipient can receive funding in a manner that is different from the standard practice of four quarterly payments.

Internal recipients' approved budgets will be available on the first day of the City's fiscal year pending completion of the prior quarter and/or end of year obligations. If during the program year, the City finds that revenue receipts will not meet the estimated budget, internal recipients will be required to reduce their expenditures as necessary during the fiscal year.

D. Electronic submission of quarterly reports is required thirty days after each quarter. The quarterly reports should include the following:

1. Complete the financial report (including signature) provided by the City's Finance Department.
2. Copies of all HOT paid invoices OR a listing of all invoices including check number/payment type, vendor name, budget category, expenditure descriptions and amount paid. If a list of invoices is provided, an audit may be performed at any time by the Finance Department to determine program eligibility.
3. Copies of all HOT invoices related to social media marketing such as but not limited to Facebook, Twitter, and Instagram. Invoices shall include metrics and/or performance results of paid activity. If a listing of invoices is provided (see #2 above) copies of these invoices must be provided each quarter.
4. Front and back copies of all cleared HOT checks written for the above invoices OR full monthly bank statements illustrating the cleared checks, card/debit, ACH payments.

E. Provide the Finance Department notice of local Board of Directors meeting schedule.

F. Return any unused or ineligible monies to the City of Denton at the end of each contract period.

G. Each required organization must have insurance coverage prior to the event. A copy must be filed with the Finance Department at least one week prior to the event.

H. New applicants must attend a training session in the Finance Department prior to the beginning of the program year.

I. Recipients must explore local business for products and services when expending HOT funds.

J. Funded events must comply with the Special Event ordinance and obtain applicable permits. A completed Special Event application must be submitted to the City 60 days prior to the event start date. A Letter of Request for activities requiring City Council approval is required 90 days prior to the event date. All required Special Event permits must be obtained, and documents completed and submitted 30 days prior to the event start date. Failure to submit all required documents per the required deadlines may result in being ineligible or not approved for funding in the following and/or future years.

K. Organizations that charge for admission to their event must make tickets, seats, passes, etc. available for purchase by the City for City Official attendance to the event up to 30 days before the event start date. Hotel Occupancy Tax award funds will not be used to purchase admission to the event and will be funded by the City from another funding source.

VII. CONTRACT TERM

The program period will commence on January 1 of the program year and terminate at midnight on December 31 of the same year. However, the contract period will commence on January 1 of the program year and terminate at midnight on January 31 of the following year. A thirty-day grace period is provided which allows recipients to finalize their reporting of expenditures. Either party may terminate the contract by sixty days written notice.

Internal recipients will operate within the City's fiscal year that will commence on October 1 and terminate on September 30 of the program year. All Hotel Occupancy Tax funds must be expended in accordance with the City's annual end of year procedures memorandum. The procedural deadlines could have dates prior to the end of the HOT program year. HOT funds expended after the end of year deadlines will be deducted from the internal recipient's next program year's approved HOT budget. If the internal recipient does not have budgeted HOT funds for the next program year, one of its department funds will be allocated the expenses.

VIII. COMMITTEE AND APPLICATION OVERVIEW

The Community Partnership Committee is a sub-committee of the City Council. The Council will determine membership of the sub-committee. The following City staff serves as liaisons: Chief Financial Officer, Grant Administrator, a Deputy City Attorney, and Grant Analyst. The application process is summarized below.

A. Applications are distributed to all current and past recipients and to other organizations requesting Hotel Occupancy Tax funding.

B. All applications must include: a proposed budget which details the plan for expending all monies requested, financial statements from at least two previous years, letter of determination certifying tax-exempt status under the Internal Revenue Code, current W-9, proof of current status as a non-profit Texas corporation, a list of local Board of Directors, Officers, or Governing Body and schedule of meetings, constitutions and/or by-laws, a list of all prior year donations made by the organization, marketing examples, itemized income and expense reports for the requested event, a notice of events/schedules for which the hotel funds will be spent, and data collected on attendees from previous years' events.

C. An annual application deadline will be established based on the Community Partnership Committee's annual meeting schedule. This is a fixed deadline, without acceptance of applications after the set date.

D. All applications will be reviewed by staff for completeness and adherence to hotel occupancy tax state laws and program eligibility.

E. Applications are presented to the Community Partnership Committee for review.

F. An additional Community Partnership Committee meeting can be scheduled for recipient presentations, if needed.

G. The Community Partnership Committee approves or declines all or part of the requests for funding and makes a recommendation to the City Council.

H. The City Council reviews and approves or declines all or part of the funding recommendations as part of the annual budget process.

I. Staff prepares notification letters and contracts for the awarded recipient's signature.

J. HOT contracts will be approved annually by the City Council at a regularly scheduled meeting during the first quarter of the City's fiscal year.

City of Denton Sponsorship Guidelines

Fiscal Year 2026 - 2027

I. PURPOSE

The purpose of the guidelines is to provide requirements for the evaluation, administration, and acceptance of Sponsorship requests received by the City of Denton for community events.

II. GENERAL OVERVIEW

The City allocates funds annually for the purpose of providing support to non-profit and civic-minded programs and organizations, which further a charitable cause, economic or community growth, or serve a public interest. The City provides a combination of cash in consideration of sponsorship requests and in-kind services and resources. The distribution of in-kind services and resources are leveraged annually through an application process in accordance with this guide and is based on annual budgetary allocations.

This guide serves to implement best practices to ensure impartial decisions are made in consideration of sponsorship applications and agreements.

The guide also serves to help maintain the City's Core Values and vision that Denton is a memorable destination and a community of opportunities that fosters extraordinary quality services and collaboration relative to co-sponsorship agreements.

The guide does not apply to the allocation or distribution of grants and/or HOT Funds.

The City reserves the right to decline any request for community event sponsorship if deemed not to be in the best interest of the City, or if acceptance would create a conflict of interest for the City. The free use of park facilities for a non-profit organization's meeting requests is not applicable to this policy, but rather subject to the City Policy 500.06; Use of City Facilities and Meeting Rooms.

III. ELIGIBILITY CRITERIA

In the event of a conflict between the guidelines and other City policies, this guideline will prevail pending proper approvals. Denton City Council, at its discretion, may grant variances to this policy.

City staff is responsible for the initial assessment of requests that are received in the form of an application. In accordance with the guidelines, sponsorship requests will only be considered for events and/or organizations hosting events that meet the eligibility criteria listed below. City staff will seek consultation with appropriate City stakeholders (e.g. City Legal, Finance Department), as needed.

General Relevance

A. Must be a non-profit Texas corporation, federally tax-exempt under the Internal Revenue Code ;
B. Must demonstrate corporate good standing with the State of Texas at time of application;
C. The applicant must be based in the City of Denton and hold the event in which support is requested in the City of Denton;
D. Event must involve 200 or more attendees;

E. Must have programming, administrative practices, and board membership that does not discriminate on the basis of race, color, religion, national origin, or sexual orientation or gender identity, citizenship, familial, disability, or veteran status;
F. If previously sponsored, the applicant must have successfully fulfilled all prior contracts;
G. The applicant cannot represent a for-profit enterprise;

Community Engagement

A. Must further a charitable cause, economic or community growth, or public interest;
B. The event must serve to benefit the entire community;
C. The event must be open to the public;
D. The event must encourage community engagement;

Safe, Livable, and Family-Friendly

A. The event must be held in a safe, accessible, and family-friendly location;
B. The event must support the City's mission, vision, and core values in a positive manner;
C. The event must be compliant with the Special Events Ordinance;
D. The event must be able to show proof of liability insurance.

An eligible organization may apply on behalf of another third-party organization. The third-party organization will become a subrecipient of funds and must meet all eligibility and Sponsorship requirements, except for tax status.

The City reserves the right to reject a sponsorship request at any time. Examples of requests that are typically deemed ineligible include, but are not limited to individuals, organizations, and/or businesses that promote hatred against individuals or groups, represent religious or political views, candidates, and campaigns, and whose primary products or services are derived from the sale of tobacco, alcohol, drugs, firearms, gambling, or sexually explicit or inappropriate materials. For-profit organizations are not eligible for sponsorship even if some proceeds are donated to non-profit organizations.

IV. SPONSORSHIP REQUIREMENTS

A. An executed contract with the City will be administered for the receipt of these funds.
    i. Representatives from a subrecipient organization must be party to the contract and comply with all requirements.
B. Events supported by the Sponsorship program must comply with all requirements of the Special Event ordinance and are responsible for submitting required documentation under the specified timelines and obtaining all applicable permits. Failure to submit all required documents per the required deadlines may result in being ineligible or not approved for Sponsorship in the following and/or future years.
C. An event performance report provided to the City thirty days after the event to illustrate compliance with the program guidelines and contract.
D. The City shall be listed as a sponsor for the supported event and/or through marketing materials.

In all publications (e.g., flyers, programs, brochures, press releases, advertisements, annual reports, and all other mailing pieces), the recipient shall acknowledge in some meaningful way that their organization is funded in part by the City of Denton. Such acknowledgment might take the form of inclusion on a donors list for events. Recipients are advised that usage of the official City

logo is restricted by policy (505.02) and ordinance. Any use of the City logo must be coordinated with and approved by the appropriate City representatives, to ensure compliance with these standards. Written authorization must be obtained from the City Manager or their designee.

E. Organizations that charge for admission to their event must make tickets, seats, passes, etc. available for purchase by the City for City Official attendance to the event up to 30 days before the event start date. Sponsorship award funds will not be used to purchase admission to the event and will be funded by the City from another funding source.

F. Organization shall maintain complete and accurate financial records of each expenditure of the sponsorship revenue, and report these to the City's Finance Department by the end of the contract term in a report specified by the City. All financial records and any other records relating to the contract shall be subject to the requirements of the Public Information Act.

G. Check or ACH payments to approved contracts will be made in the first quarter of the City's fiscal year.

V. LIMITATION OF SPONSORSHIP FUNDS

- Sponsorship funds will not be provided to City departments.
- Co-Sponsorship requests for in-kind services of park and facilities fees will be funded up to 50%.

VI. CONTRACT TERMS

The contract period will commence on October 1 of the current year and terminate at midnight on September 30 of the following year. A thirty-day grace period is provided which allows events in September to finalize their reporting of expenditures. Either party may terminate the contract by sixty days written notice.

VII. REQUEST AND APPLICATION PROCESS

Funds allocated for sponsorship and determination of subsidy is established by City Council during the annual budget process. The application deadline is strategically set to provide City Council the opportunity to consider and approve requests based on allocated funds set to be adopted in the budget for the following fiscal year.

The following summarizes process responsibilities in the steps outlined below:

Community Partnership Committee| Assigned by the City Council, assesses applications based on secondary criteria and value to the community prior to making recommendations to City Council.

City Council | Allocates sponsorship budget; approves or denies sponsorship requests.

STEP 1 | Application Submission

Submission	Sponsorship request applications are accepted annually for community events taking place in the next fiscal year. The sponsorship application does not replace or provide exemptions from applicable permit requirements. A Special Event Permit is required to host a community event per the most recent ordinance enacted at the time of application.
Deadline	Sponsorship applications must be submitted electronically no later than the deadline set each year by the sub-committee. An exception to the deadline is made for first-time events seeking co-sponsorship support, however, consideration may be potentially impacted by staff and facility availability and limited budgetary resources.
Application Requirements	Applicants must submit all the following requirements that are outlined in the application. Failure to do so may deem the application incomplete. • Event organizer and/or organization contact details; • Proposed event, date(s), and location(s); • Anticipated attendance and historical attendance, if applicable; • Description and purpose of the event; • Statement of how the event benefits the community; • Statement of request and itemized in-kind services and resources; • Description of how the requested co-sponsorship support will complement other funding provided by the City, when applicable • Disclosure of other funding or support requested and/or received by the City

STEP 2 | Application Assessment

Assessment	Special Events Supervisor and/or other City Staff will review and assess all applications based on the eligibility criteria. All applications are individually assessed and reviewed.

Value Allocation	Special Events Supervisor and City department stakeholders will review each application and apply a cost and/or value to each in-kind service request and resource based on current fees, costs, and prior year actuals. A sponsorship allocation report will be attached as a supplemental document to the application.

STEP 3 | Subcommittee Review and Recommendations

Review

The applications that meet eligibility criteria will be delivered with the allocation report to City Council's designated subcommittee for review and consideration for City Council recommendations.

During this process a set of secondary criteria may be considered by the subcommittee, in no particular order of importance or weight, to help further identify the ranking of applications for City Council's consideration.
Secondary Criteria may include, but is not limited to:

- Impact on existing City operations, assets, facilities, and resources
- Impact on the delivery of City services
- Extent of City-wide value and economic benefits
- Production of measurable outcomes in alignment with City's Strategic Plan
- Demonstrated public support for the proposed event
- Financial need and event financial stability
- Funding and support from other City programs
- Experience in the planning and execution of the proposed event
- Impact on residential and business communities, including but not limited to street closure requests, traffic flow, and interference with commercial and/or business activities
- Data collected on previous years' attendees is applicable
- Other factors deemed relevant to the co-sponsorship request, including but not limited to, reoccurring events that are in good standing

Recommendation

Sub-committee's recommendations will be submitted for consideration to the City Council during the annual budget work session meeting.

STEP 4 | City Council Review and Approval

City Council Review

Sponsorship requests can be approved as submitted, revised, or denied by City Council.

STEP 5 | Notification and Co-Sponsorship Agreement

Completion

The Grants Management Office will notify individual applicants of City Council's approval or denial of sponsorship. Sponsorship approvals will be effective beginning October 1 of the upcoming fiscal year. Approval for sponsorship in one year does not imply or guarantee approval in subsequent years. Council will approve each sponsorship agreement by ordinance in a regular meeting during the first quarter of the City's fiscal year.

VIII. APPLICATION PROVISIONS

Budget Allocation	The annual approved budget for sponsorships may not be increased unless a budget adjustment is approved by City Council.
Award of Funding or In-Kind Services	City Council approval of awards does not guarantee receipt of award. Disbursement of funding and/or in-kind service sponsorship awards are dependent on compliance with all applicable contract terms, permits, and ordinance requirements.
Special Event Process	All events receiving Sponsorship support must submit a Special Event application 60 days prior to the event start date. A Letter of Request for activities requiring City Council approval is required 90 days prior to the event date. All required Special Event permits must be obtained, and documents completed and submitted 30 days prior to the event start date. Failure to meet these timelines may result in a denial of an event permit.
Facility Use	The availability and capacity of a City park and/or facility will be verified during the application process.
Permits	Event organizers are responsible for obtaining all required permits 30 days prior to the event start date. The City will not waive issuance of permit requirements or applicable permit fees under any circumstances.
Insurance	The City will not waive insurance requirements under any circumstances. Indemnification and proof of insurance is required as part of the agreement in accordance with City's Special Events Ordinance.
Non-Profit Status	Verification of non-profit status might be requested in the form of documentation to the City sufficient to prove non-profit status, such as Articles of Incorporation and/or IRS Employer Identification Number. The organization must be in good standing with the State of Texas during the application process through the end of the event.
Employee Ethics Policy (10.00)	Sponsorship application requests must be initiated by the applicant and not pursued by City staff in order to remain impartial. No City employee shall directly or indirectly solicit, seek, or accept anything of value in return for being influenced in the performance of an official act; influenced to commit, aid in committing, collude or allow fraud; or induced to perform or fail to perform an act in violation of the employee's official duty or the City's Employee Ethics Policy (10.00). In order to eliminate risk to City employees and to manage any possible conflicts regarding co-sponsorship requests, no City employee shall engage in any solicitation of co-sponsorship or enter into an agreement or approval on behalf of the City.

IX. TERMS AND DEFINITIONS

Applicant	Refers to the person submitting the request as one of the following: • Organizer of the proposed event • Representative of the organization hosting the proposed event • Committee and/or board member of presiding organization
Subrecipient	A third-party organization receiving Sponsorship support passed-through an Applicant. Subrecipients are responsible for complying with all applicable Sponsorship and Special Event requirements.
Conflict of Interest	A conflict of interest is a situation in which personal, and/or financial, considerations have the potential to influence or compromise professional judgement or actions. They are subject to sensitivities based on perception and can negatively compromise the integrity of the City's public image. In order to manage the associated risks, real or perceived, it is the City's policy to address conflicts of interest through disclosure and recusal.
Sponsorship Agreement	Specifies the City's contribution of cash and/or in-kind services and resources and outlines the responsibility, risk, and accountability of the applicant.
In-Kind Services or Resources	Where City services and resources are leveraged in lieu of cash for sponsorship offerings. Examples include staff time, public safety services, equipment use, and/or the use of City facilities.
Public Agency	Public agency refers to an organization with administrative or functional responsibilities which are directly or indirectly affiliated with a governmental body, state, or local jurisdiction. Examples include universities and/or public-school districts.

Hotel Occupancy Tax (HOT) Fund
Scoring Guide with Definitions and Examples

This document provides comprehensive scoring guidance, definitions, and examples for evaluating Hotel Occupancy Tax (HOT) Fund applications. The primary purpose of HOT funding is to directly promote tourism and generate overnight stays, in accordance with Texas Tax Code Chapter 351.

SECTION A: Eligibility & Compliance (Pass/Fail)

Applicants must be a government entity or nonprofit and must demonstrate alignment with eligible HOT fund uses including tourism promotion, arts, or convention-related activities.

PASS Example:
Nonprofit organization hosting a event with confirmed hotel room blocks and tourism promotion.

FAIL Example:
Local neighborhood event attended exclusively by local residents with no tourism component.

SECTION B: Tourism Impact (0–25 Points)

Measures the applicant's ability to generate overnight stays and attract visitors from outside the local area.

0–5 Points (Limited)
No hotel data provided. Event is primarily attended by local residents.
Example: Local community fair with no hotel partnerships.

6–15 Points (Moderate)
Some regional draw with estimated hotel usage.
Example: Event attracting visitors from nearby cities and utilizing hotel blocks coordinated with the CVB.

16–25 Points (Strong)
Strong documented hotel impact with confirmed room blocks.
Example: Multi-day event generating hotel nights and utilizing hotel blocks coordinated with the CVB.

SECTION C: Economic Impact (0–15 Points)

Measures measurable benefit to the local economy including restaurants, retail, and other local businesses.

0–5 Points (Limited)
Minimal economic impact.
Example: Small local event with limited attendance.

6–10 Points (Moderate)
Moderate attendance and economic activity.
Example: Regional event with moderate attendance.

11–15 Points (Strong)
Significant economic impact across multiple sectors.
Example: Large multi-day festival benefiting hotels, restaurants, and local businesses.

SECTION D: Marketing Plan (0–15 Points)

Measures the applicant's ability to effectively promote tourism.

0–5 Points (Limited)
Limited marketing efforts.
Example: Social media posts, local advertising only.

6–10 Points (Moderate)
Regional marketing plan.
Example: Paid regional advertising targeting the DFW metroplex.

11–15 Points (Strong)
Comprehensive marketing strategy targeting tourists.
Example: Regional and Statewide advertising campaign with tourism partnerships.

SECTION E: Budget & Fiscal Responsibility (0–15 Points)

Measures financial sustainability and responsible budgeting.

0–5 Points (Limited)
Limited budget without other funding sources.
Example: Requesting HOT funding to cover all event expenditures.

6–10 Points (Moderate)
Budget with some additional funding sources.
Example: HOT funds represent more than 50% of total funding.

11–15 Points (Strong)
Detailed budget with multiple funding sources.
Example: HOT funds represent less than 50% of total funding.

SECTION F: Organizational Capacity (0–10 Points)

Measures ability to successfully execute the project.

0–3 Points (Limited)
Limited evidence of planning and organizational capacity.

4–7 Points (Moderate)
A generalized plan that includes dedicated staff and volunteers.

8–10 Points (Strong)
Organization presents a detailed plan on event preparation and execution.

SECTION G: Community Benefit & Alignment (0–10 Points)

Measures cultural and tourism value.

0–3 Points (Limited)
Limited information provided on tourism or cultural value of the event.

4–7 Points (Moderate)
Moderate cultural and community benefit.

8–10 Points (Strong)
Strong alignment with tourism and community identity.

SECTION H: Reporting & Evaluation Plan (0–10 Points)

Measures accountability and reporting.

0–3 Points (Limited)
No reporting plan.

4–7 Points (Moderate)
Basic attendance reporting.

8–10 Points (Strong)
Detailed reporting including hotel impact tracking.

OUTSIDE FUNDING GUIDE

Strong applications include diversified funding.

High Scoring Example:
40% HOT funds, 40% sponsorships, 20% ticket revenue.

Low Scoring Example:
100% reliance on HOT funds.

FINAL SCORING INTERPRETATION

90–100 Points:	Exceptional – Priority funding
75–89 Points:	Strong – Recommended funding
60–74 Points:	Moderate – Partial funding consideration
Below 60 Points:	Not recommended

CITY OF DENTON
FUNDING REQUESTS (HOT & SPONSORSHIP)

	PY 2026 Total Funding	2027 Requested HOT	2027 Requested Sponsorship	PY 2027 Total Requested Funding	2027 Staff Recommended HOT Funds	2027 Staff Recommended Sponsorship Funds	2027 Staff Recommended In-Kind	PY 2027 Total Staff Recommended Funding[2]	2027 CPC Recommended HOT Funds	2027 CPC Recommended Sponsorship Funds	2027 CPC Recommended In-Kind	PY 2027 Total CPC Recommended Funding[2]
Total Resources					**$ 5,391,802**				**$ 5,391,802**			
Expenditures:												
Childrens Advocacy	**$ -**	$ -	$ 30,000	**$ 30,000**	$ -	$ -	$ -	**$ -**	$ -	$ -	$ -	**$ -**
Denton 31 Days of Halloween 2026	**250,000**	250,000	-	**250,000**	250,000	-	-	**250,000**	250,000	-	-	**250,000**
Denton Black Chamber of Commerce - Blues Festival	**52,000**	85,000	10,000	**95,000**	38,400	5,000	10,000	**53,400**	38,400	5,000	10,000	**53,400**
Denton Black Film Festival Institute	**74,500**	98,000	12,000	**110,000**	62,500	8,400	-	**70,900**	80,000	8,400	-	**88,400**
Denton Breakfast Kiwanis - Turkey Roll	**-**	7,000	7,000	**14,000**	-	3,500	2,000	**5,500**	-	3,500	2,000	**5,500**
Denton Community Market	**11,800**	-	12,000	**12,000**	-	6,000	12,000	**18,000**	-	6,000	12,000	**18,000**
Denton County Friends of the Family - Coffee Crawl	**2,000**	-	5,000	**5,000**	-	2,500	-	**2,500**	-	2,500	-	**2,500**
Denton County Friends of the Family - Friends of the Badge	**2,932**	-	5,000	**5,000**	-	-	-	**-**	-	-	-	**-**
Denton County Office of History & Culture	**300,000**	300,000	-	**300,000**	240,000	-	-	**240,000**	240,000	-	-	**240,000**
Denton Festival Foundation - Arts & Jazz Festival	**114,000**	125,000	20,000	**145,000**	75,200	20,000	76,000	**171,200**	94,000	20,000	76,000	**190,000**
Denton Holiday Festival Association - Holiday Lighting	**36,000**	75,000	10,000	**85,000**	18,000	7,000	20,000	**45,000**	18,000	7,000	20,000	**45,000**
Denton Main Street Association	**10,000**	85,500	-	**85,500**	6,000	-	-	**6,000**	6,000	-	-	**6,000**
Denton Maker Center (DMC)	**-**	-	10,000	**10,000**	-	-	-	**-**	-	-	-	**-**
Denton Parks Foundation	**-**	-	25,000	**25,000**	-	-	-	**-**	-	-	-	**-**
Denton Parks Foundation - Dog Days of Denton	**30,000**	20,000	-	**20,000**	12,000	-	-	**12,000**	12,000	-	-	**12,000**
Denton Parks Foundation - Juneteenth	**34,800**	70,000	5,000	**75,000**	18,480	2,500	20,000	**40,980**	18,480	2,500	20,000	**40,980**
Denton's Day of the Dead	**88,000**	100,000	15,000	**115,000**	80,000	15,000	15,000	**110,000**	80,000	15,000	15,000	**110,000**
Discover Denton	**1,964,250**	2,300,000	-	**2,300,000**	1,964,250	-	-	**1,964,250**	1,964,250	-	-	**1,964,250**
DMAC Amplify	**12,500**	11,000	6,500	**17,500**	3,960	3,250	5,000	**12,210**	3,960	3,250	5,000	**12,210**
DMAC Joan of Bark	**2,000**	-	5,000	**5,000**	-	-	-	**-**	-	-	-	**-**
DMAC Monstor Dash	**1,800**	-	4,500	**4,500**	-		-	**-**	-		-	**-**
Downtown Denton Foundation - Arts and Autos	**111,680**	201,310	25,000	**226,310**	89,344	17,500	-	**106,844**	89,344	17,500	-	**106,844**
Filmmaking Access Incorporated	**-**	-	12,000	**12,000**	-	-	-	**-**	-	-	-	**-**
Friends with Benefits - Boil Buddies	**3,000**	-	5,000	**5,000**	-	2,500	5,000	**7,500**	-	2,500	5,000	**7,500**
Greater Denton Arts Council - Operations	**164,168**	300,000	6,000	**306,000**	128,320	4,200	-	**132,520**	128,320	4,200	-	**132,520**
Greater Denton Arts Council - Public Art (2.4%)	**70,728**	-	-	**-**	77,560	-	-	**77,560**	77,560	-	-	**77,560**
Health Services of North Texas	**-**	-	6,000	**6,000**	-	-	-	**-**	-	-	-	**-**
Instant Film Society	**-**	5,000	-	**5,000**	-	-	-	**-**	-	-	-	**-**
Kiwanis Youth Services Inc - 4th of July Fireworks	**26,800**	-	65,000	**65,000**	-	-	-	**-**	-	5,000	10,000	**15,000**
North Texas State Fair Association	**427,200**	490,000	32,000	**522,000**	417,200	32,000	5,000	**454,200**	417,200	32,000	5,000	**454,200**
Southwest Celtic Music Association[1]	**-**	25,000	-	**25,000**	-	-	-	**-**	-	-	-	**-**
Tejas Storytelling Association	**59,055**	59,055	-	**59,055**	47,244	-	-	**47,244**	47,244	-	-	**47,244**
Texas Filmmakers Corporation - Thin Line Film Festival	**83,000**	100,000	10,000	**110,000**	60,000	5,000	10,000	**75,000**	60,000	5,000	10,000	**75,000**
Texas Veterans Hall of Fame Foundation - Museum	**72,000**	98,800	10,000	**108,800**	28,000	5,000	-	**33,000**	28,000	5,000	-	**33,000**
Theatre Denton, Inc. (Denton Community Theater)	**35,100**	40,000	-	**40,000**	28,080	-	-	**28,080**	28,080	-	-	**28,080**
Vokkaliga Parishat of America[1]	**-**	-	40,000	**40,000**	-	-	-	**-**	-	-	-	**-**
Contingency	**-**	-	-	**-**	100,000	10,650	20,000	**130,650**	63,700	5,650	10,000	**79,350**
Sub-total Recipient Expenditures	**$ 4,039,313**	**$ 4,845,665**	**$ 393,000**	**$ 5,238,665**	**$ 3,744,538**	**$ 150,000**	**$ 200,000**	**$ 4,094,538**	**$ 3,744,538**	**$ 150,000**	**$ 200,000**	**$ 4,094,538**
Sub-total Economic Incentive Expenditures				**$ 1,154,115**	**$ 1,154,115**	**$ -**	**$ -**	**$ -**	**$ 1,154,115**	**$ -**	**$ -**	**$ -**
Total Expenditures				**$ 6,392,780**	**$ 4,898,653**	**$ 150,000**	**$ 200,000**	**$ 5,248,653**	**$ 4,898,653**	**$ 150,000**	**$ 200,000**	**$ 5,248,653**
Ending Fund Balance					**$ 493,149**				**$ 493,149**			

[1]Ineligible organization (based outside the City of Denton).

[2]Recommended funding based on rubric scoring.

City of Denton

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Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **City Auditor's Office**

CITY AUDITOR: **Madison Rorschach**

DATE: **August 18, 2026**

SUBJECT
Receive a report, hold a discussion, and give staff direction regarding Audit Project 049—Vehicle Management.

STRATEGIC ALIGNMENT
This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

BACKGROUND
City of Denton Charter Article VI, Section 6.04 states, the City Internal Auditor is responsible for providing an independent appraisal of City operations as directed that the City's vendors are managed efficiently, effectively, equitably, and in compliance with applicable regulations throughout the procurement lifecycle by the City Council. These audits are conducted in accordance with *Generally Accepted Government Auditing Standards* promulgated by the US Government Accountability Office.

Per *Government Auditing Standards*, internal auditors should make audit reports available to the public and should communicate results to the parties who can ensure that the results are given due consideration. In order to meet these *Government Auditing Standards*, the City of Denton's Internal Audit Procedures Manual requires finalized audit reports to be presented to the City Council. Once presented, all published reports can be found on the City of Denton's Internal Audit Webpage.

DISCUSSION
This audit project is intended to provide assurance that the City's vehicle management program ensures the City has a fleet adequate to achieve its objectives while minimizing the total cost of vehicle ownership. The City maintains a fleet of almost 1,100 vehicles that must be regularly maintained and replaced to meet its goals. Since FY2022, the City has issued almost $20 million in debt to fund vehicle acquisitions. Initial, detailed findings from this audit project are presented in the attached Audit of Vehicle Management report.

RECOMMENDATION
Staff recommends closing Audit Project 049—Vehicle Management until a follow-up review is conducted to assess the implementation of the 10 issued recommendations, likely in Fiscal Year 2027-28.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)
Sep. 30, 2025: Fiscal Year 2025-26 Annual Internal Audit Plan Adopted

EXHIBITS

1. Agenda Information Sheet
2. Audit of Vehicle Management
3. Presentation

Respectfully submitted:
Madison Rorschach, 940-349-7228
City Auditor

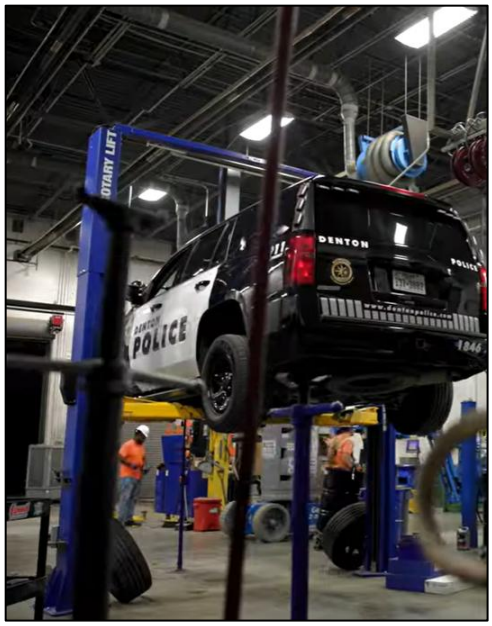

Image Courtesy of Denton Fleet Division

Audit of Vehicle Management

The City's vehicle fleet is currently adequate to achieve organizational goals, but vehicle availability is significantly lower than what industry standards suggest is optimal, partly due to the fleet's age. The City's method of debt funding vehicle acquisitions significantly increases the total cost of ownership and is likely unsustainable.

While technicians appear to work efficiently, maintenance task identification and planning could be improved to ensure maintenance is completed timely. Despite data availability, driver behavior is not consistently monitored to reduce risk of financial liability or vehicle misuse.

Audit Team

City Auditor
Madison Rorschach, CIA, CGAP

Audit Staff
Jenesa Halter, MA, CFE

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Audit at a Glance

Why we did this Audit:

The City maintains a fleet of almost 1,100 vehicles that must be regularly maintained and replaced to meet its goals. Since FY2022, the City has issued almost $20 million in debt to fund vehicle acquisitions. This audit project was included in the City's fiscal year 2025-26 Audit Plan as approved by the City Council.

What we Recommend:

Recommendation 1, 3, & 5
Formalize responsibility for vehicle acquisition decision-making and improve decision-making criteria and documentation.

Recommendation 2
Provide fleet needs assessment guidance to operating divisions.

Recommendations 6, 7, & 8
Improve work order documentation practices.

Recommendations 9 & 10
Update the Citywide Driving and Vehicle Use Policy to clarify use of driver behavioral data and the take-home vehicle program.

What we Found:

This audit evaluated if the City of Denton's vehicle management program ensures the City has a fleet adequate to achieve its objectives while minimizing the total cost of vehicle ownership. Our findings are summarized below:

Fleet Adequacy & Availability. The City's vehicle fleet is currently adequate to achieve organizational goals. Still, the needs assessment processes could be further clarified to reduce the risk that unnecessary vehicles are purchased. Despite annual purchases, operationally needed vehicle replacements are being consistently deferred, indicating current funding levels are not adequate.

Vehicle availability is significantly lower than what industry standards suggest is optimal, partly due to the fleet's age. Maintenance task identification and planning practices could be further improved to ensure maintenance-related downtime is minimized, but Fleet Division resources are adequate to maintain the current fleet size.

Cost of Ownership Minimization. The City's method of debt funding vehicle acquisitions significantly increases the total cost of ownership due to borrowing costs, and regular vehicle replacement deferrals increase the total cost of ownership due to additional maintenance and falling resale values.

Most technicians are certified and certified parts are used in maintenance projects, decreasing the risk of repeat repairs. Still, maintenance records do not always contain enough detail to ensure quality standards are being met.

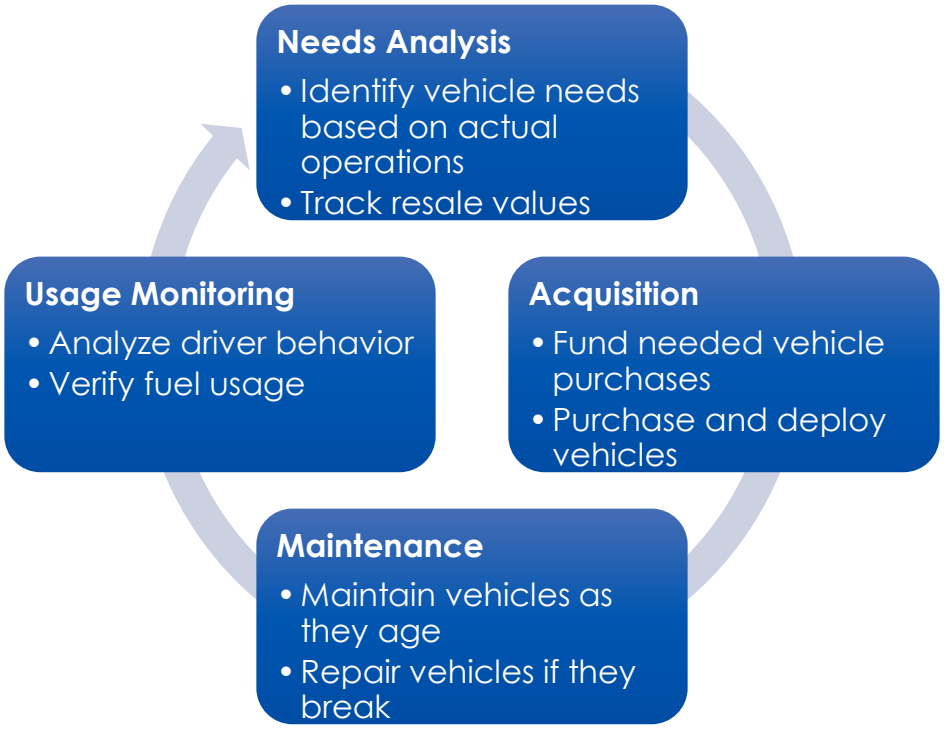
Despite data availability, driver behavior is not consistently monitored to reduce risk of financial liability or vehicle misuse. City's take-home vehicle usage related data is not regularly reviewed to ensure the efficiency benefits of the program outweigh the costs.

Audit report translations may be requested by emailing InternalAudit@CityofDenton.com.

Detailed Findings & Analysis

Generally, a vehicle management program's purpose is to maintain a fleet of vehicles, such as automobiles, specialized equipment, trailers and attachments, and water or aircraft, to aid an organization in achieving its goals. As illustrated in Figure 1, a vehicle management program covers each phase of a vehicle's life from identifying needed fleet resources, funding and purchasing vehicles, maintaining these assets, and monitoring usage.

Figure 1: Vehicle Management Cycle



A key benefit of a centralized vehicle management program is its ability to minimize the total cost of fleet ownership through long-term resource planning, comprehensive cost tracking, and proactive usage analysis. Figure 2 outlines the different components of a vehicle's ownership costs.

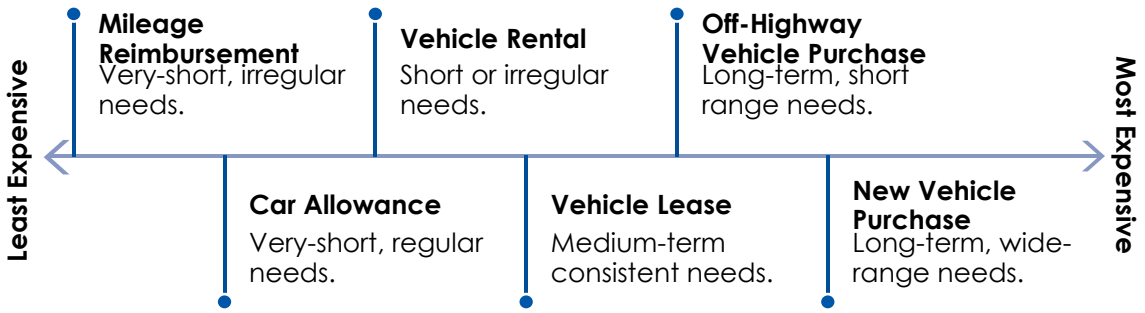
Figure 2: Vehicle Ownership Cost Components

This audit evaluated if the City of Denton's vehicle management program ensures the City has a fleet adequate to achieve its objectives while minimizing the total cost of vehicle ownership.

Vehicle Needs Assessment Processes May Result in a Larger Fleet than Needed due to Diffused Responsibilities

Industry standards suggest that effective vehicle lifecycle management depends upon accurate data collection and analysis. Before purchasing new assets, organizations should ensure that vehicles are needed to meet the organization's goals or service level standards. When deciding what type of asset should be purchased, multiple factors should be considered, including how long the asset will be needed and how much it is expected to cost over its entire life. Further, organizations should explore alternatives to purchasing new full-size vehicles when appropriate to reduce the total cost of ownership while maintaining service-level standards. Resourcing options to meet differing fleet needs are outlined from least to most expensive in Figure 3.

Figure 3: General Fleet Need Options



To determine when an existing vehicle should be replaced, best practices suggest that organizations evaluate vehicles based on one or more of the following suggested criteria based on an organization's specific long-term replacement goals.

- Age or mileage thresholds: replace a vehicle once it exceeds a maximum age or mileage threshold.
- Maintenance or repair cost thresholds: replace a vehicle once the costs of its maintenance and repairs exceed its resale value.
- Lifecycle costing: replace a vehicle once its costs per mile exceed an established cost-efficient threshold.

What We Found

- The City of Denton does not conduct a comprehensive, consistent, centralized fleet needs assessment. Instead, responsibilities are disbursed across the City as outlined in Figure 4.

Figure 4: City of Denton Fleet Needs Assessment Responsibilities

- Each department assesses its fleet needs, including vehicles, annually as part of the budget process. However, no formal process or written guidance on conducting a fleet needs assessment has been established or distributed to operating divisions.
- According to each operating division's fleet liaison, most divisions have conducted a fleet needs assessment that considered multiple factors (e.g., usage rates, current vehicle capabilities and condition, etc.) to determine if new vehicles are needed. However, these factors are established by each department independently, and so are not applied consistently across the City.[1]
- Additions to the fleet inventory are selected via the annual budget process, which focuses on funding feasibility and does not clearly verify the operational need for proposed additions. No written criteria have been adopted to verify the need for new vehicles, and the Fleet Division has historically not been engaged to assess the ongoing costs of proposed additions or to explore alternatives. However, after funding has been allocated the Fleet Division does assess acquisition reasonability e.g. towing capacity.
- Annually, the Fleet Division assesses the existing fleet to identify vehicles that need replacement based on criteria established in 2024. Before 2024, the replacement process was request-based like the additions process.

- Adopted replacement criteria are reasonable but could be further refined.
  - The Fleet Division assesses each existing vehicle based on its age, cumulative utilization (i.e., total miles driven or engine hours run), total maintenance costs, and equipment condition and assigns a point

[1] Of the 27 fleet liaisons that responded to the questionnaire, 22 reported they have conducted either a formal or informal needs assessment. All reported using at least one or more factors to determine if a fleet addition is needed.

value by comparing the actual metric to life cycle expectations on a 15-point scale. In addition, Fleet has informally established priority rankings based on department operations to guide replacement decision-making.

- These criteria generally incorporate aspects of two of the three replacement criteria recommended by best practices as outlined in Table 1. Specifically, while age and mileage thresholds are clearly established, the City's total maintenance cost criterion is based on acquisition cost instead of resale value as recommended by best practices, and the equipment condition factor is subjective instead of being based on a set threshold.

Table 1: Denton Replacement Criteria Best Practice Comparison

	Age or Mileage Thresholds	Maintenance or Repair Cost Thresholds	Life Cycle Costing
Age	✓		
Cumulative Utilization	✓		
Total Maint. Costs		✓	
Equipment Condition			

- Neither the vehicle addition nor replacement processes formally consider vehicle purchasing alternatives.
  - No written guidance has been created for departments to evaluate the feasibility of full-size vehicle purchase alternatives such as rentals, leases, or off-highway vehicles. Still, about three percent of the City's current fleet are off-highway vehicles, and the City has occasionally rented vehicles previously.
  - While the City formally permits car allowances and mileage reimbursements, neither is clearly used as an alternative to full-sized vehicle purchasing. Instead, car allowances are permitted as a benefit for high-level City employees and mileage reimbursements not associated with travel for daily operations are rarely used.[2]

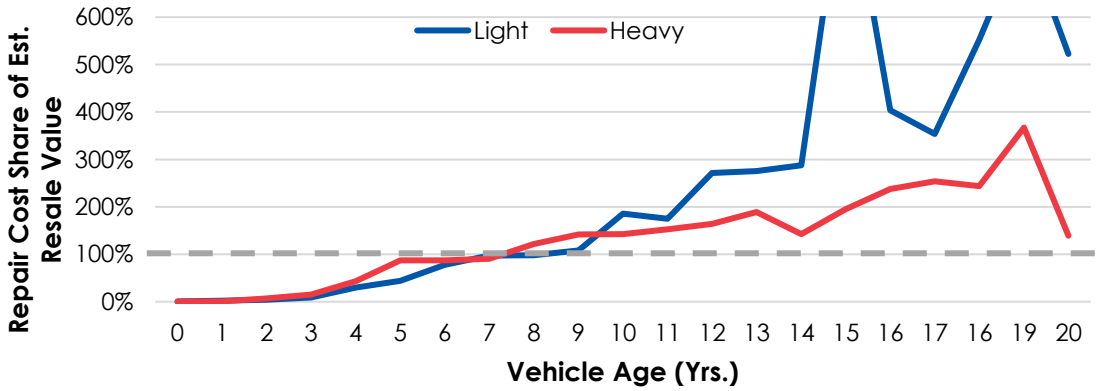
- Some vehicle lifecycle data is unreliable, difficult to obtain, or not tracked, hindering the needs assessment process.
  - Vehicle age information is easy to obtain if correctly entered into the vehicle management system.

[2] Since October 2023, the City has paid $1,830 for 22 non-training mileage reimbursements.

- Generally, cumulative utilization information is imported into the vehicle management system each time the vehicle is refueled at either a City fueling station or at a commercial fuel station; however, some vehicles, like heavy equipment, are refueled from auxiliary fuel tanks, so utilization information is not recorded.
- Despite utilization information being available for most existing vehicles, usage patterns (e.g., miles driven per month, time spent idling) and driver behavior (e.g., locations driven, fuel transactions) are not formally considered when determining if a vehicle should be replaced or added to the fleet.
- Total maintenance costs are recorded in the City's vehicle management system; however, multiple reports must be run and combined to calculate the total costs incurred for each vehicle.
- Current asset book value is automatically calculated by the vehicle management system based on capitalized costs and useful life information entered by Fleet Division staff.
- According to Fleet Division staff, estimated resale values are not currently tracked due to the unique nature of fleet vehicles.

- City vehicles are often sold after maintenance costs exceed resale values, increasing the total cost of ownership.
  - Based on a comparison of sale proceeds to total purchase and maintenance costs for vehicles replaced during Fiscal Year 2025, about 14 percent of each vehicle's total ownership costs were recouped on average.
  - About 35 percent of the City's vehicles currently have a total repair cost greater than their estimated resale value as illustrated in Figure 5.

Figure 5: Vehicle Repair Cost Comparison to Estimated Resale Value



Why It Matters

The City needs vehicles to meet its organizational goals; however, fleet size is the largest factor in a vehicle management program's costs due to ongoing maintenance needs, fuel usage, and associated financial liability. For this reason, comprehensive and consistent vehicle needs assessments are critical for minimizing costs while maintaining reliable operations. In addition, alternatives to full-sized, new vehicle purchases should be clearly outlined and considered when evaluating needs to reduce ongoing costs.

The City's current vehicle needs assessment responsibility structure increases the risk of unnecessary purchases, potentially leading to an unsustainable fleet size. The Fleet Division has recently refined the vehicle replacement review process to reduce the risk of unnecessary purchases, but this process could be further improved by evaluating vehicle usage patterns against established needs criteria. Further, clear full-sized vehicle purchase alternatives should be established and considered as part of the vehicle addition and replacement processes. Similarly, resale values should be tracked and used to inform replacement decision-making, though effective use of this information is likely hindered by current funding constraints.

Recommendations:

1. Formalize responsibilities for vehicle acquisition decision-making, including verifying reasonableness of requested fleet additions and identifying vehicle replacements to ensure the City's fleet size is sustainable while meeting organizational needs.

   ***Fleet Services Comments**: The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation. Fleet will support this process and already performs multi step, multi department reviews to assess the suitability and reasonableness of requested assets, including duty rating, EV capability, and operational fit.*

2. Provide guidance to operating divisions on conducting vehicle needs assessments, including available new vehicle purchase alternatives. Consider updating Policy 409.05 to clarify the use of mileage reimbursements as a vehicle acquisition alternative.

   ***Fleet Services Comments**: The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation.*

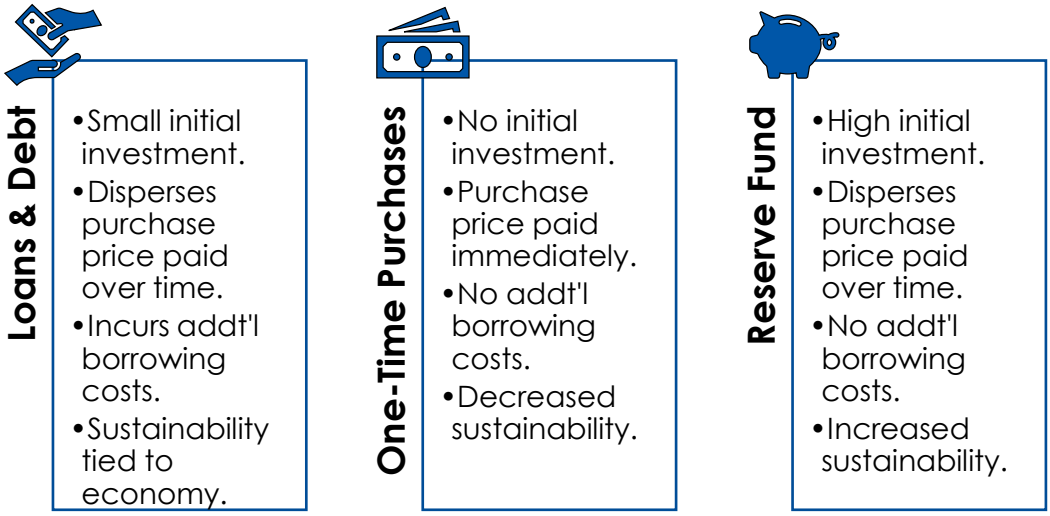
3. Incorporate vehicle usage pattern evaluations into the annual needs assessment process. Additional funds may be needed for telematics devices to ensure accurate utilization data is available for all vehicles.

***Fleet Services Comments**: The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation. Fleet will incorporate expanded telematics data from AssetWorks and develop written guidance on identifying underutilized assets and impacts to replacement schedules.*

Vehicle Acquisition Funding Method is Likely not Sustainable due to Increased Ownership Costs; Operational Needs are Currently Met

The Government Finance Officers Association, or the GFOA, recommends that governments establish a system for assessing their capital assets to plan and budget for any capital maintenance and replacement needs. GFOA stresses that structural deficits should be avoided and future generations should not be responsible for paying for benefits received in the past, such as issuing debt with payback periods longer than the asset's useful life.[3] In practice, vehicle acquisitions are generally funded through one of three methods outlined in Figure 6.

Figure 6: Typical Vehicle Acquisition Funding Methods



Once purchased, acquired vehicles must be "upfit" before they can be deployed to an operating department. Upfitting generally includes installing additional equipment, upgrading mechanical systems, and applying branding wraps. Industry standards suggest that basic upfitting projects take from three to five business days while more complex upfits can take one to two months.

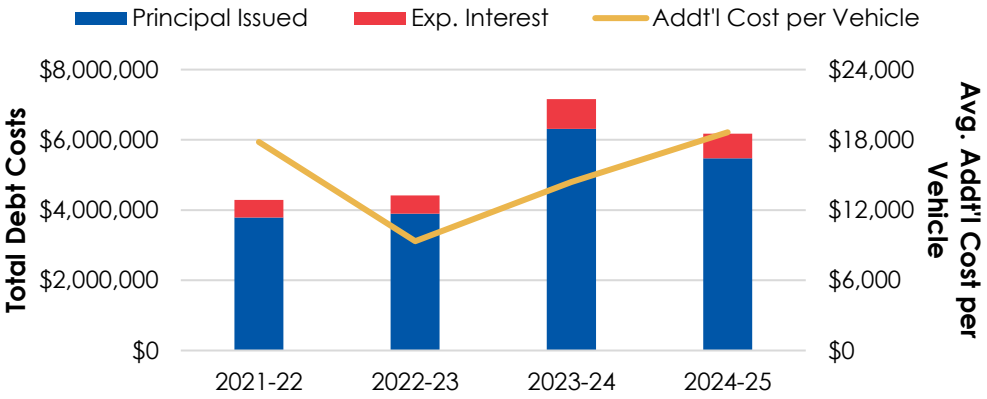
What We Found

- Despite alignment with government funding fairness principles, the City's primary vehicle acquisition funding method significantly increases the total cost of ownership.

[3] Ensure Fairness and Uphold Stewardship of Public Resources are two of six "First Principles of Public Finance" released by the GFOA in June 2025.

- Almost all City vehicle acquisitions are funded by issuing certificates of obligation, which are a Texas municipal debt instrument that does not require voter approval to issue.[4] City operating divisions, particularly utilities, occasionally make one-time vehicle purchases using general reserve funds or grants. No dedicated vehicle acquisition reserve fund has been created.
- Between Fiscal Year 2022 and Fiscal Year 2025, the City issued almost $19.5 million in certificates of obligation and purchased 190 vehicles with these funds. Based on expected interest payments, debt funding added about $14,300—or about 15 percent of the average purchase price—to the total cost of ownership for these vehicles.[5] Figure 7 illustrates vehicle-related debt issuances during this time.

Figure 7: Vehicle-Related Debt Issuance (FY22 through FY25)



- The City of Denton's debt management policy states the City's goal is to have completely paid back certificates of obligation within thirty years. City practice indicates that certificates of obligation issued to purchase vehicles are paid back within five years of issuance, which is roughly the lifespan of the average fleet vehicle, helping to ensure that future residents are not paying for past benefits.

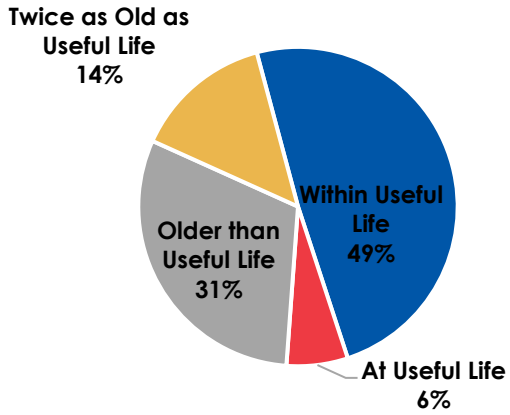
- Acquired vehicle replacements appear to be needed, but decision-making documentation could be further improved.[6]

[4] Debt instruments allow an organization to raise money by promising to repay the lender the amount borrowed over a set period of time plus interest.
[5] For context, industry standards suggest that a newly purchased vehicle loses about 15 percent of its market value when it is "driven off the lot."
[6] The City Auditor's Office completed an Analysis Report regarding the Fleet Division's Vehicle Replacement PO Accuracy in 2022 as a non-audit service; for these reasons, actual vehicle purchase documentation was not reviewed in detail as part of this Audit Project.

  - For Fiscal Year 2025, the Fleet Division identified 138 vehicles for replacement, about 91 percent of which received a replacement score of 11 or higher, indicating that at least two of the useful life expectations outlined in Table 1 had been met. Of the vehicles identified for replacement with lower replacement scores, only four were actually replaced. Three of these were ambulances, and one was a police motorcycle.
  - Further, at least 15 vehicles that were not identified for replacement on the Fiscal Year 2025 list were replaced during Fiscal Year 2025, all of which had a replacement score of 13 or higher.
  - Still, due to the fluidity of the budget process and data entry inconsistencies in the vehicle management system, it has historically been difficult to trace replacement decisions from the existing asset to the new asset because replacement asset numbers were not always entered. Since the audit began, the Fleet Division implemented a written procedure to ensure consistent replacement number entry.
  - Further, 17 of the 27 operating division fleet liaisons reported their division currently has enough vehicles to meet service level expectations, indicating that operational needs are generally being met.

- Despite annual purchases, operationally needed vehicle replacements are consistently deferred, indicating the current funding levels are not adequate.
  - During the Fiscal Year 2024 and 2025 budget processes, at least 93 vehicles that should have been replaced given the replacement score and priority of the assigned division's operations were deferred. As of March 2026, the Fleet Division estimated the total cost to replace all 297 vehicles that have met at least two of the useful life expectations at almost $50 million.
  - While only about eight percent of the City's current fleet is clearly marked as having a replacement deferred, about 45 percent of the City's vehicle fleet is older than its useful life per Fleet's expectations as illustrated in Figure 8.

Figure 8: Denton Fleet Age as of Fiscal Year 2026



- Similarly, industry standards suggest vehicles that consistently have maintenance costs two to three times higher than the average may be candidates for replacement.[7] Table 2 outlines the number of vehicles with more than double the average annual repair cost.

Table 2: Potential Replacement Vehicles based on Repair Costs (as of April 2026)

Vehicle Class	Vehicles	Avg. Annual Repair Costs	Percent Over Double the Avg.
Light	570	$1,210	14.0%
Heavy	401	$9,800	15.5%

- Further, 14 of the 27 operating division fleet liaisons reported their division will not have enough vehicles and equipment to meet service level expectations over the next three years without new additions, indicating the need for new vehicles is only increasing despite the deferral backlog.

- Acquired vehicles are generally deployed timely and tested before operation, but there are a lack of written internal expectations and no clear indication of contractor delays.
  - The Fleet Division implemented an Operations Manual in December 2025 that outlines the process of receiving and releasing acquired vehicles into service, but target deployment timeframes have not been established.
  - Since October 1, 2023, the average deployment time, including upfitting and inspection, was about 60 days, but this average dropped

[7] While maintenance costs include both preventative tasks and repairs, repair consistently make up 80 percent or more of total maintenance costs over a vehicle's life. Further, total maintenance costs for each vehicle are difficult to calculate due to system limitations. For these reasons, repair costs are used throughout this report as a proxy for maintenance costs.

to 30 days if Police Department vehicles are removed, indicating that deployment time is reasonable for most vehicles based on standard upfitting requirements. While the Operations Manual requires Fleet staff to perform "make ready" inspections, guidance on documenting the inspections and completing upfit projects was limited, increasing the risk of inconsistent practices and hindering quality assurance reviews.

- Fleet staff indicated Police vehicles have a longer upfit time due to specialized modifications performed by a contractor, but specific documentation of upfit steps was limited. Still, industry standards indicate that advanced upfits may take up to two months, which aligns with average Police vehicle deployment times.

Why It Matters

Historically, the City has primarily funded vehicle acquisitions by issuing debt. While debt funding vehicle acquisitions requires a small initial investment due to bond issuance fees and distributes the purchase price over the life of the asset, total costs of ownership are increased due to interest. While lower interest rates may make this a reasonable funding choice, as interest rates increase, these additional borrowing costs become less and less affordable—potentially impacting funding availability for needed vehicles in the future. For these reasons, the City should explore ways to decrease debt funding vehicles, such as creating a vehicle acquisition reserve fund.

One measure of funding sufficiency is the prevalence of vehicle replacement deferrals since retaining aging vehicles risks maintenance costs increasing exponentially while resale values continue to fall. The impact of this relationship on total cost of ownership is illustrated in Figure 5. Though all the City's completed vehicle replacement acquisitions appeared to be needed for City operations, an estimated $50 million in replacements—about two and a half times the amount spent over the last four fiscal years—is currently needed. For these reasons, while operating division vehicle needs are currently being met, new funding methods should be explored to ensure money is available for future needs.

Finally, newly acquired vehicles appear to be deployed timely, helping to ensure operating needs are met, but written deployment timeframe targets and clearer work order documentation would further ensure upfit practices are consistent and meet quality standards. Similarly, improved vehicle replacement decision-making documentation would assist the City with understanding the full impact of funding challenges.

Recommendations:

4. Develop a plan to minimize funding vehicle acquisitions through debt issuance and present it to City Council for consideration. Consider creating a vehicle acquisition reserve fund that operating divisions contribute to regularly to increase sustainability while continuing to spread vehicle purchase prices over their useful life.

   ***Fleet Services Comments**: The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation as directed by the City's financial authority. Financial strategies and alternatives will be reviewed; implementation is dependent on citywide financial policy and budget direction.*

5. Establish a process to consistently document vehicle replacement decisions to improve acquisition cost accountability and improve replacement deferral impact tracking.

   ***Fleet Services Comments**: The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation. Fleet already maintains the required data, and the defined asset and deferral impacts along with the collaborative multi step, multi department process for scheduling and approving annual replacements and will be captured in a formal SOP.*

6. Establish a process to ensure vehicles are deployed timely and are consistently tested: setting target deployment timeframes; clarifying quality control standards for "make ready" inspection and upfitting project work orders; and requiring periodic quality assurance reviews for vehicle deployments.

   ***Fleet Services Comments**: The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation. Fleet will define a formal make ready timeline; current make ready work is performed as quickly as possible and reviewed for quality before deployment, but no written and defined standard currently exists.*

Impact of Maintenance on Vehicle Costs and Availability is Obscured due to Fleet Age & Work Order Documentation Practices

The City of Denton's Fleet Division is responsible for maintaining about 1,100 City-owned vehicles, including automobiles and specialized equipment.[8] These vehicles can be broadly grouped into three usage classes based on the vehicles' expected usage as summarized in Figure 9.

Figure 9: Simplified Vehicle Classifications

Generally, vehicle maintenance falls into two categories: (1) preventative maintenance, including routine tasks designed to protect a vehicle's systems such as oil or other fluid changes, mechanical assessments, and tire rotations; and (2) repairs, which are unplanned maintenance activities intended to correct unexpected mechanical or electrical issues. The maintenance process for vehicles generally includes four steps as further described below:

1. **Identify** maintenance needs based on vehicle mileage, total engine hours, or reported condition: requires an inventory of vehicles, usually in an asset management system, with telematic devices installed in each vehicle to alert maintenance staff when a maintenance threshold is reached or a mechanical or electrical issue occurs.
2. **Prioritize** maintenance activities to meet service level goals: requires formally adopting service-level standards related to vehicle availability, cost controls, and maintenance effectiveness. Prioritization generally

[8] The Fleet Division is also responsible for maintaining about 300 vehicle accessories, including trailers, attachments, and small equipment, and four boats that were excluded from this review.

requires balancing preventative maintenance tasks with immediate repair needs since vehicles are constantly in use.

3. **Plan** prioritized maintenance activities based on available resources: requires an understanding of time, labor, equipment, and material costs by project type and size compared to available resources, including staff, equipment, and money. Planning on this scale is typically done continually to optimize resource usage since vehicles are constantly in use.
4. **Perform** maintenance activities: requires documentation of who, what, when, where, how, and why the work was performed, typically through a work order system, and appropriate oversight to ensure quality and timeliness standards were met. Performance of maintenance should feed into the vehicle management system to ensure maintenance histories are retained for each vehicle.

Overall, industry standards suggest that well-managed fleets have about 95 percent of vehicles available at any one time and work orders should be completed within established target timeframes. About 90 percent of scheduled preventative maintenance tasks should be completed on time and part costs should represent between 40 and 70 percent of maintenance costs.

As with most maintenance programs, resource availability is critical to keeping up with maintenance needs to effectively extend asset useful lives. Table 3 outlines recommended minimum vehicle maintenance resource standards.

Table 3: Vehicle Maintenance Resource Needs

Technician Hours	Cover estimated vehicle maintenance hours based on fleet size[9]
Technician Qualifications	Should be trained; preferably certified
Parts Quality	Should be manufacturer certified
Vehicle Bays	At least 1 bay to 1 technician; preferably 1.5 bays to 1 technician

What We Found

- The Fleet Division maintains an inventory of City vehicles that tracks most needed usage information. However, telematics data is not integrated into the system nor used to proactively identify maintenance needs.
    - The Fleet Division has implemented a vehicle management system that contains an inventory of the City's vehicle assets and calculates a

[9] Best practices suggest fleet size be measured based on vehicle equivalent units—or VEU. VEU is a normalized measure of maintenance hours needed; industry standards suggest one VEU equals 10 to 15 hours of preventative and unscheduled maintenance per year.

replacement score as discussed in Table 1.[10] This system generally tracks needed usage information including purchase price, preparation costs, vehicle age, maintenance and repair costs, cumulative utilization data, and asset depreciation.

  - The vehicle management system automatically notifies the operating division when a vehicle is due for preventative maintenance based on the manufacturer's recommendations and the imported cumulative utilization data. Operating division liaisons are responsible for scheduling preventative maintenance appointments and are reminded until the vehicle's service is completed.
  - In 2022, the Fleet Division began installing telematics devices in City-owned vehicles, which provide real-time information on individual vehicle mechanical and electrical errors as well as other usage data. However, Fleet staff do not actively monitor telematics error codes; instead, they rely on standard maintenance schedules and operating division liaisons to identify repair needs. In addition, usage information collected by the telematics system is not integrated into the vehicle management system.

- The Fleet Division has formally adopted some vehicle maintenance service-level standards, but goals are not always met or established, potentially due to these performance metrics being influenced by factors outside of Fleet's control.
  - In December 2025, the Fleet Division established ten key performance indicators—or KPIs—four of which are directly related to vehicle maintenance. The City has not established goals for two of these metrics, and two others did not have a clear industry standard benchmark as outlined in Table 4.

Table 4: Vehicle Maintenance Service Level Goals & Performance

Performance Metric Type	City KPI	Ind. Stnd. Benchmark	City Goal	City Performance
Vehicle Availability	Vehicle Uptime	95%	None	81.5%
	PM Completion Time	None	None	2.13 Hrs.
Cost Controls	Technician Efficiency	None	70%	75.4%
Maintenance Effectiveness	PM Compliance	90%	95%	79.2%

  - Of the three KPIs that had a relevant City goal or industry benchmark, only one—technician efficiency—was being met. Comparison of the

[10] The City Auditor's Office completed an Agreed-Upon Procedures Engagement, including a vehicle inventory, in 2023 as part of Audit Project 032—Fleet Service Operations; for these reasons, a vehicle inventory was not conducted as part of this Audit Project.

cost of parts to total maintenance costs showed an average ratio of 47 percent, falling into the benchmark range. This further indicates that technicians are generally working efficiently.

  - The Fleet Division has established target completion timeframes for work orders within the vehicle management system. This system automatically flags work orders that exceed the expected repair timeframes, further promoting technician efficiency. However, while labor hours data could be pulled from the system, target completion times could not—hindering holistic performance efficiency review.
  - As noted in Table 4, the City's Vehicle Uptime, arguably the most important fleet maintenance performance indicator, is significantly lower than the industry benchmark of 95 percent, which indicates serious maintenance issues may exist within the fleet. However, this is likely due to the age of the fleet—especially deferred vehicles. In particular, there was a statistically significant difference between the average annual number of repair work orders for active vehicles (about 4.5 annually) and deferred vehicles (about 7.2 annually) since October 2023. Further, a review of all vehicles marked as deferred found that 40 of the 57 were costing more than 10 percent of the associated department's per asset costs, indicating that deferred vehicles cost more than others to maintain.

- Formal vehicle maintenance planning guidance is limited; impact on efficiency is obscured due to data collection issues.
  - The Fleet Operations Manual states that Fleet Supervisors evaluate received repair requests to determine the most efficient and appropriate repair path, but written guidance on how this path is determined was not available.
  - Fleet indicated that they have informally developed a work order priority system which prioritizes, from first to last: first responders, utilities, all others, and parks. However, neither work order closure information nor average repair labor hours clearly align with these priorities. Instead, average repair hours per work order have remained consistent while the average time a vehicle spends with an open work order each year has generally decreased, indicating planning processes may be being completed more efficiently.

Table 5: Relationship Between Work Order Days & Repair Time

Fiscal Year	Avg. Time with Open WO	Avg. Repair Time per WO
2024	35%	4.25
2025	31%	4.50
2026	23%	4.25

  - The Fleet Division has implemented an appointment scheduler using the vehicle management system to assist operating divisions with scheduling maintenance and repairs around their operational needs. Additionally, a dashboard has been established that allows operating divisions to track work order status to increase transparency once a vehicle is dropped off for service.

- All completed maintenance is recorded in work orders, but specific written guidance is limited, increasing the risk of inconsistent maintenance quality.
  - Preventative maintenance tasks and repair projects are recorded in work orders in the vehicle management system. Supervisors conduct quality assurance reviews of completed work orders to ensure labor and parts costs are reasonable. However, specific work order documentation requirements have not been established, hindering quality assurance reviews of actual maintenance work.
  - Relevant warranty information for each vehicle is readily available to technicians in the vehicle management system, but there are no written requirements for technicians to check for applicable warranties when performing maintenance. This increases the risk of incurring unnecessary maintenance costs.

- Current technician staffing levels and vehicle bays meet recommended minimal resource standards if supervisors supplement work.
  - As of July 2026, there are 20 fleet technicians, four fleet supervisors, and two fleet managers, totaling 26 positions that either directly perform vehicle maintenance or oversee vehicle maintenance. Based on VEU estimates,[11] this staffing level meets recommended minimal resource standards if supervisors supplement some maintenance work. But staffing reduction or increases to the fleet inventory would likely negatively impact service standards.
  - Although not required per established job descriptions 79 percent of technicians have at least one professional certificate. In addition, the City's parts contract requires manufacturer certification.

[11] This report assumes that one VEU equals 12.5 hours of maintenance; fleet VEU estimates were based on industry standards.

- The Fleet Division operates two shops with a total of 28 vehicle bays. With the current staffing size, the available garage space supports operations; however, any increase in technicians or inventory, particularly heavy-duty vehicles, would require more bays.

Why It Matters

Vehicle uptime indicates how often vehicles are available to support an organization's operations and are impacted by the frequency of repairs and efficiency of maintenance project management. Preventative maintenance is critical to reducing unplanned downtime and costly repairs that impact operations and increase the cost of ownership. The Fleet Division has established effective preventative maintenance schedules, but operating division compliance rates could be further improved to ensure repair frequency is minimized. Still, preventative maintenance and repairs can only accomplish so much—an aging Fleet inevitably leads to lower uptimes as vehicles need more extensive repairs more often due to cumulative utilization.

When maintenance is needed, the "clock" starts as soon as a vehicle's system flags an issue and ends when the vehicle is placed back into service. Currently, the Fleet Division relies on operating division staff to identify and schedule needed repair; however, regularly reviewing telematics devices already installed in most City vehicles would allow Fleet staff to identify maintenance issues more quickly, improving maintenance efficiency and helping to avoid additional damage.

Planning maintenance projects is critical to ensuring that vehicles are repaired efficiently to reduce operational impacts. While the Fleet Division has informally created maintenance planning priorities (e.g., repairs before preventative maintenance; patrol cars before mowers), there is little additional guidance for supervisors on how identified maintenance tasks should be scheduled for performance. While current staffing and garage space meet minimum resource recommendations for the current fleet size, any changes to staffing or vehicle additions, especially heavy-duty vehicles, would impact Fleet Division efficiency.

Lastly, work orders not only document resource usage, but also the quality of performed maintenance work. Clear work order documentation requirements help ensure that work orders provide a comprehensive picture of the work performed on a vehicle, facilitating quality assurance reviews and improving maintenance efficiency. While the Fleet Division's recorded labor times generally indicate repairs are being completed efficiently, work order closure times indicate that vehicles may be out of service longer than necessary due to planning and coordination issues—though these times have been improving. Clearer guidance for supervisors and technicians on work order documentation

requirements could reduce or more clearly capture actual vehicle downtime and help further ensure that maintenance projects meet the Division's quality standards.

Recommendations:

7. Evaluate ways to review and act on error codes captured by existing telematic devices to ensure critical mechanical and electrical issues are addressed promptly.

   Fleet Services Comments: *The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation. Fleet will support this process through SOP development. Error codes and operational level issues that indicate ownership responsibilities should be monitored by the asset owner for review and corrective action, including initiating prompt work tickets for repairs and maintenance. Fleet will create written guidance and support on how to use telematics and vehicle error code information appropriately.*

8. Establish a process to ensure maintenance work orders are completed timely and consistently including: formalizing work order planning priorities to guide supervisors; periodically reviewing open work orders; clarifying work order documentation standards for preventative maintenance and repair project work orders; and requiring warranty checks.

   Fleet Services Comments*: The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation. Fleet staff are actively performing these activities and will formalize them with written guidance.*

Available Driver Behavioral Data is not Regularly Used to Reduce Financial Liability Risk Associated with a Vehicle Fleet

Unlike other organizational assets, vehicles may be used almost constantly during an organization's operations, are exceptionally mobile in nature, and place employees at increased risk of injury when in use, heightening the City's financial liability risk. For these reasons, best practices recommend that telematics devices be installed in each vehicle to monitor driver behavior such as inappropriate vehicle locations, unreasonable fuel usage,[12] unnecessary idling, hazardous maneuvers, seat belt non-compliance, and excessive speeding. Behavioral information should be used to minimize organizational waste by identifying inappropriate usage and reduce the chance of vehicle accidents by promoting a safe-driving culture. Behavioral expectations for drivers should be clearly established, consistently monitored to ensure behavioral issues are promptly addressed, and, if an accident or safety incident occurs, available data should be reviewed to inform liability decision-making.

Some organizations may allow their employees to use organization-owned vehicles to commute between their home and worksite to increase productivity, especially when employees must respond to emergencies. Best practices suggest that these types of "take-home" vehicle programs increase the risk of misuse and can shorten a vehicle's useful life due to additional utilization. For these reasons, a take-home vehicle program generally should (1) be centrally administered, (2) be routinely monitored, and (3) have clear parameters such as being tied to organizational needs and having maximum allowable commute distances.

What We Found

- The City has adopted policies that outline behavioral expectations for drivers of City vehicles.
    - City of Denton Policy 409.05 "Comprehensive Driving and City Vehicle Use" was most recently updated in 2022 and requires City employees to comply with all traffic laws, including licensing requirements, cell phone usage, and seat belt usage.
    - In addition, Policy 409.05 outlines vehicle usage standards including: prohibiting off-duty commuting without authorization; requiring vehicles to be properly secured when parked and unattended, parking off-street when possible; prohibiting the transportation of non-City employees or Intoxicating Substances; requiring reasonable care,

[12] The City Auditor's Office evaluated fuel usage monitoring procedures in 2023 and 2024 as part of Audit Project 032—Fleet Service Operations; for these reasons, fuel usage monitoring was not evaluated as part of this Audit Project.

including prohibiting tampering with safety devices; and requiring prompt reporting of needed maintenance and repairs.

- Further, Policy 409.05 restricts vehicle and equipment idling except in certain circumstances such as operating auxiliary safety equipment, providing heat or air conditioning necessary for passenger safety, and in accordance with a manufacturer's recommendation.
- Both the Police and Fire Departments have established internal policies that address when excessive speeding is authorized due to first responder operations.

- Despite being installed in most City vehicles, telematics devices are not used to consistently monitor driver behavior. No formal expectations for using this technology have been established.
  - The Fleet Division began installing telematics devices in City vehicles shortly after the Comprehensive Driving and City Vehicle Use Policy was updated in 2022. Apart from prohibiting tampering, usage of telematics devices and associated driver behavior data are not discussed in the Policy.
  - All operating divisions have at least one Fleet Division liaison. The Fleet Division indicated that these liaisons are responsible for identifying any disabled or malfunctioning telematics devices; however, this responsibility is not formalized in a policy, procedure, or service level agreement. Similarly, the Fleet Division indicated that operating divisions were responsible for monitoring driver behavior data and promptly addressing issues, but this responsibility is not formalized.
  - The City currently has two active vehicle telematics systems that provide driver behavior information, including vehicle location, unnecessary idling, hazardous maneuvers, seat belt non-compliance, and excessive speeding. A review of the log-in histories for both systems as of May 2026 found some operating divisions had no access while most divisions showed inconsistent and infrequent use, confirming that behavior monitoring is not occurring regularly.

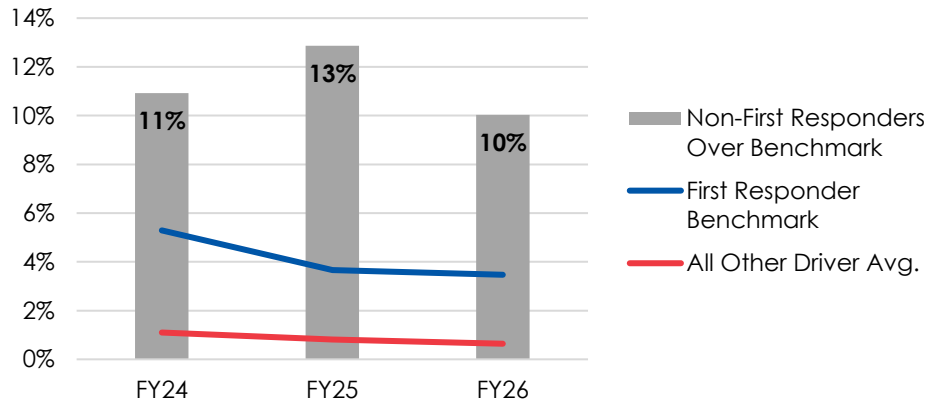
- Collected driver behavior data has not been incorporated into vehicle accident reviews and is not used to help promote a safe-driving culture.
  - According to staff, neither the Risk Management nor Safety Divisions consistently review driver behavior telematics to identify unsafe driving behaviors or driving culture trends.
  - According to staff, when a vehicle accident occurs, driver behavior telematics are not requested and are only reviewed by the Safety Division if proactively provided by the operating division. Similarly, Risk

Management Division staff indicated they only review video footage of an accident if it is available, and do not request related driver behavior telematics.

- City policy does not address the usage of telematics data when addressing safety concerns or when reviewing safety incidents.

- Unsafe driving behaviors are occurring for non-emergency operations, though they are generally trending downwards.
  - From October 2023 to March 2026, first responders excessively speed during four percent of their drive time on average.[13] About 12 percent of non-first responder vehicles speed at least half as often as first responders, with an average of almost 80 instances of excessive speeding per vehicle annually. Figure 10 further outlines speeding metrics between first responder and non-first responder vehicles.

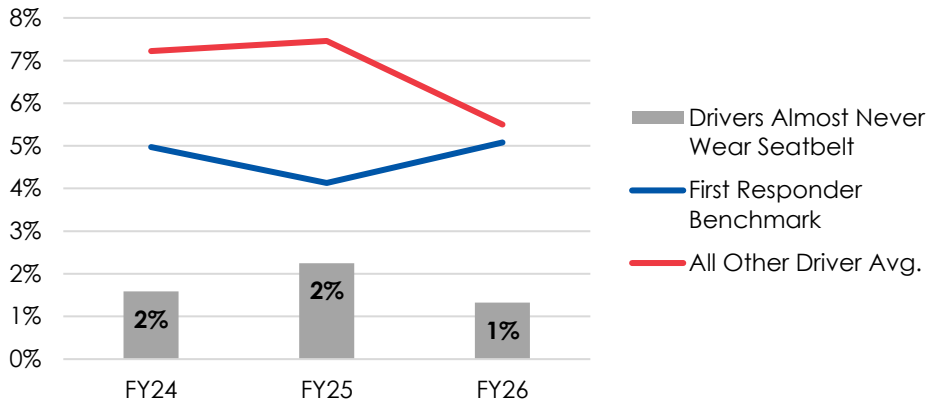
Figure 10: Avg. Drive Time Excessively Speeding



  - Similarly, a review of seat belt violations over the same period found that about one-thirds of City vehicles never had a seatbelt violation, but about two percent of drivers rarely wear a seatbelt.[14] Figure 11 further outlines seatbelt non-compliance metrics between first responders and non-first responder vehicles.

[13] Per the established system parameters, a speeding violation is recorded when a vehicle moves 10 miles per hour or more over the posted speed limit. Percent of drive time is calculated by dividing the distance a vehicle was speeding by the total distance driven.
[14] Per the established system parameters, a seat belt violation is only recorded when a vehicle exceeds 6.2 miles per hour. Percent of drive time is calculated by dividing the distance a vehicle registered a seat belt was not being worn by the total distance driven.

Figure 11: Avg. Drive Time Without a Seat Belt



- Vehicle idling among operating divisions could be further reduced.
  - Based on a comparison of the total maintenance costs of high idling vehicles to vehicles of the same type and age with lower idling rates, high idling vehicles cost about $15,000 more over its life than lower idling vehicles. These results support best practices research that stated idling should be minimized to reduce costs.
  - Although the City's driving policy restricts idling unless there is a critical need, there is no clear requirement for operating divisions to monitor idling times.
  - Review of vehicle idling data from October 2023 to March 2026 found that idling is a regular practice for multiple non-emergency or safety-related operations.[15] Of the 23 departments reviewed, the average idling duration was 31 percent of the total engine hours.

- The take-home vehicle program does not have a centralized administrator and responsibilities including usage monitoring are not clearly defined in the Citywide driving policy.
  - Policy 409.05 outlines the City's Take-Home Vehicle program. Based on comparison to best practices as outlined in Table 8, the City's program is not centrally administered and does not set a maximum allowable commute distance.

[15] Per the established system parameters idling percentage is calculated based on the relationship between idling duration and total engine hours. For example, if a vehicle idles for two hours out of four total engine hours, the idling percentage is 50 percent.

Table 8: Comparison of Take-Home Vehicle Best Practices to City Policy

Best Practice	Policy Requirement
Centrally Administered	• Take-Home Vehicle Form authorized by supervisor and department director; and HR Director and City Manager if commute is more than 15 miles. • Forms retained by the Fleet and Risk Management Divisions.
Routinely Monitored	• Annual review of actual call-outs, job duties, and commute-related mileage by operating division. • Updated lists provided to Fleet and Risk when requested.
Tied to Organizational Needs	• Temporary or Periodic On-Call Duty with short response times; or • Frequent Emergency Response.
Maximum Allowable Commute Distance	• None.

- Neither the Fleet nor Risk Management Divisions had a comprehensive list of Take-Home Vehicle authorizations, and not all forms were signed as required by the policy. Specifically, of the 106 available Take-Home Vehicle Authorization Forms, most were signed by the supervisor (97 percent) and department director (91 percent), but only ten percent of the 38 authorization forms for employees who commuted more than 15 miles were signed by the City Manager.
- Although no maximum allowable commute distance is established in Policy 409.05, City Policy 106.06 "Response Time and On-Call Duty" lists required response times for different operating divisions. Based on review of the 106 available Take-Home Vehicle Authorization Forms, geographic mapping found that 73 percent of the recorded home locations complied with the Response Time and On-Call Duty Policy requirements. On average, non-compliant home locations were about 10 minutes over the required response time.
- Based on review of the available Take-Home Vehicle Authorization Forms, the average round trip commute is roughly 30 miles. Assuming an employee takes a vehicle home once a week, this adds about 1,500 miles of usage annually—or about 1.5 percent of a vehicle's useful life that would otherwise not be used.

Why It Matters

Due to their unique nature, vehicles expose organizations to additional risk and so should be regularly monitored to reduce financial liability and discourage misuse. Despite collecting driver behavior information for most vehicles, the City has not formally established acceptable uses for this data or clear monitoring

requirements. Updating existing policy would help to ensure that driver expectations are clear and that employees are held accountable for any unsafe or inappropriate behavior.

Finally, while take-home vehicle programs may improve operational efficiency, they can lead to increased costs of ownership and so should be appropriately balanced based on the organization's goals. While the City has established some Take-Home Vehicle Program parameters, decentralized program administration and unclear requirements hinder evaluation of the program's costs versus benefits. Updating the policy to require improved data and monitoring would help to ensure that this balance is maintained.

Recommendations:

9. Update Policy 409.05 to clarify use of driver behavioral data captured by installed telematics devices, including: defining allowable uses for behavioral telematics data such as monitoring driver behavior to reduce financial liability or detect vehicle misuse; and clarifying monitoring responsibility for behavioral telematics data. Consider developing guidance for operating divisions on how to use the vehicle telematics system in ways that align with the updated Policy 409.05, including how to review behavioral data at the time of an accident or safety incident. mileage reimbursement programs to reduce the need for City-owned vehicles

***Fleet Services Comments**: The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation. Fleet will work with Risk (policy owner), HR, and Safety to support updates and provide operational input.*

10. Update the vehicle take-home program to ensure it continues to meet operational needs while minimizing associated costs, including: centralizing program administration responsibility; establishing a maximum allowable commute distance; maintaining a list of all take-home vehicles that clearly indicates relevant vehicle assignments; and requiring documented regular reviews of authorized take-home vehicles and associated costs.

***Fleet Services Comments**: The Fleet Services Division will evaluate, refine, and document the process to comply with this recommendation. Implementation requires coordination with Risk (policy owner), HR, Legal, and operating divisions.*

Audit Project Background

The City Auditor's Office is responsible for providing: (a) an independent appraisal[16] of City operations to ensure policies and procedures are in place and complied with, inclusive of purchasing and contracting; (b) information that is accurate and reliable; (c) assurance that assets are properly recorded and safeguarded; (d) assurance that risks are identified and minimized; and (e) assurance that resources are used economically and efficiently and that the City's objectives are being achieved.

Auditing Standards

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Management Responsibility

City management is responsible for ensuring that resources are managed properly and used in compliance with laws and regulations; programs are achieving their objectives; and services are being provided efficiently, effectively, and economically.

Objectives, Scope, and Methodology

The City Auditor's Office has completed an audit of the City of Denton's vehicle management program including needs assessment, acquisition, maintenance, and usage monitoring. This report is intended to provide assurance that the vehicle management program ensures the City has a fleet adequate to achieve its objectives while minimizing the total cost of vehicle ownership.

Audit fieldwork was conducted during April, May, June, and July of 2026. The scope of review varied depending on the procedure being performed. The following list summarizes major procedures performed during this time:

- Reviewed documentation to develop criteria including documented policies, industry standards, City requirements, and best practices;
- Developed process narratives to identify current vehicle management program control activities;

[16] The City of Denton Internal Auditor's Office is considered structurally independent as defined by generally accepted government auditing standard 3.56.

- Interviewed staff from the Fleet Division and Finance Department;
- Compared fleet needs assessment processes, including vehicle replacement criteria, to industry standards;
- Verified that employees who receive a car allowance did not receive a mileage reimbursement between October 2023 and March 2026;
- Estimated the value of non-training-related mileage reimbursements to City employees from October 2023 through March 2026;
- Compared Fiscal Year 2025 vehicle sale information to total ownership costs to calculate cost recoupment percentages;
- Estimated active vehicle resale values based on industry standards and calculated repair cost to resale value ratios;
- Estimated average additional borrowing costs for vehicles purchased with certificate of obligation proceeds and verified that proceeds were used and repaid timely;
- Assessed the reasonableness of vehicle replacement decisions, including deferrals, for Fiscal Year 2024-25 and Fiscal Year 2025-26 based on Fleet Division replacement criteria and informal prioritization practices;
- Surveyed the 45 operating division fleet liaisons to obtain division-specific feedback on vehicle management practices;[17]
- Compared active vehicle useful life expectations established by the Fleet Division to actual age;
- Calculated average annual repair costs for active light- and heavy-duty vehicles and identified assets with annual repair costs that were double the relevant average;[18]
- Calculated the average deployment time for vehicles acquired after October 2023;
- Compared key performance indicator goals and metrics established by the Fleet Division to industry-suggested performance benchmarks;
- Calculated the average time each vehicle spent with an open repair work order each year and the average labor time used for each repair work order and compared trends between October 2023 and March 2026;

[17] Survey received a representative response of about 60%, indicating information is generally reliable.

[18] Active assets managed by the Fleet Division were categorized into six categories to simplify analysis and review: (1) Light-Duty, (2) Heavy-Duty, (3) Alternative Vehicles, (4) Forklifts, (5) Motorcycles, and (6) Trailers and Attachments. Trailers and Attachments were excluded from the audit scope.

- Observed work order documentation completion practices while evaluating work order timeliness;
- Estimated Fleet Division resource needs, including number of technicians and vehicle bays, based on industry standards and compared to actual resources;
- Evaluated driver behavior data from the City's telematics system to identify trends related to vehicle idling, excessive speeding, and seat belt usage from October 2023 through March 2026;
- Compared the repair costs of high-idling vehicles to similar lower-idling vehicles; and
- Compared the City's take-home vehicle program to industry standards and assessed Take-Home Vehicle Authorization Forms compliance with program requirements.

Appendix A: Management Response Summary

The following summarizes the recommendations issued throughout this report. The auditors found that staff and the Division were receptive and willing to make improvements to controls where needed. Management has provided their response to each recommendation.

1	Formalize responsibilities for vehicle acquisition decision-making, including verifying reasonableness of requested fleet additions and identifying vehicle replacements to ensure the City's fleet size is sustainable while meeting organizational needs.		**Agree**
Responsibility:	**Fleet Director**	Expected Completion:	**FY27, Quarter 4**
2	Provide guidance to operating divisions on conducting vehicle needs assessments, including available new vehicle purchase alternatives.		**Agree**
Responsibility:	**Fleet Director/Human Resources**	Expected Completion:	**FY27, Quarter 4**
3	Incorporate vehicle usage pattern evaluations into the annual needs assessment process. Additional funds may be needed for telematics devices to ensure accurate utilization data is available for all vehicles.		**Agree**
Responsibility:	**Fleet Admin Analyst**	Expected Completion:	**FY27, Quarter 4**
4	Develop a plan to minimize funding vehicle acquisitions through debt issuance and present it to City Council for consideration. Consider creating a vehicle acquisition reserve fund that operating divisions contribute to regularly to increase sustainability while continuing to spread vehicle purchase prices over their useful life.		**Agree**
Responsibility:	**Fleet Director/Finance**	Expected Completion:	**FY27, Quarter 4**
5	Establish a process to consistently document vehicle replacement decisions to improve acquisition cost accountability and improve replacement deferral impact tracking.		**Agree**
Responsibility:	**Fleet Director**	Expected Completion:	**FY27, Quarter 4**
6	Establish a process to ensure vehicles are deployed timely and are consistently tested: setting target deployment timeframes; clarifying quality control standards for "make ready" inspection and upfitting		**Agree**

	project work orders; and requiring periodic quality assurance reviews for vehicle deployments.		
Responsibility:	**Fleet Manager**	Expected Completion:	**FY27, Quarter 1**
7	Evaluate ways to review and act on error codes captured by existing telematic devices to ensure critical mechanical and electrical issues are addressed promptly.		**Agree**
Responsibility:	**Fleet Admin Analyst**	Expected Completion:	**FY27, Quarter 2**
8	Establish a process to ensure maintenance work orders are completed timely and consistently including: formalizing work order planning priorities to guide supervisors; periodically reviewing open work orders; clarifying work order documentation standards for preventative maintenance and repair project work orders; and requiring warranty checks.		**Agree**
Responsibility:	**Fleet Manager**	Expected Completion:	**FY27, Quarter 2**
9	Update Policy 409.05 to clarify use of driver behavioral data captured by installed telematics devices, including: defining allowable uses for behavioral telematics data such as monitoring driver behavior to reduce financial liability or detect vehicle misuse; and clarifying monitoring responsibility for behavioral telematics data.		**Agree**
Responsibility:	**Fleet Director/Human Resources/Risk & Safety**	Expected Completion:	**FY27, Quarter 4**
10	Update the vehicle take-home program to ensure it continues to meet operational needs while minimizing associated costs, including: centralizing program administration responsibility; establishing a maximum allowable commute distance; maintaining a list of all take-home vehicles that clearly indicates relevant vehicle assignments; and requiring documented regular reviews of authorized take-home vehicles and associated costs.		**Agree**
Responsibility:	**Fleet Director/Human Resources/Risk & Safety**	Expected Completion:	**FY27, Quarter 4**

Audit of Vehicle Management

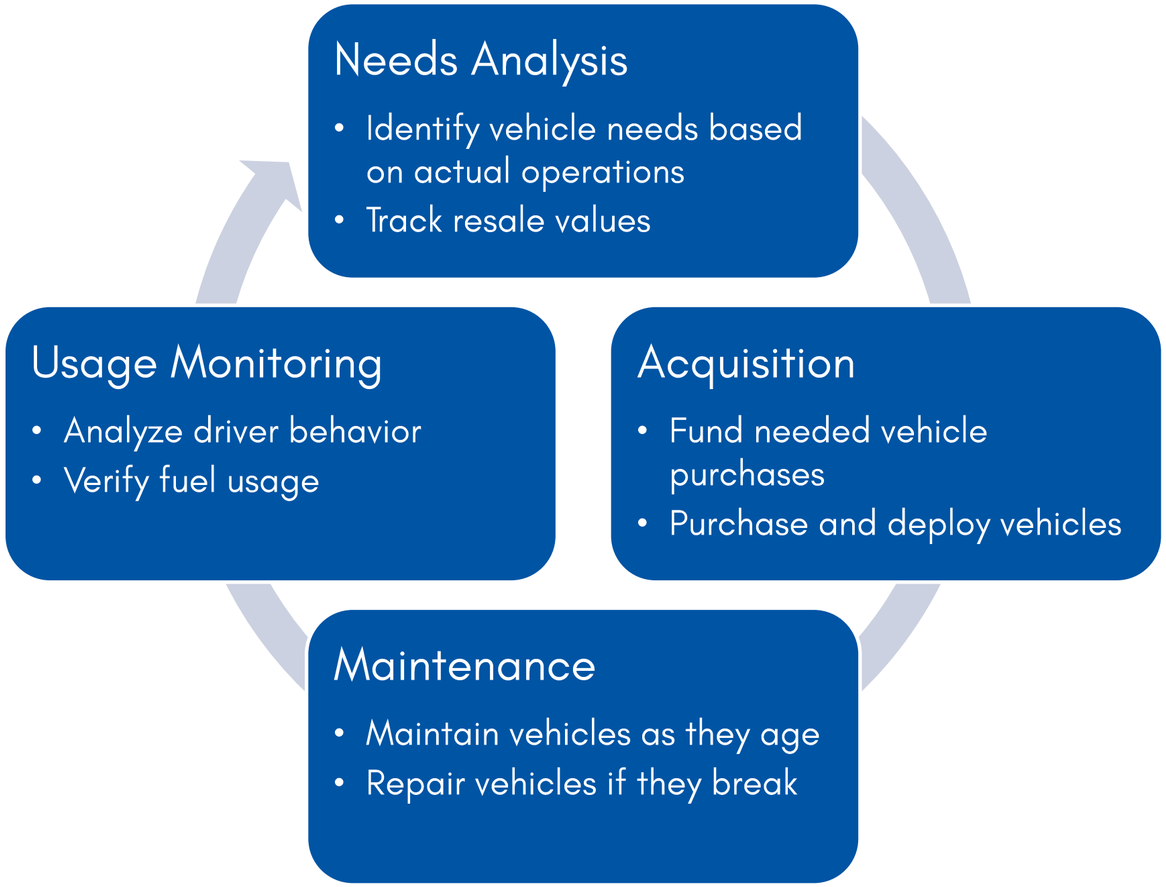
Madison Rorschach
City Auditor

File ID 26-2455 Aug. 18, 2026

Purpose of the Audit

- Audit evaluated if the City has a fleet adequate to achieve its objectives while minimizing the total cost of vehicle ownership.
- The City maintains a fleet of almost 1,100 vehicles that must be regularly maintained and replaced to meet its goals. Almost $20 million in debt has been issued since FY2022 to fund vehicle acquisitions.

Vehicle Management Cycle



Vehicle Needs Assessment processes May Result in a Larger Fleet than Needed due to Diffused Responsibilities

- Needs assessment responsibilities disbursed across the City.
- Vehicle lifecycle data is unreliable, difficult to obtain, or not tracked.
- Vehicles often sold after maintenance costs exceed resale value.
  - About 35 percent of current vehicle repair costs exceed estimated resale value.

Fleet Needs Assessment Responsibilities

Operating Divisions

- Assess vehicle needs; no Citywide analysis guidance
- Vehicle alternatives not formally considered

Budget Division

- Evaluate financial feasibility of fleet additions

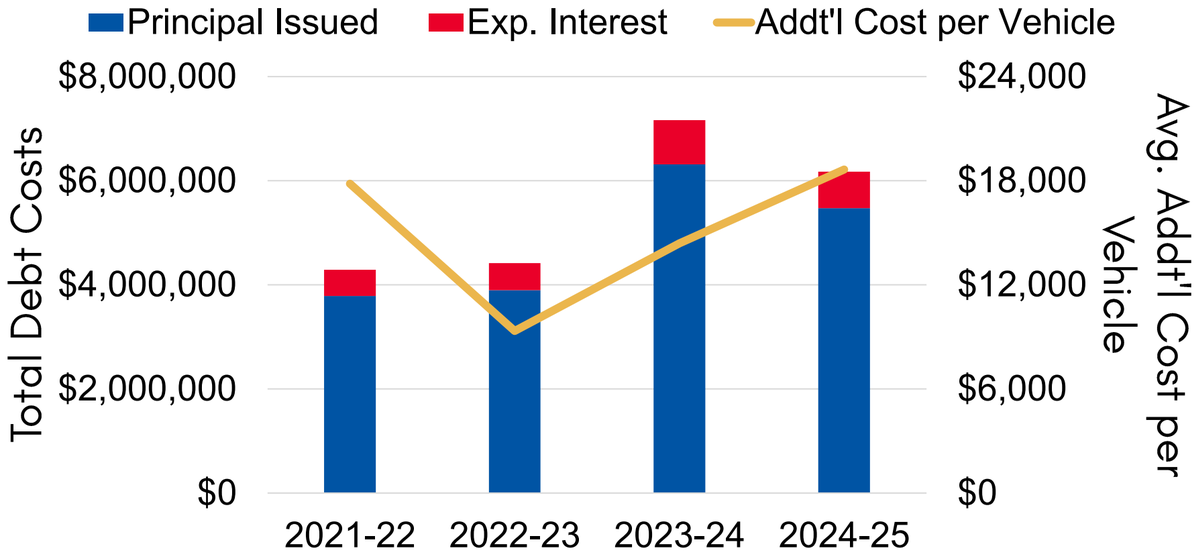
Fleet Division

- Identify needed vehicle replacements; established criteria reasonable, but further refinement possible
- Assess vehicle acquisition reasonability; formal process not established

Debt Funding Acquisitions is Likely not Sustainable due to Increased Ownership Costs; Operational Needs Currently Met

- Debt funding vehicle acquisitions significantly increases total cost of ownership.
- Vehicle replacement acquisitions needed; deferral prevalence indicates funding levels are not adequate.
  - Current replacement needs are estimated at almost $50 million—about 2.5 times the debt issued from FY22 to FY25.
- Acquired vehicles are generally deployed timely.

Vehicle Related Debt Issuance



Impact of Maintenance on Vehicle Costs and Availability is Obscured due to Fleet Age & Work Order Doc. Practices

- Vehicle inventory exists; telematics data not used to identify maintenance needs.
- Service-level standards established; not always met due to fleet age.
  - Maintenance resources are currently adequate for fleet size.
- Standards for maintenance planning and work order documentation not formally established.

Maintenance Service Goals & Performance

Performance Metric Type	City KPI	Ind. Stnd. Benchmark	City Goal	City Performance
Vehicle Availability	Vehicle Uptime	95%	None	81.5%
	PM Completion Time	None	None	2.13 Hrs.
Cost Controls	Technician Efficiency	None	70%	75.4%
Maintenance Effectiveness	PM Compliance	90%	95%	79.2%

Summary of Maintenance Time & Repair Time

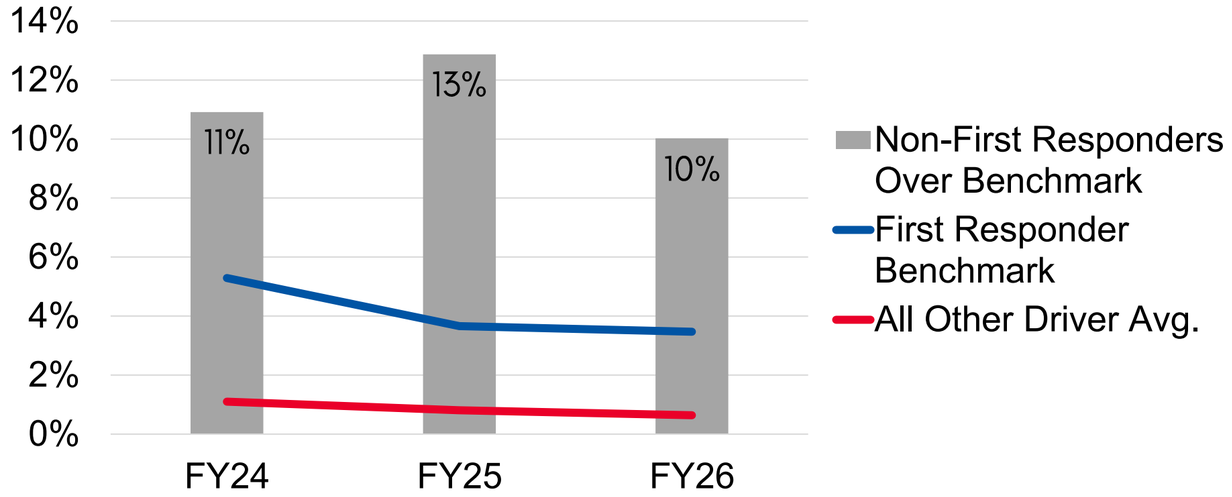
Fiscal Year	Avg. Percent of Time in Shop*	Avg. Hours Being Repaired
2024	35%	4.25
2025	31%	4.50
2026	23%	4.25

*Shop time is likely overstated due to Fleet work order closure practices.

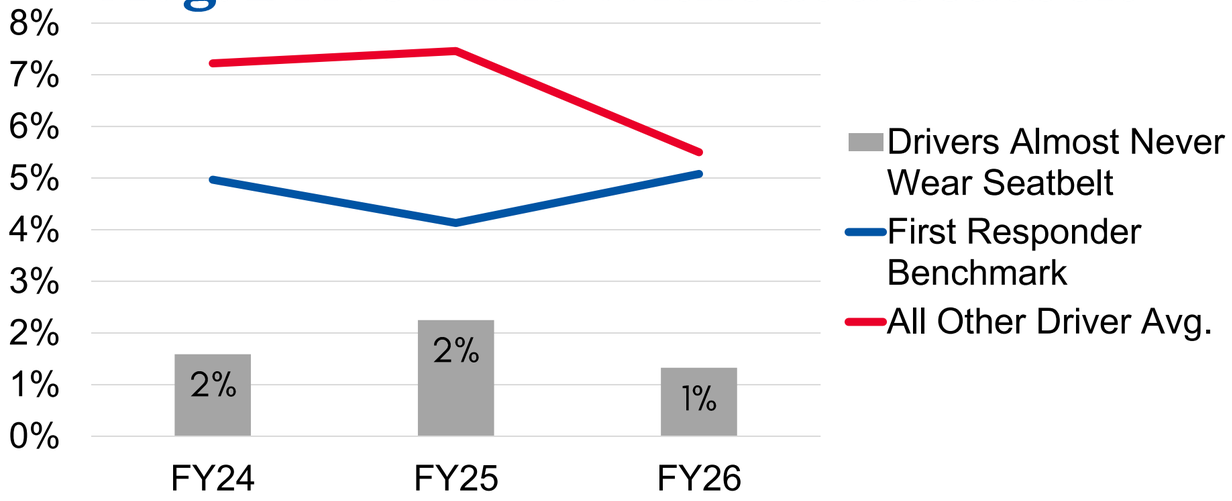
Available Driver Behavioral Data is not Regularly Used to Reduce Financial Liability Risk Associated with Vehicle Fleet

- Not all operating divisions regularly monitor driver behavior despite data being collected.
- Unsafe behaviors are occurring for non-emergency operations, though they are trending downwards.
- Balance between take-home vehicle program costs and benefits is not regularly reviewed due to structural issues.

Avg. Drive Time Excessively Speeding



Avg. Drive Time Without a Seatbelt



Management Response Summary

Rec.	Recommendations*	Response	Implementation Actions*
1	Formalize responsibilities for vehicle acquisition decision-making.	Agree	Will evaluate, refine, & document the existing suitability & reasonableness review.
2	Provide guidance to ops. divs. on conducting vehicle needs assessments.	Agree	Will evaluate, refine, & document the process.
3	Incorporate vehicle usage pattern reviews into the needs assessment process.	Agree	Will incorporate telematics data and develop written guidance on identifying underutilized assets.
4	Develop a plan to minimize funding vehicle acquisitions through debt issuance.	Agree	Financial strategies & alternatives will be reviewed; implementation dependent on Citywide financial policy.
5	Consistently document vehicle replacement decisions.	Agree	Will document in a formal SOP.
6	Ensure vehicles are deployed timely & consistently tested.	Agree	Will define a formal make-ready timeline.
7	Review & act on telematic vehicle error codes.	Agree	Will create guidance for ops. div. on telematics usage.
8	Ensure work orders are completed timely & consistently.	Agree	Will formalize guidance for these activities.
9	Update the Comprehensive Driving & City Vehicle Use Policy to clarify use of telematics driver behavior data.	Agree	Will work with Risk, HR, and Safety to support update and provide operational input.
10	Update the vehicle take-home program parameters & monitoring requirements.	Agree	Will work with Risk, HR, and Safety to support update and provide operational input.

*Detailed recommendations and implementation actions can be seen in the full audit report.

Questions?

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Cassey Ogden

DATE: August 18, 2026

SUBJECT

Receive a report, hold a discussion, and give staff direction on pending City Council requests for:

1) Workshop on City-Wide Fiscal Analyses
2) Policies for City Funded Construction Projects
3) 3-Year Pilot Program for a Denton Eviction Advocacy Center

[Estimated Presentation/Discussion Time: 30 minutes]

BACKGROUND

The following items will be discussed during this work session:

1) Workshop on City-Wide Fiscal Analyses

a. **Requestor:** Council Member Rumohr

b. **Council Member Request:** I am requesting a workshop during a work session to introduce the concept of city-wide fiscal analyses. Presenters from the TML session have offered to provide this workshop pro bono. One of these presenters works for A&M AgriLife Extension. As we prepare for long-term budget planning next year, this workshop will provide a new perspective to help us improve fiscal resilience, longevity, and affordability in our City.

c. **Date Requested:** August 7, 2026

d. **Format for Response:** Informal Staff Report

2) Policies for City Funded Construction Projects

a. **Requestor:** Mayor Pro Tem Stevens

b. **Council Member Request:** I am requesting a two minute pitch for an ISR and work session on reviewing and potentially implementing new policies for city funded construction projects in the City of Denton. I would like for council and staff to use the Neighborhood 2 and 6 Project as a case study in this discussion to have an in depth review on: what went right, what went wrong, and how we can improve our policies moving forward.

This includes: a discussion on how Denton manages, sequences, and oversees construction projects, establishing and enforcing stronger contractor performance standards, and communicating with neighbors more clearly before, during, and after construction. I would also like to see an analysis of how our liquidated damages and other penalties compare to surrounding municipalities and TXDOT, as well as recommendations, if any, on how our bid letting process may be improved.

c. **Date Requested:** August 7, 2026

d. **Format for Response:** Informal Staff Report

3) 3-Year Pilot Program for a Denton Eviction Advocacy Center

a. **Requestor:** Council Member Ferrie

b. **Council Member Request:** Following a strong letter of support from the DCHHLT, I am requesting council support for a work session to discuss establishing a 3-year pilot program for a Denton Eviction Advocacy Center. This preventative initiative aims to stabilize housing for vulnerable residents while mitigating the broader economic impacts of displacement in our community. A work session will allow us to collaboratively review the program's framework, evaluate potential community partnerships, and explore viable funding avenues.
c. **Date Requested:** August 10, 2026
d. **Format for Response:** Informal Staff Report

EXHIBITS
Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Ordinance No. 24-1725
Exhibit 3 – Presentation

Respectfully Submitted:
Justin Stackhouse
Assistant to the City Manager

ORDINANCE NO. 24-1725

AN ORDINANCE OF THE CITY OF DENTON AMENDING CHAPTER 2, ARTICLE II, SECTION 2-30 OF THE CODE OF THE CITY OF DENTON (CITY COUNCIL REQUESTS FOR INFORMATION OR AGENDA ITEMS), TO PROVIDE FOR A REVISED POLICY MAKING PROCESS THAT PROVIDES BETTER INFORMATION, INCREASED COMMUNITY ENGAGEMENT, ELEVATED INVOLVEMENT OF BOARDS AND COMMISSIONS, AND BUDGET ALIGNMENT; PROVIDING A REPEALER CLAUSE; PROVIDING A SEVERABILITY CLAUSE, PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on August 27, 2019 by Ordinance No. 19-2026, the City Council adopted Section 2-30 of the City of Denton Code of Ordinances to provide procedures to ensure there is a consensus of the City Council regarding the use of staff time when responding to requests from elected officials; and

WHEREAS, on September 28, 2021 by Ordinance No. 21-1837 the City Council amended the City Council request procedures to increase the time for the requesting councilmember to speak from one minute to two minutes and change the section title to more accurately reflect the response types may include agenda items; and

WHEREAS, on July 25, 2023, by Ordinance No. 23-1431, the City Council amended the City Council request procedures to require a 3/4 supermajority consensus to have a request go directly to a resolution or ordinance on a future City Council agenda; and

WHEREAS, on September 17, 2024, by Ordinance No. 24-1725 the City Council now desires to amend the City Council request procedures to provide for a revised policy making process that provides better information, increased community engagement, elevated involvement of boards and commissions, and budget alignment; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this Ordinance are incorporated herein by reference to the body of this Ordinance as if fully set forth herein.

SECTION 2. Chapter 2, Article II, Section 2-30 of the City of Denton Code of Ordinances, entitled "City Council Requests for Information or Agenda Items," is hereby amended in its entirety to now read as follows:

Chapter 2 - ADMINISTRATION

ARTICLE II. – ADMINISTRATIVE ORGANIZATION

Sec. 2-30. - City Council Requests for Information or Agenda Items.

(a) Definitions.

(1) For purposes of Section 2-30 the following definitions apply:

a. "Request for Information" – Requests made by a member of the City Council to seek clarification on Board, Commission, Committee or City Council agenda items; address perceived service issues, infrastructure maintenance, or construction concerns caused by or impacting City operations and/or the quality of life for Denton residents; and requests for policy-related research to evaluate policies implemented by other agencies and/or assess the impact a new policy or potential program may have if implemented by the City of Denton.

b. "City Staff" – Includes employees of the City of Denton consisting of, or reporting to, the City Manager or the City Attorney.

(b) City Council Requests for Information from City Staff.

(1) All City Council requests for information from City Staff, must be submitted to the City Manager's Office via email and include at a minimum, the following details:

a. Request Type;
b. Purpose;
c. Time Sensitivity; and
d. Preferred Response Format.

(2) The City Manager's Office and/or the City Attorney's Office will estimate the amount of time required to respond to each request.

(3) Requests estimated to take more than a total of two hours to complete will be brought forward within the next 30 calendar days, to a City Council work session to seek consensus from the full City Council regarding the use of City Staff time to fulfill the request. Requests for information referred to a work session will follow the procedures provided in sub-section (b) of Section 2-30.

(c) City Council Requests for Information Referred to a Work Session.

(1) A standing work session item will be added to each City Council agenda for City Council requests to be considered.

a. The requesting Council Member will be required to provide a clear, written explanation describing the reason for the information requested. This description will be included as an attachment to the work session agenda materials and must be provided to the City Secretary in time to fully comply with Texas Open Meeting Act requirements.

(2) During the work session, the requesting Council Member will have a maximum of two minutes to describe and justify their request.

a. Remaining Council Members will then have a maximum of one minute each to provide feedback and indicate their support for the use of City Staff time to respond to the request.

(3) Staff will respond to all requests where a consensus of at least four elected officials is established with an Informal Staff Report (ISR) and/or Legal Status Report (LSR), determined by the City Manager and the City Attorney, that outlines, as it was presented, the estimated cost to implement, the estimated timeline for implementation of, and a determination of the strategic alignment of, the request.

(4) Upon receipt of the ISR and/or LSR, the Council Member who initiated the request will inform the City Manager if their request has been satisfied. If the requesting Council Member's request is satisfied by the ISR or LSR, the request is concluded with no further action. If the Council Member who initiated the request is not satisfied by the information provided in the ISR or LSR, or otherwise requests a City Council work session, ordinance, resolution or other action on the request, they may submit it to the Agenda Committee to enter the Council Committee Process as defined in Sec 2-30(c)(5). If there is a consensus of six (6) Council Members, a resolution or ordinance may be placed on a future City Council agenda without going through the Council Committee Process defined in Sec 2-30(c)(5).

(5) The Council Committee Process is the procedural movement of a request through the steps outlined in this subsection.
   a. The Agenda Committee will use the ISR or LSR to determine if, to the extent possible, there are any existing committees, boards, or commissions whose defined scope includes the request. If any such committee, board, or commission exists, the Agenda Committee will direct the staff liaison(s) for any appropriate committees, boards, or commissions to find the soonest feasible date and add the request to agenda for the for committees, boards, or commissions for consideration and feedback.
   b. After review by committees, boards, or commissions, if funding is available to implement the request, as determined by the City Manager, the request will proceed to a City Council work session.
   c. After review by committees, boards, or commissions, a request without available funding will be scheduled for discussion by the City Manager at the next City Council Budget Workshop or Strategic Retreat. The request will either be included in the City Manager's proposed budget for the next fiscal year or concluded with no further action, at the direction of City Council. A request that is funded in the budget will proceed to a City Council work session.

(d) City staff time will not be allowed to work on any request that is concluded with no further action in accordance with the procedures of Sec 2-30(c) unless the request is resubmitted in accordance with Sec 2-30(c).

SECTION 3. Ordinance No. 23-1431 is hereby repealed and replaced by this Ordinance. To the extent not otherwise provided, this Ordinance shall repeal every prior ordinance in conflict herewith, but only insofar as the portion of such ordinance shall be in conflict; and as to all other sections of the ordinance not in direct conflict herewith, this Ordinance shall be and is hereby made cumulative except as to such prior ordinances or portions thereof as are expressly repealed hereby.

SECTION 4. It is hereby declared to be the intention of the City Council that the phrases, clauses, sentences, paragraphs, and sections of this Ordinance are severable, and if any phrase, clause, sentence, paragraph, or section of this Ordinance shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance, since the same would have been enacted by the City Council without the incorporation in this Ordinance of any such unconstitutional phrase, clause, sentence, paragraph, or section.

SECTION 5. The City Secretary is hereby directed to record and publish the above regulations in the City's Code of Ordinances.

SECTION 6. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this Ordinance was made by Gerard Hudspeth and seconded by Vicki Byrd; this Ordinance was passed and approved by the following vote [5 - 2]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	✓			
Vicki Byrd, District 1:	✓			
Brian Beck, District 2:		✓		
Paul Meltzer, District 3:	✓			
Joe Holland, District 4:	✓			
Brandon Chase McGee, At Large Place 5:		✓		
Jill Jester, At Large Place 6:	✓			

PASSED AND APPROVED this the 17th day of September, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City Council Pending Requests for Information

Two-Minute Pitch

File ID 26-0630 August 18, 2026

Work Session Process

- Up to seven requests will be reviewed per meeting (one per Council Member)
- Staff will introduce each request
- The requesting Council Member will have up to two minutes to describe and justify their request
- Remaining Council Members will then have a maximum of one minute each to provide feedback and indicate their support for the use of City staff time to respond to the request
- Staff will respond to all requests where a consensus of at least four elected officials is established
- A consensus of six (6) Council Members is required for a resolution or ordinance to be placed on a future City Council agenda prior to a work session on the request.

Work Session Process

- The Agenda Committee will assist in scheduling items receiving consensus based upon priority offered by Council Members, work session availability, and readiness of the item.
- As guidelines for Council Members to note and offer their priority while supporting an item, the following general categorization could be used to indicate any Council Member's support to assist staff and the Agenda Committee:
  - **High** – Time-sensitivity of the item is significant; the item is critical to the community or organization; and/or the item is of such importance that it should take precedence over other scheduled priorities, projects, or items.
  - **Moderate** – The item is somewhat time-sensitive; the item has a valuable impact to the community or organization; and/or the item is important but should be integrated into work plans accordingly.
  - **Low** – The item is not time-sensitive; the item has an impact, but it is limited; and/or the item should be scheduled into work plans where possible but should not affect or delay other scheduled work.

Two-Minute Pitch

Workshop on City-Wide Fiscal Analyses

Requestor: Council Member Rumohr

Council Member Request: I am requesting a workshop during a work session to introduce the concept of city-wide fiscal analyses. Presenters from the TML session have offered to provide this workshop pro bono. One of these presenters works for A&M AgriLife Extension. As we prepare for long-term budget planning next year, this workshop will provide a new perspective to help us improve fiscal resilience, longevity, and affordability in our City.

Date Requested: August 7, 2026

Format for Response: Informal Staff Report

Two-Minute Pitch

Policies for City Funded Construction Projects

Requestor: Mayor Pro Tem Stevens

Council Member Request: I am requesting a two minute pitch for an ISR and work session on reviewing and potentially implementing new policies for city funded construction projects in the City of Denton. I would like for council and staff to use the Neighborhood 2 and 6 Project as a case study in this discussion to have an in depth review on: what went right, what went wrong, and how we can improve our policies moving forward.

This includes: a discussion on how Denton manages, sequences, and oversees construction projects, establishing and enforcing stronger contractor performance standards, and communicating with neighbors more clearly before, during, and after construction. I would also like to see an analysis of how our liquidated damages and other penalties compare to surrounding municipalities and TXDOT, as well as recommendations, if any, on how our bid letting process may be improved.

Date Requested: August 7, 2026

Format for Response: Informal Staff Report

Two-Minute Pitch

3-Year Pilot Program for a Denton Eviction Advocacy Center

Requestor: Council Member Ferrie

Council Member Request: Following a strong letter of support from the DCHHLT, I am requesting council support for a work session to discuss establishing a 3-year pilot program for a Denton Eviction Advocacy Center. This preventative initiative aims to stabilize housing for vulnerable residents while mitigating the broader economic impacts of displacement in our community. A work session will allow us to collaboratively review the program's framework, evaluate potential community partnerships, and explore viable funding avenues.

Date Requested: August 10, 2026

Format for Response: Informal Staff Report

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

ICM: Cassey Ogden

DATE: August 18, 2026

SUBJECT

Consider approval of the minutes of the August 4, 2026, Regular Meeting, August 5, 2026 Special Called Meeting, and August 8, 2026, Budget Workshop.

BACKGROUND

The minutes drafts are provided for review and formal approval by the City Council.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – August 4, 2026 Regular Meeting Minutes
Exhibit 2 – August 5, 2026 Special Called Meeting Minutes
Exhibit 3 – August 8, 2026 Budget Workshop Meeting Minutes

Respectfully submitted:
Kristi Fogle
Interim City Secretary

CITY OF DENTON CITY COUNCIL MINUTES
August 4, 2026

After determining that a quorum was present, the City Council of the City of Denton, Texas convened in a Regular Meeting on Tuesday, August 4, 2026, at 2:02 p.m. in the Council Chambers at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Mayor Chris Watts, Mayor Pro Tem Nick Stevens and Council Members George Ferrie, Joe Holland, Jill Jester, Suzi Rumohr, and Jordan Villarreal

ABSENT: None

Also present were Interim City Manager Cassey Ogden and City Attorney Mack Reinwand.

The posted agenda noted the registration process for in-person and public participation at this meeting. While citizen commentary received via the online registration process was not read, each member for the City Council received each online commentary as it was submitted. In-person and online comments received are reflected in the exhibit to the minutes of this meeting.

WORK SESSION

1. Citizen Comments on Consent Agenda Items

None

2. Requests for clarification of agenda items listed on this agenda for public hearing and individual consideration.

A. ID 26-0070 Meeting Questions, Responses & Handouts

- Clarification:

o Council Member Ferrie: Item Q and S
o Mayor Watts: Item U

- Pulled For Individual Consideration:

o Council Member Villarreal: Items 4.C - E, and G

3. <u>Work Session Reports</u>

A. ID 26-1084 Receive a report, hold a discussion, and give staff direction regarding a policy on data center developments, including a temporary moratorium. [Estimated Presentation/Discussion Time: 45 minutes]

The item was presented, and discussion followed.

Following discussion, City Council consensus was to move forward with both options initiating public hearings and next steps for a moratorium and modify the Denton Development Code for land use and add specific use standards to address concerns raised regarding data centers.

Council Member Villarreal arrived.

B. ID 26-0969 Receive a report, hold a discussion, and give staff direction regarding the City of Denton's 90th State Legislative Program. [Estimated Presentation/Discussion Time: 60 minutes]

The item was presented, and discussion followed.

Following discussion, Council consensus was to move forward with the Staff recommendation with the addition of EDC sales tax, local control over cannabis regulation, and inclusivity language.

C. ID 26-1196 Receive a report, hold a discussion, and give staff direction regarding the Fiscal Year 2026-27 preliminary Capital Improvement Program. [Estimated Presentation/Discussion Time: 60 minutes]

The item was presented, and discussion followed.

Following discussion, there was no direction provided as the item was for presentation/discussion purposes.

D. ID 26-0628 Receive a report, hold a discussion, and give staff direction on pending City Council requests for:
1) Quakertown Memorial Fund
[Estimated Presentation/Discussion Time: 30 minutes]

1) ID26-0628 1) Quakertown Memorial Fund
   o Consensus for an Informal Staff Report (ISR).

The work session ended at 3:52 p.m.

CLOSED MEETING

1. The City Council convened into a Closed Meeting at 3:52 p.m. consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law, as follows:

A. ID 26-1102 Consultation with Attorneys - Under Texas Government Code Section 551.071. Consult with the City's attorneys on the legal status, strategy and options for resolution of litigation in Cause No. 26-1202-477 styled "Robert Garcia v. McCarthy Building Companies, Inc., Courtney Kelly and City of Denton" pending in the 477th Judicial District Court, Denton County, Texas; where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council

under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, or otherwise compromise the City's legal position in pending litigation.

DELIBERATED

The closed meeting started at 3:52 p.m. and ended at 4:07 p.m. No votes or actions were taken during the closed meeting.

After determining that a quorum was present, the City Council of the City of Denton, Texas convened in a Regular Meeting on Tuesday, August 4, 2026, at 6:30 p.m. in the Council Chambers at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Mayor Chris Watts, Mayor Pro Tem Nick Stevens and Council Members George Ferrie, Joe Holland, Jill Jester, Suzi Rumohr, and Jordan Villarreal

ABSENT: None

Also present were Interim City Manager Cassey Ogden and City Attorney Mack Reinwand

The posted agenda noted the registration process for in-person, call-in, and public participation at this meeting. While citizen commentary received via the online registration process was not read, each member for the City Council received each online commentary as it was submitted. In-person, call-in, and online comments received are reflected on the exhibit to the minutes of this meeting.

1. PLEDGE OF ALLEGIANCE

A. U.S. Flag

B. Texas Flag

2. PROCLAMATIONS/PRESENTATIONS

A. ID 26-1203 Proclamation - New Driver Safety Week
PRESENTED

B. ID 26-1204 Proclamation - Gun Safety Awareness Month
PRESENTED

3. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

1) Scheduled Citizen Reports from Members of the Public

A. ID 26-1067 Pat Smith regarding an update on Serve Denton.
PRESENTED

B. ID 26-1179 Tracy Duckworth regarding homelessness.
PRESENTED

C. ID 26-1209 Anna Taus regarding Mass Surveillance and ALPR contracts the city/police have.

PRESENTED

D. ID 26-1212 Miles Bedlan regarding tax incentive for Krateo Sky.
PRESENTED

E. ID 26-1213 Willie Hudspeth regarding the selection for City Manager.
NOT PRESENTED

F. ID 26-1217 Larry Lawrence regarding keeping Ms. Ogden permanent as City Manager.
PRESENTED

2) Additional Citizen Reports (Open Microphone)

Citizen comments received are noted on Exhibit A.

4. CONSENT AGENDA

The Consent Agenda consisted of Items 4. A through Z. During the Work Session held earlier in the day, Items 4.C - E, and G were pulled for Individual Consideration by Council Member Villarreal. Item 4.X was removed from consideration.

During the Work Session held earlier in the day, no items were pulled for Individual Consideration. Council Member Villarreal moved to adopt the Consent Agenda, now consisting of Items 4.A, B, F, H-M, O, R, T, V-Z. Motion seconded by Council Member Jester.

Motion carried.

AYES (7): Mayor Watts, Mayor Pro Tem Stevens and Council Members Ferrie, Holland, Jester, Rumohr, and Villarreal
NAYS (0): None

A. ID 26-0046 Consider approval of the minutes of the July 14, 2026, Special Called Meeting and the July 21, 2026, Regular Meeting.
APPROVED

B. ID 26-1183 Consider approval of a resolution of the City of Denton appointing one member to the Denton County Housing and Homelessness Leadership Team; and providing an effective date.
ASSIGNED RESOLUTION NO. 26-1183

F. ID 26-1215 Consider a nomination/appointment to the City of Denton Zoning Board of Adjustment.
APPROVED
APPOINTMENTS LISTED ON EXHIBIT B

H. ID 26-1171 Consider approval of a resolution of the City of Denton excusing the July 13, 2026 meeting absence of a Historic Landmark Commission Member; and providing an effective date.
ASSIGNED RESOLUTION NO. 26-1171

I. ID 26-1172 Consider approval of a resolution of the City of Denton excusing the June 8, 2026 meeting absence of a Public Utilities Board Member; and providing an effective date.
ASSIGNED RESOLUTION NO. 26-1172

J. ID 26-1173 Consider approval of a resolution of the City of Denton excusing the June 10, 2026 meeting absence of a Planning & Zoning Commission Member; and providing an effective date.
ASSIGNED RESOLUTION NO. 26-1173

K. ID 26-1175 Consider approval of a resolution of the City of Denton excusing the July 6, 2026 meeting absence of a Parks, Recreation & Beautification Board Member; and providing an effective date.
ASSIGNED RESOLUTION NO. 26-1175

L. ID 26-1214 Consider approval of a resolution of the City of Denton excusing the July 22, 2026 meeting absence of a Planning & Zoning Commission Board Member; and providing an effective date.
ASSIGNED RESOLUTION NO. 26-1214

M. ID 26-1180 Consider adoption of an ordinance authorizing the City Manager to execute and administer Affordability Incentive Agreements on behalf of the City of Denton, for zoning incentives as described in Section 2.12 of the Denton Development Code as eligible; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-1180

N. ID 26-1098 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager or designee to execute a development agreement with Denton Enterprise Owner, LLC ("Developer") wherein the Developer will design and construct certain street perimeter improvements along Westcourt Road and Springside Drive as a requirement of the Denton Enterprise Logistics development; construct two lanes of Westcourt Road extending to Airport Road in lieu of constructing a bridge at Corbin Road; the City will acquire the necessary Right-of-Way for the Westcourt Road extension; with city participation not-to-exceed $866,067.00 for the construction of the roadway improvements; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-1098

O. ID 26-1060 Consider adoption of an ordinance of the City of Denton a Texas Home-Rule Municipal Corporation, authorizing the City Manager to execute a temporary License between the City of Denton and North Texas State Fair Association, a Texas nonprofit corporation, for the use of temporary housing and grazing of horses for the installation of a temporary agricultural/security fence during the annual North Texas Fair and Rodeo, being

5.603 acres of land situated in the Robert Beaumont Survey, Abstract No. 31, in Denton County, Texas; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-1060

P. ID 26-1142 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a fifth amendment to a Professional Services Agreement between the City of Denton and Halff Associates, Inc., amending the contract approved by the City Council on November 15, 2022, in the not-to-exceed amount of $1,144,280.00; amended by Amendments 1-4 approved by City Council and Purchasing; said fifth amendment to provide for additional right-of-way acquisition services in relation to the Westgate Drive Reconstruction Project Phase 2 for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (File 7599-011 - providing for an additional fifth amendment expenditure amount not-to-exceed $98,600.00, with the total contract amount not-to-exceed $1,386,570.00). The Public Utilities Board recommends approval (4 - 0).
ASSIGNED ORDINANCE NO. 26-1142

Q. ID 26-1148 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 9015 for School Crossing Guard Program Services for the Transportation Services Department, and providing an effective date (RFP 9015).
ASSIGNED ORDINANCE NO. 26-1148

R. ID 26-1146 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a second amendment to a contract between the City of Denton and Howroyd-Wright Employment Agency, Inc. dba AppleOne Employment Services, primary vendor, and Cogent Infotech Corporation, secondary vendor, amending the contract approved by City Council on November 2, 2021, in the not-to-exceed amount of $700,000.00; said second amendment to continue to provide temporary professional labor services and additional spending authority for the Procurement Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 7717 - providing for an additional second amendment expenditure amount not-to-exceed $126,000.00, with the total contract amount not-to-exceed $875,000.00).
ASSIGNED ORDINANCE NO. 26-1146

S. ID 26-1145 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a second amendment to a contract between the City of Denton and Mustang Apparel, Inc. dba Incentive Brands, amending the contract approved by City Council on July 28, 2020, in the not-to-exceed amount of $1,450,000.00; said second amendment to continue to provide additional spending authority for workwear for the Procurement Department; amended by Amendment 1 approved by City Council; providing for the expenditure of funds therefor; and providing an effective date (RFP 7315 - providing for an additional second amendment expenditure amount not-to-exceed $362,500.00, with the total contract amount not-to-exceed $1,812,500.00).
ASSIGNED ORDINANCE NO. 26-1145

T. ID 26-1144 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with McKim & Creed, Inc. as the primary vendor, and Prime Controls, L.P., as the secondary vendor, for SCADA Maintenance and Services for the Water Utilities Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 9011 - awarded to McKim & Creed, Inc. and Prime Controls, L.P., for three (3) years, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $400,000.00). The Public Utilities Board recommends approval (4-0).
ASSIGNED ORDINANCE NO. 26-1144

U. ID 26-1143 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for the emergency purchase of the turbo repair and overhaul for the Denton Energy Center; and providing an effective date (File 9094 - awarded to Accelleron US Inc., in the not-to-exceed amount of $354,615.84). The Public Utilities Board recommends approval (4 - 0).
ASSIGNED ORDINANCE NO. 26-1143

V. ID 26-1080 Consider the adoption of an ordinance of the City of Denton granting Denton Parks Foundation a noise exception for the Dog Days of Denton event on Saturday, September 12, 2026, from 9:00 a.m. to 2:00 p.m. at Quakertown Park and the Civic Center Pool; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-1080

W. ID 26-1082 Consider the adoption of an ordinance of the City of Denton granting Denton High School Bronco Band a noise exception for the DHS Bronco Band Summer March-a-thon event on Saturday, September 19, 2026, from 11:00 a.m. to 1:00 p.m. at the Downtown Courthouse Lawn; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-1082

Y. ID 26-1083 Consider the adoption of an ordinance of the City of Denton granting Andersons Eatery and Distillery a noise exception for the Sabor y Motor Fest event on Sunday, October 4, 2026, from 12:00 p.m. to 8:00 p.m. at Andersons Eatery and Distillery; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-1083

Z. ID 26-1039 Consider approval of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager, or their designee, to protest water rights applications filed with the Texas Commission on Environmental Quality or its successor agency; ratifying past water rights application protests; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-1039

ITEMS PULLED FOR INDIVIDUAL CONSIDERATION

X. ID 26-1081 Consider the adoption of an ordinance of the City of Denton granting Ganesh Immersion a noise exception for the Ganesh Immersion event on Saturday, September 19, 2026, from 8:30 p.m. to 10:30 p.m. at North Lakes Park; and providing an effective date.

NOT CONSIDERED

C. ID 26-1236 Consider a nomination/appointment to the City of Denton Airport Advisory Board.
Denied

All members of the City Council received the comments as submitted and had the opportunity to review all submissions prior to the start of the meeting and consider such comments when voting on the item. The summary of public commentary/registrations are noted on Exhibit A.

Citizen comments received are noted on Exhibit A.

Following discussion, Council Member Villarreal moved to approve the item as presented. Motion seconded by Council Member Ferrie.

Motion failed.

AYES (1): Villarreal
NAYS (6): Mayor Watts, Mayor Pro Tem Stevens and Council Members Ferrie, Holland, Jester, Rumohr, and

D. ID 26-1234 Consider a nomination/appointment to the City of Denton Board of Ethics.
POSTPONE INDEFINITELY

All members of the City Council received the comments as submitted and had the opportunity to review all submissions prior to the start of the meeting and consider such comments when voting on the item. The summary of public commentary/registrations are noted on Exhibit A.

Citizen comments received are noted on Exhibit A.

Following discussion, Council Member Villarreal moved to postpone the item indefinitely adopt the item as presented. Motion seconded by Council Member Ferrie.

Motion carried.

AYES (7): Mayor Watts, Mayor Pro Tem Stevens and Council Members Ferrie, Holland, Jester, Rumohr, and Villarreal
NAYS (0): None

E. ID 26-1233 Consider a nomination/appointment to the City of Denton Planning and Zoning Commission.
DENIED

All members of the City Council received the comments as submitted and had the opportunity to review all submissions prior to the start of the meeting and consider such comments when voting on the item. The summary of public commentary/registrations are noted on Exhibit A.

Citizen comments received are noted on Exhibit A.

Following discussion, Council Member Villarreal moved to approve the item as presented. Motion seconded by Council Member Watts.

Motion failed.

AYES (1): Villarreal
NAYS (6): Mayor Watts, Mayor Pro Tem Stevens and Council Members Ferrie, Holland, Jester, Rumohr

G. ID 26-1237 Consider a nomination/appointment to the City of Denton Zoning Board of Adjustment.
POSTPONE INDEFINITELY

There were no online registrations or call-ins on the item.

The item was presented, and discussion followed.

Following discussion, Council Member Villarreal moved to postpone the item indefinitely adopt the item as presented. Motion seconded by Council Member Ferrie.

Motion carried.

AYES (7): Mayor Watts, Mayor Pro Tem Stevens and Council Members Ferrie, Holland, Jester, Rumohr, and Villarreal
NAYS (0): None

5. ITEMS FOR INDIVIDUAL CONSIDERATION

A. ID 26-1153 Consider adoption of an ordinance of the City of Denton authorizing the execution of an agreement and the expenditure of General Funds to support the development of a Strategic Plan by the Meadows Mental Health Policy Institute for the 90th Texas State Legislature for the implementation of a Denton County Mental Health & Jail Diversion Center Pilot; authorizing the expenditure of funds in an amount not to exceed $10,000.00; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-1153

All members of the City Council received the comments as submitted and had the opportunity to review all submissions prior to the start of the meeting and consider such comments when voting on the item. The summary of public commentary/registrations are noted on Exhibit A. OR There were no online registrations or call-ins on the item. The item was presented, and discussion followed. Citizen comments received are noted on Exhibit A.

Following discussion, Council Member Jester moved to adopt the item as presented. Motion seconded by Council Member Rumohr.

Motion carried.
AYES (7): Mayor Watts, Mayor Pro Tem Stevens and Council Members Ferrie, Holland, Jester, Rumohr, and Villarreal
NAYS (0): None

2) Additional Citizen Reports (Open Microphone)
Citizen comments received are noted on Exhibit A.

6. CONCLUDING ITEMS

Council Members expressed items of interest.

With no further business, the meeting was adjourned at 8:19 p.m.

_____	_____
CHRIS WATTS	KRISTI FOGLE
MAYOR	INTERIM CITY SECRETARY
CITY OF DENTON, TEXAS	CITY OF DENTON, TEXAS

MINUTES APPROVED ON: _____

EXHIBIT A - August 4, 2026 City Council Regular Meeting

Speaker Commentaries/Registrations
Online, Email, Phone

Name	Address	City	Agenda Item	Position	Method	Comments
Carley Walker	908 Monterey Drive	Denton	Open Mic	Opposed	In person	See video for comment.
Taylor Brown	1108 Coit Street	Denton	26-1234	Support	In person	See video for comment.
Vicki Byrd	Not Stated	Denton	26-1233	Support	In person	See video for comment.
Eva Grecco	802 W Oak Street	Denton	Open Mic	Not Stated	In person	See video for comment.
William Bass	215 E Oak Street	Denton	26-1236	Support	In person	See video for comment.

CITY OF DENTON CITY COUNCIL MINUTES
August 5, 2026

After determining that a quorum was present, the City Council of the City of Denton, Texas convened in a Special Called Meeting on Wednesday, August 5, 2026, at 8:30 a.m. in the Council Chambers at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Mayor Chris Watts, Mayor Pro Tem Nick Stevens and Council Members George Ferrie, Joe Holland, Jill Jester, and Suzi Rumohr

ABSENT: Council Member Jordan Villarreal

Also present were Interim Assistant City Manager Christine Taylor and City Attorney Mack Reinwand.

The posted agenda noted the registration process for public participation at this meeting. However, there were no online registrations or call ins on any items on the agenda.

1. ITEMS FOR INDIVIDUAL CONSIDERATION

A. ID 26-1261 Consider approval of a resolution to formally accept Council Member Villarreal's resignation from City Council District 1; and providing an effective date.
ASSIGNED RESOLUTION NO. 26-1261

There were no online registrations or call-ins on the item.

The item was not presented, and no discussion followed.

There were no in-person citizen comments.

Mayor Pro Tem Stevens moved to adopt the item as presented. Motion seconded by Council Member Ferrie.

Motion carried.

AYES (6): Mayor Watts, Mayor Pro Tem Stevens and Council Members Ferrie, Holland, Jester, and Rumohr
NAYS (0): None

B. ID 26-1262 Consider adoption of an ordinance of the City of Denton ordering a special election for filling a vacancy in District 1 for the unexpired term ending in May 2027, to be held on November 3, 2026 and if required, a runoff election to be held on December 12, 2026; prescribing the time, manner, and conduct of the election in accordance with a joint election agreement and contract for election services with the Elections Administrator of Denton County; and providing an effective date.
ASSIGNED ORDINANCE NO. 26-1262

There were no online registrations or call-ins on the item.

The item was presented, and discussion followed.

There were no in-person citizen comments.

Following discussion, Council Member Holland moved to adopt the item as presented. Motion seconded by Council Member Jester.

Motion carried.

AYES (6): Mayor Watts, Mayor Pro Tem Stevens and Council Members Ferrie, Holland, Jester, and Rumohr
NAYS (0): None

2. CONCLUDING ITEMS

None

With no further business, the meeting was adjourned at 8:35 a.m.

_____	_____
CHRIS WATTS	KRISTI FOGLE
MAYOR	INTERIM CITY SECRETARY
CITY OF DENTON, TEXAS	CITY OF DENTON, TEXAS

MINUTES APPROVED ON: _____

CITY OF DENTON CITY COUNCIL MINUTES
August 8, 2026

After determining that a quorum was present, the City Council convened in a Work Session on Saturday, August 8, 2026, at 08:30 a.m. in the Council Work Session Room at City Hall.

PRESENT: Mayor Chris Watts, Mayor Pro Tem Nick Stevens and Council Members George Ferrie, Joe Holland, Jill Jester, Suzi Rumohr

ABSENT: Jordan Villarreal

Also present were Interim City Manager Cassey Ogden and City Attorney Mack Reinwand.

There was no public registration process as this was a work session only.

WORK SESSION

1. Work Session Reports

A. ID 26-1162 Receive training and hold a discussion regarding the City of Denton Code of Ordinances Chapter 2, Article XI (Ethics). [Estimated Presentation/Discussion Time: 30 minutes]

The item was presented, and discussion followed.

Following discussion, there was no direction provided as the item was for presentation/discussion purposes.

B. ID 26-0559 Receive a report, hold a discussion, and give staff direction regarding the Fiscal Year 2026-27 City Manager's Proposed Budget, Capital Improvement Program, and Five-Year Financial Forecast. [Estimated Presentation/Discussion Time: 5 hours]

The item was presented, and discussion followed.

Following discussion, City Council consensus was to fund the two EMS Lieutenant positions and use the additional revenue as sponsorship funds.

The work session ended at 1:48 p.m.

CLOSED MEETING

1. The City Council convened into a Closed Meeting at 1:48 pm consistent with Chapter 551 of the Texas Government Code, as amended, or as otherwise allowed by law, as follows:

A. ID 26-1239 Deliberations Regarding Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.086; Consultation with Attorneys - Under Texas Government Code Section 551.071. Receive information from staff containing public power information related to a Power Purchase Agreement between the City of Denton as seller of power and electric energy services and Core Scientific, Inc., including public power utility competitive data and proprietary data specific to Core Scientific, Inc.: discuss, deliberate and provide direction to staff regarding same. Consultation with City's attorney regarding issues associated with the above matter where public discussion of these legal matters would conflict with the duty of the City attorneys of the City of Denton under Texas Disciplinary Rule of Professional Conduct of the State of Texas or would jeopardize the City's legal position in any administrative or potential litigation. This agenda item is related to Work Session item ID 26-0559 and will be a placeholder if Council Members have questions requiring confidential discussion as allowed by law.
DELIBERATED

B. ID 26-1256 Consultation with Attorneys - Under Texas Government Code Section 551.071. Consult with the City's attorneys regarding the appraisal district classification of data center ad valorem and business personal property taxes where public discussion of these legal matters would conflict with the duty of the City's attorneys to the City of Denton and the Denton City Council under Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas or would jeopardize the City's legal position.
DELIBERATED

The closed meeting started at 1:54 p.m. and ended at 2:10 p.m. No votes or actions were taken during the closed meeting.

_____	_____
CHRIS WATTS	KRISTI FOGLE
MAYOR	INTERIM CITY SECRETARY
CITY OF DENTON, TEXAS	CITY OF DENTON, TEXAS

MINUTES APPROVED ON: _____

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **City Secretary's Office**

CM/DCM/ACM: **Christine Taylor**

DATE: **August 18, 2026**

SUBJECT

Consider approval of a resolution of the City of Denton confirming the appointment of Kristi Gilbert as the City Secretary; and providing an effective date.

BACKGROUND

Ingrid Rex tendered her resignation from the City of Denton effective May 13, 2026. Kristi Fogle has served as the Interim City Secretary while the City completed an application process for the permanent position.

Following a thorough external application process, the City Manager's Office has selected Kristi Gilbert as the City of Denton's new City Secretary. Kristi Gilbert has more than 20 years of relevant experience in local government administration, city secretary operations, records management, election administration, and service to elected officials and the community. She previously served as the City Administrator for the City of Aurora, Texas, and held several leadership positions in towns and cities across North Texas. Kristi is also a Texas Registered Municipal Clerk and an International City/County Management Association Credentialed Manager.

RECOMMENDATION

Staff recommends the appointment of Kristi Gilbert as the City Secretary.

EXHIBITS

1. Agenda Information Sheet
2. Resolution

Respectfully submitted:
Kristi Fogle
Chief of Staff, Interim City Secretary

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF DENTON CONFIRMING THE APPOINTMENT OF KRISTI GILBERT AS THE CITY SECRETARY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS Ingrid Rex resigned as City Secretary effective May 13, 2026; and

WHEREAS, the City Manager's Office conducted a search through the City of Denton Human Resources Department to recruit a new City Secretary; and

WHEREAS, following the application and interview process, pursuant to the Denton City Charter Section 5.03, the City Manager appointed Kristi Gilbert as the City Secretary to become effective August 17; and

WHEREAS, said appointment is subject to approval by the City Council and the City Council has determined the appointment should be confirmed; and NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitals and findings contained in the preamble of this Resolution are incorporate into the body of Resolution.

SECTION 2. Kristi Gilbert is hereby appointed as the City Secretary of the City of Denton, with said appointment to become effective August 17, 2026.

SECTION 3. This resolution is effective immediately upon its passage.

The motion to approve this resolution was made by _____ and seconded by _____, the resolution was passed and approved by the following vote [____-____]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

ICM: Cassey Ogden

DATE: August 18, 2026

SUBJECT

Consider a nomination/appointment to the City of Denton Airport Advisory Board.

BACKGROUND

This item provides for the appointment or reappointment of a member to a City board/ commission/committee whose term ended, resulting in the existing member holding over from a previous term, or for appointment to an existing vacancy on the board resulting from a resignation.

Only nominees who have been fully vetted and qualified are presented for appointment.

The nomination of William Bass was received from Council Member Ferrie (At Large, Place 5) for a vacancy on the Airport Advisory Board. The vacancy is for a term commencing September 1, 2026 and ending August 31, 2028.

EXHIBIT

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:

Kristi Fogle
Chief of Staff, Interim City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

ICM: Cassey Ogden

DATE: August 18, 2026

SUBJECT
Consider a nomination/reappointment to the City of Denton Community Services Advisory Committee.

BACKGROUND
This item provides for the appointment or reappointment of a member to a City board/ commission/committee whose term ended resulting in the existing member holding over from a previous term, or for appointment to an existing vacancy on the board resulting from a resignation.

Only nominees who have been fully vetted and qualified are presented for appointment.

The nomination of Mindy Arendt was received from Council Member Ferrie (At Large, Place 5) to serve a first term on the Community Services Advisory Committee.

EXHIBIT
Exhibit 1 – Agenda Information Sheet

Respectfully submitted:
Kristi Fogle
Chief of Staff, Interim City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

ICM: Cassey Ogden

DATE: August 18, 2026

SUBJECT

Consider a nomination/reappointment to the City of Denton Police Department Chief of Police Advisory Board.

BACKGROUND

This item provides for the appointment or reappointment of a member to a City board/ commission/committee whose term ended resulting in the existing member holding over from a previous term, or for appointment to an existing vacancy on the board resulting from a resignation.

Only nominees who have been fully vetted and qualified are presented for appointment.

The nomination of Ronald Johnson was received from Council Member Jester (At Large, Place 6) to serve a second term on the Denton Police Department Chief of Police Advisory Board.

EXHIBIT

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:
Kristi Fogle
Chief of Staff, Interim City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

ICM: Cassey Ogden

DATE: August 18, 2026

SUBJECT
Consider a nomination/reappointment to the City of Parks, Recreation & Beautification Board.

BACKGROUND
This item provides for the appointment or reappointment of a member to a City board/ commission/committee whose term ended resulting in the existing member holding over from a previous term, or for appointment to an existing vacancy on the board resulting from a resignation.

Only nominees who have been fully vetted and qualified are presented for appointment.

The nomination of Matthew Pruitt was received from Council Member Ferrie (At Large, Place 5) to serve a first term on the Parks, Recreation & Beautification Board.

EXHIBIT
Exhibit 1 – Agenda Information Sheet

Respectfully submitted:
Kristi Fogle
Chief of Staff, Interim City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

ICM: Cassey Ogden

DATE: August 18, 2026

SUBJECT

Consider a nomination/appointment to the City of Denton Public Art Committee.

BACKGROUND

This item provides for the appointment or reappointment of a member to a City board/ commission/committee whose term ended, resulting in the existing member holding over from a previous term, or for appointment to an existing vacancy on the board resulting from a resignation.

Only nominees who have been fully vetted and qualified are presented for appointment.

The nomination of Sonia Huerta was received from Council Member Ferrie (At Large, Place 5) for a vacancy on the Public Art Committee. The vacancy is for a term commencing September 1, 2026 and ending August 31, 2028.

EXHIBIT

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:

Kristi Fogle
Chief of Staff, Interim City Secretary

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Community Services**

CM/ DCM/ ACM: **Christine Taylor**

DATE: **August 18, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, approving guidelines for the City of Denton Homebuyer Assistance Program; authorizing the expenditure of Federal Community Development Block Grant and HOME Investment Partnership Program funds in an amount not to exceed $300,000 for projects meeting the program guidelines and eligibility criteria; and providing an effective date. The Community Services Advisory Committee recommended approval (5-0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

BACKGROUND

On May 8, 2026, the Community Services Advisory Committee (CSAC) finalized their recommendations to City Council for the 2026 Action Plan. All projects and programs to be approved by the Department of Housing and Urban Development (HUD) under the 2026 Action Plan are funded through Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and program income from the use of these funds. In addition to federal funds, the City Council allocates General Fund dollars to provide grants for social service agencies. The following narrative describes the recommendations from the CSAC for estimated federal and general fund dollars available for the 2026-27 program year. (Exhibit 2)

The City of Denton has managed the Homebuyer Assistance Program since 1992, leveraging federal HOME and CDBG funds to provide down payment assistance to low-income residents. The program offers up to $50,000 in down payment assistance to low-income first-time homebuyers in Denton, along with closing and repair cost assistance as needed. The City of Denton most recently approved a policy for the management of this program October 6, 2020 (ID 20-1566).

DISCUSSION

General Program Overview

To qualify for the program, households must:

1. Be first-time homebuyer, meaning:
    a. Have not owned a home in the past three years;
    b. Displaced single parents; and/or
    c. Own a substandard mobile home.
2. Be a U.S. citizen or legal resident.
3. Qualify for a mortgage loan from a Participating Lender.

4. Agree to live in the home as their primary residents for the term of the forgivable loan (five or ten years).
5. Have a household income below 80% of the Area Median Income Limits, adjusted for family size, and have liquid assets less than $20,000 (not including retirement accounts).

Figure 1- 2026 Income Limits

		Household Size				
		1	2	3	4	5
Low-Mod (80%)	Annual Salary	$67,850	$77,550	$87,250	$96,900	$104,700
	Hourly Wage (Full-Time)	$32.62	$37.28	$41.95	$46.59	$50.34

Eligible homebuyers may select one of the two down payment options below:

- **Option 1.** Funding up to the amount of $25,000, 0% interest (0% APR), forgivable loan, second lien position with a 5-year affordability period.
- **Option 2.** Funding up to the amount of $50,000, 0% interest (0% APR), forgivable loan, with a 10-year affordability period.

Updates to program guidelines

The following changes are being made to the program:

- Clarification that Freddie Mac and Fannie Mae's homebuyer education courses fulfill program requirements.
    - A homebuyer education course from a HUD Certified Housing Counseling agency is required for all program participants according to federal HOME regulations. Currently, there are no HUD Certified Housing counseling agencies offering services in Denton County. Freddie Mac and Fannie Mae offer the only known online, self-paced courses with no fees associated. Their homebuyer education courses are aligned with the National Industry Standards for Homeownership Education and Counseling and are considered satisfactory for similar homebuyer assistance programs managed by the Texas Department of Housing and Community Affairs, and Texas State Affordable Housing Corporation.
- Adjustments to maximum award amounts and loan terms to align with updates to the federal HOME program.
    - The federal HOME program has been updated to adjust its minimum periods of affordability thresholds. This allows the City of Denton to adjust its thresholds for maximum award amounts and associated loan terms.
    - Previous requirements:

Maximum Award	***Minimum Affordability Period (Loan Term)***
$14,999	Five years
$50,000	Fifteen years

    - Current/Proposed requirements:

Maximum Award	***Minimum Affordability Period (Loan Term)***
$25,000	Five years
$50,000	Ten years

Figure 2 - Regulatory Changes from 2025 HOME Final Rule

Table 1. Minimum Periods of Affordability for HOME-Assisted Rental Rehabilitation, Rental Acquisition, Homebuyer Acquisition, and Homebuyer New Construction

Amount of Per-Unit HOME Assistance	Period of Affordability in 2013 Regulation	Period of Affordability After 2025 Final Rule
Less than $15,000	5 years	5 years
$15,000 to $25,000	10 years	5 years
$25,001 to $40,000	10 years	10 years
$40,001 to $50,000	15 years	10 years
Greater than $50,000	15 years	15 years

Source: Comparison by CRS of 24 C.F.R. §92.252 and 24 C.F.R. §92.254 before and after revisions made in 90 *Federal Register* 874 and 90 *Federal Register* 882.

Program Funding

Funding for CDBG projects is included in the 2026 Action Plan for Housing and Community Development for program year October 1, 2026, through September 30, 2027. City Council approved the 2026 Action Plan for Housing and Community Development with Ordinance No. 26-0944, on July 21, 2026. The U.S. Department of Housing and Urban Development (HUD) will consider approval of the City's 2026 Action Plan in September 2026, and funds will become available in October 2026. This program has been out of funding since early 2025 but was approved for $300,000 in federal funding on July 21 as part of the 2026 Action Plan (ID 26-0944). This funding will assist an estimated five households. The Homebuyer Assistance Program can be funded annually in an amount approved by the City Council in the future Action Plan for Housing and Community Development.

The Director is authorized to update or amend the Program Guidelines from time to time as necessary to accomplish the objectives of the Program and this Ordinance or as required by the U.S. Department of Housing and Urban Development.

Ordinance

This Ordinance approves the Homebuyer Assistance Program and authorizes the expenditures of federal Community Development Block Grant and HOME Investment Partnership Program funds for projects meeting the program guidelines and eligibility criteria,

OPTIONS

1. Approve the program guidelines as presented
2. Do Not Approve the program guidelines
3. Postpone to a date certain to allow for further deliberation

EXHIBITS

1. Agenda Information Sheet
2. 2026-27 CSAC Funding Recommendations and Descriptions
3. Ordinance and Homebuyer Assistance Program Guidelines

Respectfully submitted:
Jesse Kent
Director of Community Services

Prepared By:
Leia Atkinson
Housing Programs Manager

Exhibit 2
2026-27 CSAC Funding Recommendations and Descriptions

Organization	Service Type	2025-26 Award	2026-27 Request	2026-27 Final CSAC Funding Recommendation	Funding Recommendation by Source: CDBG FUNDS	GENERAL FUNDS	HOME FUNDS
Denton County Friends of the Family	Homeless/Housing	$45,437.00	$75,000.00	$50,000.00	$50,000.00		
Children's Advocacy Center	Victim Services	$40,388.00	$100,000.00	$50,000.00		$50,000.00	
City of Denton Parks Department	Child Care	$43,922.00	$90,000.00	$50,000.00	$50,000.00		
Court Appointed Special Advocates of Denton County, Inc.	Family Resources	$35,340.00	$45,000.00	$40,000.00		$40,000.00	
The Salvation Army	Homeless/Food Security	$25,242.00	$59,136.25	$26,000.00	$11,144.00	$14,856.00	
Communities in Schools	Child Care/Education	$35,340.00	$35,340.00	$36,000.00		$36,000.00	
PediPlace	Healthcare	$35,339.00	$50,000.00	$36,000.00		$36,000.00	
Cumberland Youth and Family Services	Family Resources	$16,155.00	$50,000.00	$25,000.00		$25,000.00	
Giving Grace	Homeless Services	$36,854.00	$100,000.00	$36,000.00		$36,000.00	
Refuge for Women	Victim Services	$15,360.00	$41,080.00	$30,644.00		$30,644.00	
Our Daily Bread	Homelessness	$39,378.00	$100,000.00	$40,000.00		$40,000.00	
Paisley Street Preschool	Childcare Services	$15,145.00	$20,000.00	$15,500.00		$15,500.00	
Denton County MHMR	Behavioral Health	$30,291.00	$55,000.00	$35,000.00		$35,000.00	
Christian Community Action	Housing/Food	$0.00	$100,000.00	$0.00			
Health Services of North Texas	Healthcare	$50,485.00	$75,000.00	$60,000.00	$60,000.00		
Boys & Girls Clubs of Greater Tarrant County	Youth Development	$0.00	$22,000.00	$0.00			
Heart of the City	Food Security	$0.00	$42,380.00	$15,000.00		$15,000.00	
Opening Doors International Services, Inc.	Immigration Services	$15,145.00	$30,000.00	$16,000.00		$16,000.00	
Denton Christian Preschool	Daycare Services	$30,291.00	$35,000.00	$25,000.00		$25,000.00	
The ArtFullness Project	Behavioral Health	$0.00	$21,000.00	$0.00			
SUBTOTAL HUMAN SERVICES		$510,112.00	$1,145,936.25	$586,144.00	$171,144.00	$415,000.00	$0.00
FUNDING AVAILABLE FOR HUMAN SERVICES			$586,144.00	$586,144.00	$171,144.00	$415,000.00	$0.00
BALANCE AVAILABLE FOR HUMAN SERVICES			-$559,792.25	$0.00	$0.00	$0.00	$0.00
Denton Affordable Housing Corporation	Housing Construction	$424,878.41	$400,000.00	$0.00			$0.00
Habitat for Humanity of Denton	New Construction	$0.00	$65,000.00	$0.00			
Denton Affordable Housing Corporation Operating Cost	Operating Expenses	$23,111.97	$40,000.00	$0.00			$0.00
City of Denton Minor Repair Program	Minor Repairs	$446,359.00	$400,000.00	$403,822.28	$403,822.28		
City of Denton - Homebuyer Assistance Program	Homebuyer Assistance	$0.00	$300,000.00	$300,000.00	$50,000.00		$250,000.00
SUBTOTAL HOUSING PROGRAMS		$894,349.38	$1,205,000.00	$703,822.28	$453,822.28	$0.00	$250,000.00
Paisley Street Preschool	Window Repair	$0.00	$30,000.00	$30,000.00	$30,000.00		
Interfaith Ministries of Denton	New Construction Community Space	$0.00	$225,000.00	$0.00	$0.00		
Giving Grace, Inc.	Shelter Outdoor Construction	$0.00	$395,230.00	$0.00			
Denton Community Shelter	Shelter Bathroom/ HVAC Repairs	$0.00	$365,046.00	$365,046.00	$365,046.00		
SUBTOTAL PUBLIC FACILITY/IMPROVEMENTS		$0.00	$1,015,276.00	$395,046.00	$395,046.00	$0.00	$0.00
TOTALS FOR HOUSING AND PUBLIC FACILITY/IMPROVEMENTS		**$894,349.38**	**$2,220,276.00**	**$1,098,868.28**	**$848,868.28**	**$0.00**	**$250,000.00**
FUNDING AVAILABLE FOR HOUSING AND PUBLIC PROJECTS			**$1,286,814.33**	**$1,286,814.33**	**$848,868.28**	**$0.00**	**$437,946.05**
BALANCE FOR HOUSING AND PUBLIC PROJECTS			**-$933,461.67**	**$187,946.05**	**$0.00**	**$0.00**	**$187,946.05**

NOTES:
CHDO Funding Minimum = $72,990.91. Two years to commitment funding to a project
CHDO Operating Maximum = $24,330.30. Funding is tied to project funding. Funding not required

Exhibit 2
2026-27 CSAC Funding Recommendations and Descriptions

Organization	Project Description	Funding Source	Funding Amount	Projected Outputs
HUMAN SERVICES PROJECTS				
Children's Advocacy Center for North Texas, Inc.	Direct client services to help child abuse victims and families needing services.	General Funds	$50,000	84
COD PARD Summer Kids Camp	Full and partial scholarships for a summer day camp program to income-eligible kids in need of quality care, mentoring, development of life skills, leadership, respect for others and respect for self.	CDBG	$50,000	34
Communities in Schools	Dropout prevention programs in Denton ISD campuses located within city limits of Denton serving grades K-12 students who struggle with academic, social, emotional, and/or physical barriers to success and are at-risk of dropping out of school based on Texas Education Agency's 14 at-risk criteria.	General Funds	$36,000	840
Community Services, Inc.	Rent relief to assist low-income households who are at risk of eviction.	General Funds		
Court Appointed Special Advocates of Denton County	Recruit, train and support community volunteers to advocate for the best interest of abused a nd neglected children, and to promote community awareness of child abuse issues.	General Funds	$40,000	200
Cumberland Youth and Family Services	Trauma-informed mental healthcare to children, individuals, families, and couples who qualify for services based on income, location, and lack of insurance.	General Funds	$25,000	44
Denton Christian Preschool	Quality education for preschool age children in the Denton community to ensure children are at or above grade level when entering kindergarten and help end generational poverty. Funds will cover a portion of salaries for two (2) employees – Bilingual Teacher and Bus Driver.	General Funds	$25,000	46
Denton County Friends of Family	Shelter night consisting of one night of stay and includes supportive services; advocacy, counseling, case management, legal and protective order assistance, assistance with Crime Victim's Compensation, and housing location and assistance.	CDBG	$50,000	270
Denton County MHMR	Outreach to Suicide Survivors by LOSS Team who are on-site at the scene of a suicide to provide resources and hope to newly bereaved. Funds will cover the cost of the LOSS Team Coordinator salary.	General Funds	$35,000	18
Giving Grace	Supportive services including case management to individuals transitioning from homelessness and into housing.	General Funds	$36,000	12
Health Services of North Texas	Provides quality primary medical care for impoverished and uninsured/underinsured patients of all ages (including women's health & prenatal care).	CDBG	$60,000	240
North Texas Solutions for Recovery	Scholarships funds to those who need services but cannot pay (bed stays) over three programs; Transitional living, outpatient clinical services, and community detox			
Heart of the City	Expansion of food pantry services to meet hunger crisis in North Texas.	General Funds	$15,000	1,154
Opening Doors International Services	Outreach, consultation on immigration benefits and openings for immigration cases at low- or no-cost.	General Funds	$16,000	100
Our Daily Bread	Funds will support one case manager partial salary providing intensive, housing-focused case management services.	General Funds	$40,000	300
Paisley Street Preschool	Salary will support early learning experiences for children ages 18 months to 5 years old on a sliding scale tuition.	General Funds	$15,500	55
Pedi Place	Primary healthcare and mental health services for children residing in Denton ages birth to 18 who are uninsured or qualify for Medicaid or CHIP benefits.	General Funds	$36,000	617
Project Hope Family Enrichment Center	Utility assistance to low-moderate income households	General Funds		
Recovery Resource Council	Peer-led recovery support to individuals who have experienced or at risk of overdose, with a focus on serving the homeless population.	General Funds		
Refuge for Women	Salary will support Resident Navigation Services for survivors of sex trafficking with individualized support plans to achieve mental and housing stability.	General Funds	$30,644	12
Silent Voyces	Group sessions and presentations to support families with special needs			
The Salvation Army, A Georgia Corp - Denton	Assistance with food provided during the K.A.R.E. Kitchen daily meals and Food Pantry for clie nts experiencing homelessness and low-income households. Partial salary to support the KARE Kitchen Cook and Pantry Coordinator positions.	CDBG/ General Funds	$26,000	1,800
	TOTAL		**$586,144**	***5826 PEOPLE***
HOUSING PROJECTS				
City of Denton - Homebuyer Assistance Program	The program assists first time homebuyers with closing costs and down payment assistance to low and moderate households	CDBG/HOME	$300,000	5
City of Denton - Minor Repair Program	The program addresses urgently needed repairs of homes in the city limits of Denton up to $24,500 for low and moderate income households.	CDBG	$403,822	38
	TOTAL		**$703,822**	***43 UNITS***
PUBLIC FACILITY PROJECTS				
Denton Community Shelter	Repairs in bathrooms to enhance facilities using materials appropriate for usage. Repairs include demolition, reconstruction of wall system, installation of moisture-resistant finishes, upgrades to plumbing, improvements to mechanical ventilation, flooring replacement, and comprehensive ADA compliance verification.	CDBG	$365,046	1,878
Paisley Street Preschool	Window replacement to provide better energy and temperature control in the facility.	CDBG	$30,000	55
	TOTAL		**$395,046**	***1,933 PEOPLE***

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS, APPROVING GUIDELINES FOR THE CITY OF DENTON HOMEBUYER ASSISTANCE PROGRAM; AUTHORIZING THE EXPENDITURE OF FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS IN AN AMOUNT NOT TO EXCEED $300,000 FOR PROJECTS MEETING THE PROGRAM GUIDELINES AND ELIGIBILITY CRITERIA; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City receives funds from the U.S. Department of Housing and Urban Development under the Housing and Community Development Act of 1974, as amended (the "CDBG Act"), and the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (the "HOME Act"); and

WHEREAS, the City Council approved the 2026 Action Plan for Housing and Community Development on July 21, 2026, which includes the City of Denton's Homebuyer Assistance Program; and

WHEREAS, The City Council of the City of Denton recognizes the need to assist low and moderate-income families in securing safe, sanitary and decent housing; and

WHEREAS, The City of Denton provides housing assistance programs administered by the Community Services Department and funded through federal grants from the Department of Housing and Urban Development including Community Development Block Grant and HOME Investment Partnership funds; and

WHEREAS, The City Council deems it to be in the public interest to approve the Homebuyer Assistance Program Guidelines, a copy of which are attached hereto (the "Program Guidelines"), and to authorize the expenditure of funds in accordance with the 2026 Action Plan for Housing and Community Development in furtherance of the program; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained above are found to be true and incorporated herein by reference as if fully set forth below.

SECTION 2. The City Council approves the Homebuyer Assistance Program Guidelines, which are attached hereto and made a part of this ordinance and authorizes the City of Denton Community Services Department to administer this program.

SECTION 3. The City Manager, or their designee, is authorized to expend CDBG and HOME funds in the amount allocated for the Program in the 2026 Action Plan for Housing and Community Development ($300,000.00), subject to proportional increases or decreases to match allocation amounts pursuant to Ordinance Number 26-0944, to implement the Program, subject to the 2023-2027 Citizen Participation Plan and the Program Guidelines.

SECTION 4. The Homebuyer Assistance Program shall be funded annually in amount approved by the City Council in the future Action Plan for Housing and Community Development.

Future approvals by the City Council of an annual Action Plan for Housing and Community Development that include funding for the Homebuyer Assistance Program shall constitute approval by the City Council for the expenditure of such funding in accordance with said Action Plan, the Program Guidelines, the CDBG Act, the HOME Act, and applicable regulations promulgated by the U.S. Department of Housing and Urban Development.

SECTION 5. The Director is authorized to update or amend the Program Guidelines from time to time as necessary to accomplish the objectives of the Program and this Ordinance or as required by the U.S. Department of Housing and Urban Development.

SECTION 6. This ordinance shall be effective as of its date of approval and passage by City Council.

The motion to approve this Ordinance was made by _____ and seconded by _____, the Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM: MACK REINWAND, CITY ATTORNEY

BY: Scott Bray _____ Scott Bray
Deputy City Attorney

INTRODUCTION

The Community Services department has administered the Homebuyer Assistance Program (HAP) since 1992 to help low and moderate-income families purchase their first home. Funds are provided as a secured forgivable loan at 0% interest for five (5) to ten (10) years, and the note is forgiven monthly. The loan balance is payable upon the sale, home equity loan, lease, some refinance loans or transfer of title. The program is funded through federal grants from the U.S. Department of Housing and Urban Development and is available on a first-come-first-serve basis if funding is available. Guidelines are subject to change based on changes to the federal regulations. Any questions should be addressed to Community Services.

Community Services
601 E. Hickory Street, Denton, Texas 76205
Phone Number: (940) 349-7726

ADA/EOE/ADEA ~ TDD (800) 735-2989

WHO IS ELIGIBLE?

Participants must meet the requirements listed below to qualify for the program.

PROGRAM ELIGIBILITY

The household must:

1. Be first-time homebuyer:
    a) Have not owned a home in the past three years;
    b) Displaced single parents; and/or
    c) Own a substandard mobile home.
2. Be a U.S. citizen or a legal resident.
3. Qualify for a mortgage loan from a Participating Loan Officer. The program has restrictions on interest rate, debt-to-income ratio, and type of loans. Non-occupant co-borrowers or co-signers are not eligible.
4. Contribute a minimum of 1.75% of the sales price toward the purchase of a home.
5. Have cash reserves of one month of mortgage payments in their checking, savings account, or any other assets after buyer contribution.
6. Agree to live in the home as their primary residence during the term of the forgivable loan.
7. Attend a Homebuyer Education Class provided by a HUD-approved housing counseling organization. See page 4 for a list of agencies that offer homebuyer education classes.

INCOME ELIGIBILITY

1. Household income cannot exceed 80 percent of the Area Median Income Limits, adjusted for family size. The current eligible income limits are provided in *Attachment 1*.
2. Liquid assets must be less than $20,000 (not including retirement accounts, i.e., IRA's, 401K plan, etc.).

HOME/PROPERTY ELIGIBILITY

1. Residential property must be located inside the city limits of Denton and includes existing or newly constructed single-family residence, condominium or townhouse. Mobile homes and manufactured homes are not eligible properties.
2. Property must be occupied by the owner, buyer, or vacant at contract signing. Rental property is eligible when the tenant has been notified in writing prior to contract signing that the home might be sold, or the tenant is in the process of vacating, provided the buyer will occupy the home as their principal residence immediately after closing.
3. Age of home:
   a) Homes built prior to 1970 may be eligible for homebuyer assistance if the major systems of the house have been upgraded. The major systems include: electrical systems, plumbing systems, including water and/or sewer lines, roof replacement, heating, ventilation, and air conditioning (HVAC) and if needed pier and beam foundation stabilization. If a pre-1970 home has not received these upgrades, the Minor Home Repair Program may be available.
   b) Any structure built before 1978 must be free of any deteriorated paint. The City of Denton will conduct a visual assessment of pre-1978 houses to determine the condition of the paint. If the visual assessment shows deteriorated paint, the paint will need to be stabilized and a clearance test conducted by trained workers in accordance with Federal lead-based paint requirements for safe treatment.
4. The property must be safe, decent, and sanitary. **An independent home inspection must be completed by a State Licensed Home Inspection Company.** In addition to the Home Inspection, Staff will also perform an inspection of the house to ensure that the house meet the program's property standards. A list of required repairs will be provided. Funds will not be released until all the items of concern have been addressed. Staff will complete a final inspection on the property prior to closing.
5. Funds up to $10,000 are available to assist homebuyer with program required repairs. These funds are separate from the down payment and closing costs assistance. The following are specifics on the repair funds:
   a) This assistance for repairs is available in a grant.
   b) Properties in the 100-year floodplain or floodway are not eligible for this assistance.
   c) **Repair funds are not available for lender-required repairs since these repairs are required to be completed prior to closing or required to be in an escrow account at closing.**
   d) Staff will complete the work specifications, and cost estimate of the required program repairs before bids are requested.
   e) Contractors with minimum liability insurance may perform the work.
   f) Staff will seek a minimum of three bids from interested companies.

g) The work specification, cost estimates, and bids will be completed prior to closing.

h) Repairs will be completed after closing and before the buyer(s) move into their home.

6. The Seller must agree to the terms and conditions in the "Notice to Real Property Owner" in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act, as amended.
7. The buyer and seller must have independent real estate representation prior to negotiating terms. The buyer's real estate representation is required to be on the list of Participating Realtors, as provided below.
8. It is required that the house contain an adequate number of bedrooms for the number of household members in accordance with the following table:

Number of Bedrooms	Maximum Household Members
1	2
2	4
3	6
4	8
5	10

9. HOME Homeownership Value Limits

   Sale price and value are subject to HOME Homeownership Value Limits. The current effective date and limits can be found in *Attachment 1* and remain in effect until HUD issues new limits.

WHAT TYPE OFASSISTANCE IS AVAILABLE

This is a first-come, first-served program. Funds are not reserved until the applicant has been certified eligible AND an executed purchase contract is received by the City of Denton Community Services Department. The program is contingent on the availability of funds.

Eligible homebuyer may select one of the two down payment options below:

Option 1. Funding up to the amount of $25,000, 0% interest (0% APR), forgivable loan, second lien position with a 5-year affordability period.

Option 2. Funding up to the amount of $50,000, 0% interest (0% APR), forgivable loan, with a 10-year affordability period.

The amount of assistance is based on need. Assistance is available to assist first-time homebuyers with the following:

1. Closing Costs: HAP will only assist with normal and customary buyer's closing costs and prepaids. Check with your mortgage company for specific eligible and non-eligible closing costs.
2. Down Payment: HAP will assist with the minimum down payment required by the Participating Lender such as three and one half percent (3.5%) down payment for FHA loans and five percent (5%) for most conventional loans.
3. Principal Reduction Funds: Principal reduction funds can only be used to assist in the

difference between the sales price of the house and the maximum loan the buyer can afford above the minimum down payment. An affordable payment is considered 30% of household income based on program calculation. The household is ineligible if their payment would cause the household's total debt burden to exceed 43% of their monthly household income.

Interested buyers will work with their mortgage company to apply for these funds. The mortgage company will need to submit the program application to the City of Denton for approval of all funds, including principal reduction. The City of Denton recommends that buyers and the mortgage company receive a preliminary program approval before making an offer on a home.

TERM OF LOAN/REPAYMENT OF FUNDS

1. Term of Loan: The term of the loan is five (5) to ten (10) years. The buyer(s) are required to live in the home as a principal residence for the term of the loan to comply with the program and contract requirements.
2. Repayment of HAP funds: The assistance is forgiven monthly. For example: If the assistance is $10,000 for a 5-year term, every month the homebuyer lives in the home the loan balance will be reduced by $166.67 per month or 1/60 of the loan amount. The HAP lien is released at the expiration of the term of the loan, once all the funds have been forgiven. However, in the following circumstances, the City of Denton will require that the HAP assistance be repaid:

Situation of Repayment	Terms of Repayment
Transfer or sale of the property	Repayment of loan balance from net proceeds[1]. If net proceeds are not sufficient to repay balance, it can be reduced to available net proceeds at sale.
Foreclosure	
Transfer in lieu of foreclosure	
Home equity or Cash-Out refinance	Repayment of full amount of assistance
Property ceases to be owner-occupied	Repayment of full amount of assistance.
Lease of property	Repayment of full amount of assistance.
Discovery of misrepresentation or fraud	Repayment of full amount of assistance.

[1] Net proceeds are defined by HUD as the sale price less closing costs and mortgage payoff.

3. Refinance Loans: The Homebuyer Assistance Program will approve a refinance loan for a HAP buyer if the refinance payment remains affordable and it will either 1) lower the interest rate at a minimum 1.5% or 2) reduce the loan term.
4. Non-Assumable: The loan from the City of Denton is not assumable. The loan must be paid in full upon the sale or transfer of the property.

PROCESS TO RECEIVE ASSISTANCE

The following is the process to receive assistance if you meet all the eligibility criteria:

1. Contact a HAP Participating Lender from the approved list provided by Community Services or available online at https://www.cityofdenton.com/en-us/residents/services/housing-assistance/home-buyer-assistance. The lender will determine if you qualify for a mortgage loan and determine your preliminary eligibility for the program. Your mortgage company will submit the necessary paperwork to the

program for consideration under the HAP program. A preliminary approval is good for three months and can be extended for an additional two months with a signed earnest money contract.

2. Contact a Participating Realtor from the approved list provided by Community Services or available online at https://www.cityofdenton.com/en-us/residents/services/housing-assistance/home-buyer-assistance. The realtor can assist you in finding your home, based on the lender's loan qualification. Once you have selected your home, the realtor can also assist you in entering into a purchase agreement.
3. HAP lender will submit your HAP application. Once you have obtained preliminary loan approval and entered into a purchase agreement, your lender will submit your application to the program for down payment and closing costs assistance. You will NOT have to apply directly to the City.
4. Complete a Homebuyer Education course from a HUD-Certified Housing Counseling Agency, Fannie Mae, or Freddie Mac. Options available are listed in *Attachment 2*.
5. When the buyer's application is received, the Community Services Department will begin processing the request for assistance. An outline of our functions follows:

    A. Information is reviewed for completeness and accuracy, and an eligibility check is performed.

    B. Review independent home inspection and request any needed repairs. Conduct a visual assessment of pre-1978 houses to determine presence of deteriorated paint. Conduct an environmental review on the property.

    C. Determine the amount of HAP assistance from Settlement Statement and wire funds to the title company. Assistance is subject to completion of repairs. Notify Lender, Title Company, and buyer of assistance.

    D. Conduct a final inspection of the property.

    E. Prepare and submit HAP Deed of Trust and Promissory Note to the title company for closing.

CLOSING REQUIREMENTS

On the day of closing, the buyer(s) will be required to sign the following legal documents for the HAP program.

1. Promissory Note: The promissory note states that the buyer(s) must comply with the following conditions:

    a. Buyer(s) agrees to reside in the house for the term of the forgivable loan of five (5) to ten (10) years from the date of the promissory note.

    b. Buyer(s) agrees to maintain the property in safe and sanitary condition.

    c. Buyer (s) agrees to pay all mortgage payments, taxes, and other assessments on the property in a timely manner.

2. Deed of Trust: A security instrument that allows the City of Denton to place a lien on the property for the term of the loan. At the end of the loan term, the entire grant will be forgiven. At that time, the City of Denton will file a Release of Lien with the Denton County Clerk's Office.

OTHER DISCLAIMERS

- Applicants are subject to all program requirements and guideline changes. Guidelines are subject to change without notice.
- Programs are subject to availability of funds. If there are no funds available, potential applicants will be placed on a waiting list.
- This information is intended to give applicants a quick overview of the program requirements. Not all program and eligibility requirements are included.

NON-DISCRIMINATION REQUIREMENTS

The program will be implemented in ways consistent with the Title VIII of the 1968 Civil Rights Action as known as the Federal Fair Housing Law. The law makes illegal any discrimination in the sale, lease or rental of real property based on race, color, religion, handicap, national origin, familial status or gender.

DISPUTE

Any applicant denied assistance from the program has the right to appeal the denial. Complaints concerning the program should be made in writing to the City of Denton Department of Community Services. If unresolved in this manner, a formal appeal must be made in writing on a form provided by the Division and filed with the Community Services Manager. If needed, a meeting will be scheduled between the applicant, the Housing Programs Manager, and the Community Services Manager. A written response to the applicant will be made within thirty (30) working days.

CONFLICT OF INTEREST REQUIREMENTS

In accordance with 24 CFR 92.356 and 24 CFR 570-611, applicants can be denied participation in the City's Homebuyer Assistance Program if a conflict of interest exists. A conflict of interest exists if an applicant is an employee, agent, consultant, officer, elected official or appointed official of the City of Denton and if, within the past 12 months, any of the applicants:

1. Exercises or has exercised any function or responsibilities with respect to funds for this program,
2. Participates or has participated in the decision-making process related to funds for this program, or
3. Is or was in a position to gain inside information with regards to program activities.

PROGRAMMATIC WAIVERS

The City of Denton repair programs must follow specific guidelines required by the funding source to assure proper administration and management. If an applicant feels that their circumstances require special consideration, a request may be made in writing, waiving from the usual requirements. All waiver requests must be requested in writing and should specify the program requirement(s) to be considered for waiver and state the applicant's reason(s) or special circumstances why they believe a waiver should be approved. The Housing Programs Manager will review requests on a case-by-case basis.

The City Manager or their designee, upon determination of a good cause, may waive any guidelines not otherwise required by the funding source, City ordinance, or policy. Applicant will be notified in writing of the final decision.

APPEALS PROCESS

An appeal of a program decision may be in made in writing to Community Services using the contact information below. A written response to any appeal will be completed and mailed within 15 days from the receipt of the written appeal. Documentation of the appeals will be placed in the appropriate project files.

Community Services Department Email

Community.DevelopmentMail@cityofdenton.com

Community Services Department Address

601 E Hickory St., Denton, Texas 76205

ATTACHMENT 1

The effective dates and limits in Attachment 1 remain in effect until HUD issues new limits. Effective Date: 10/1/2026

Maximum Income Limit – 80%:

Family Size	1-person	2-person	3-person	4-person
Income Limits	$67,850	$77,550	$87,250	$96,900

Family Size	5-person	6-person	7-person	8-person
Income Limits	$104,700	$112,450	$120,200	$127,950

HOME HOMEOWNERSHIP VALUE LIMITS

Effective: 10/1/2023

Existing Homes	New Homes
$370,000	$370,000

ATTACHMENT 2

List of Homebuyer Education Classes available in the Area:

Name of Agency	Available	Registration
Fannie Mae: HomeView	Free online course	https://www.fanniemae.com/education
Freddie Mac: CreditSmart	Free online course	https://creditsmart.freddiemac.com/paths/homebuyer-u
Finally Home!	Online course (maximum fee of $50)	https://www.finallyhome.org/en/partners/tdhca/
BCL of Texas	Saturday class in Dallas	https://bcloftexas.org/homeownership/classes or 214-688-7456
Housing Channel.org	Classes Available in English and Spanish in Arlington and Fort Worth	https://www.housingchannel.org/classes or Phone: 817-924-5091 Toll-Free: 1-877-924-5095

EQUAL HOUSING OPPORTUNITY

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Community Services**

CM/ DCM/ ACM: **Christine Taylor, Assistant City Manager**

DATE: **August 18, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, approving the Minor Home Repair Program; authorizing the expenditure of Federal Community Development Block Grant Funds in a total amount not to exceed $403,822.28 for projects meeting the program guidelines and eligibility criteria; and providing an effective date. The Community Services Advisory Committee recommends approval (5-0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

DISCUSSION

On May 8, 2026, the Community Services Advisory Committee (CSAC) finalized their recommendations to City Council for the 2026 Action Plan. All projects and programs to be approved by the Department of Housing and Urban Development (HUD) under the 2026 Action Plan are funded through Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and program income from the use of these funds. In addition to federal funds, the City Council allocates General Fund dollars to provide grants for social service agencies. The following narrative describes the recommendations from the CSAC for estimated federal and general fund dollars available for the 2026-27 program year. **(Exhibit 2)**

CDBG Housing Program

The Minor Home Repair Program addresses urgently needed repairs of homes up to $24,500 for low and moderate-income households. The program can stabilize a home within the city limits of Denton. The program assists income qualified owners who cannot afford to complete the repairs themselves. Community Development staff work with homeowners to determine the repairs that need to be completed on the property. During the inspection, staff evaluate the condition of the home and the impact of not addressing some of the necessary repairs.

CDBG Project Funding

Funding for CDBG projects is included in the 2026 Action Plan for Housing and Community Development for program year October 1, 2026, through September 30, 2027. City Council approved the 2026 Action Plan for Housing and Community Development with Ordinance No. 26-0944, on July 21, 2026. The U.S. Department of Housing and Urban Development (HUD) approved the City's 2026 Action Plan in September 2026, and funds will become available in October 2026. The 2026 Action Plan includes funding for the Minor Home Repair Program with a budget of $403,822.28 in Community Development Block Grant funds to assist 38 households.

Ordinance
This Ordinance approves the Minor Home Repair Program and authorizes the expenditures of federal Community Development Block Grant for projects meeting the program guidelines and eligibility criteria **(Exhibit 3).**

OPTIONS

- Approve the funding agreement.
- Do not approve the funding agreement.

RECOMMENDATION

- Approve the funding agreement.

ESTIMATED SCHEDULE OF PROJECT

- City Council Approves Funding Agreements – August 18, 2026
- Agency initiates and completes the scope of work, request reimbursement for eligible activities – October 1, 2026, through September 30, 2027

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – 2026-27 CSAC Funding Recommendations and Descriptions
Exhibit 3 – Ordinance and Minor Home Repair Program Guidelines

Respectfully submitted:
Jesse Kent
Director of Community Services

Prepared by:
Alma Espino
Community Development Specialist

Luisa Garcia
Community Development Manager

Exhibit 2
2026-27 CSAC Funding Recommendations and Descriptions

Organization	Service Type	2025-26 Award	2026-27 Request	2026-27 Final CSAC Funding Recommendation	Funding Recommendation by Source: CDBG FUNDS	GENERAL FUNDS	HOME FUNDS
Denton County Friends of the Family	Homeless/Housing	$45,437.00	$75,000.00	$50,000.00	$50,000.00		
Children's Advocacy Center	Victim Services	$40,388.00	$100,000.00	$50,000.00		$50,000.00	
City of Denton Parks Department	Child Care	$43,922.00	$90,000.00	$50,000.00	$50,000.00		
Court Appointed Special Advocates of Denton County, Inc.	Family Resources	$35,340.00	$45,000.00	$40,000.00		$40,000.00	
The Salvation Army	Homeless/Food Security	$25,242.00	$59,136.25	$26,000.00	$11,144.00	$14,856.00	
Communities in Schools	Child Care/Education	$35,340.00	$35,340.00	$36,000.00		$36,000.00	
PediPlace	Healthcare	$35,339.00	$50,000.00	$36,000.00		$36,000.00	
Cumberland Youth and Family Services	Family Resources	$16,155.00	$50,000.00	$25,000.00		$25,000.00	
Giving Grace	Homeless Services	$36,854.00	$100,000.00	$36,000.00		$36,000.00	
Refuge for Women	Victim Services	$15,360.00	$41,080.00	$30,644.00		$30,644.00	
Our Daily Bread	Homelessness	$39,378.00	$100,000.00	$40,000.00		$40,000.00	
Paisley Street Preschool	Childcare Services	$15,145.00	$20,000.00	$15,500.00		$15,500.00	
Denton County MHMR	Behavioral Health	$30,291.00	$55,000.00	$35,000.00		$35,000.00	
Christian Community Action	Housing/Food	$0.00	$100,000.00	$0.00			
Health Services of North Texas	Healthcare	$50,485.00	$75,000.00	$60,000.00	$60,000.00		
Boys & Girls Clubs of Greater Tarrant County	Youth Development	$0.00	$22,000.00	$0.00			
Heart of the City	Food Security	$0.00	$42,380.00	$15,000.00		$15,000.00	
Opening Doors International Services, Inc.	Immigration Services	$15,145.00	$30,000.00	$16,000.00		$16,000.00	
Denton Christian Preschool	Daycare Services	$30,291.00	$35,000.00	$25,000.00		$25,000.00	
The ArtFullness Project	Behavioral Health	$0.00	$21,000.00	$0.00			
SUBTOTAL HUMAN SERVICES		$510,112.00	$1,145,936.25	$586,144.00	$171,144.00	$415,000.00	$0.00
FUNDING AVAILABLE FOR HUMAN SERVICES			$586,144.00	$586,144.00	$171,144.00	$415,000.00	$0.00
BALANCE AVAILABLE FOR HUMAN SERVICES			-$559,792.25	$0.00	$0.00	$0.00	$0.00
Denton Affordable Housing Corporation	Housing Construction	$424,878.41	$400,000.00	$0.00			$0.00
Habitat for Humanity of Denton	New Construction	$0.00	$65,000.00	$0.00			
Denton Affordable Housing Corporation Operating Cost	Operating Expenses	$23,111.97	$40,000.00	$0.00			$0.00
City of Denton Minor Repair Program	Minor Repairs	$446,359.00	$400,000.00	$403,822.28	$403,822.28		
City of Denton - Homebuyer Assistance Program	Homebuyer Assistance	$0.00	$300,000.00	$300,000.00	$50,000.00		$250,000.00
SUBTOTAL HOUSING PROGRAMS		$894,349.38	$1,205,000.00	$703,822.28	$453,822.28	$0.00	$250,000.00
Paisley Street Preschool	Window Repair	$0.00	$30,000.00	$30,000.00	$30,000.00		
Interfaith Ministries of Denton	New Construction Community Space	$0.00	$225,000.00	$0.00	$0.00		
Giving Grace, Inc.	Shelter Outdoor Construction	$0.00	$395,230.00	$0.00			
Denton Community Shelter	Shelter Bathroom/ HVAC Repairs	$0.00	$365,046.00	$365,046.00	$365,046.00		
SUBTOTAL PUBLIC FACILITY/IMPROVEMENTS		$0.00	$1,015,276.00	$395,046.00	$395,046.00	$0.00	$0.00
TOTALS FOR HOUSING AND PUBLIC FACILITY/IMPROVEMENTS		**$894,349.38**	**$2,220,276.00**	**$1,098,868.28**	**$848,868.28**	**$0.00**	**$250,000.00**
FUNDING AVAILABLE FOR HOUSING AND PUBLIC PROJECTS			**$1,286,814.33**	**$1,286,814.33**	**$848,868.28**	**$0.00**	**$437,946.05**
BALANCE FOR HOUSING AND PUBLIC PROJECTS			**-$933,461.67**	**$187,946.05**	**$0.00**	**$0.00**	**$187,946.05**

NOTES:
CHDO Funding Minimum = $72,990.91. Two years to commitment funding to a project
CHDO Operating Maximum = $24,330.30. Funding is tied to project funding. Funding not required

Exhibit 2
2026-27 CSAC Funding Recommendations and Descriptions

Organization	Project Description	Funding Source	Funding Amount	Projected Outputs
HUMAN SERVICES PROJECTS				
Children's Advocacy Center for North Texas, Inc.	Direct client services to help child abuse victims and families needing services.	General Funds	$50,000	84
COD PARD Summer Kids Camp	Full and partial scholarships for a summer day camp program to income-eligible kids in need of quality care, mentoring, development of life skills, leadership, respect for others and respect for self.	CDBG	$50,000	34
Communities in Schools	Dropout prevention programs in Denton ISD campuses located within city limits of Denton serving grades K-12 students who struggle with academic, social, emotional, and/or physical barriers to success and are at-risk of dropping out of school based on Texas Education Agency's 14 at-risk criteria.	General Funds	$36,000	840
Community Services, Inc.	Rent relief to assist low-income households who are at risk of eviction.	General Funds		
Court Appointed Special Advocates of Denton County	Recruit, train and support community volunteers to advocate for the best interest of abused a nd neglected children, and to promote community awareness of child abuse issues.	General Funds	$40,000	200
Cumberland Youth and Family Services	Trauma-informed mental healthcare to children, individuals, families, and couples who qualify for services based on income, location, and lack of insurance.	General Funds	$25,000	44
Denton Christian Preschool	Quality education for preschool age children in the Denton community to ensure children are at or above grade level when entering kindergarten and help end generational poverty. Funds will cover a portion of salaries for two (2) employees – Bilingual Teacher and Bus Driver.	General Funds	$25,000	46
Denton County Friends of Family	Shelter night consisting of one night of stay and includes supportive services; advocacy, counseling, case management, legal and protective order assistance, assistance with Crime Victim's Compensation, and housing location and assistance.	CDBG	$50,000	270
Denton County MHMR	Outreach to Suicide Survivors by LOSS Team who are on-site at the scene of a suicide to provide resources and hope to newly bereaved. Funds will cover the cost of the LOSS Team Coordinator salary.	General Funds	$35,000	18
Giving Grace	Supportive services including case management to individuals transitioning from homelessness and into housing.	General Funds	$36,000	12
Health Services of North Texas	Provides quality primary medical care for impoverished and uninsured/underinsured patients of all ages (including women's health & prenatal care).	CDBG	$60,000	240
North Texas Solutions for Recovery	Scholarships funds to those who need services but cannot pay (bed stays) over three programs; Transitional living, outpatient clinical services, and community detox			
Heart of the City	Expansion of food pantry services to meet hunger crisis in North Texas.	General Funds	$15,000	1,154
Opening Doors International Services	Outreach, consultation on immigration benefits and openings for immigration cases at low- or no-cost.	General Funds	$16,000	100
Our Daily Bread	Funds will support one case manager partial salary providing intensive, housing-focused case management services.	General Funds	$40,000	300
Paisley Street Preschool	Salary will support early learning experiences for children ages 18 months to 5 years old on a sliding scale tuition.	General Funds	$15,500	55
Pedi Place	Primary healthcare and mental health services for children residing in Denton ages birth to 18 who are uninsured or qualify for Medicaid or CHIP benefits.	General Funds	$36,000	617
Project Hope Family Enrichment Center	Utility assistance to low-moderate income households	General Funds		
Recovery Resource Council	Peer-led recovery support to individuals who have experienced or at risk of overdose, with a focus on serving the homeless population.	General Funds		
Refuge for Women	Salary will support Resident Navigation Services for survivors of sex trafficking with individualized support plans to achieve mental and housing stability.	General Funds	$30,644	12
Silent Voyces	Group sessions and presentations to support families with special needs			
The Salvation Army, A Georgia Corp - Denton	Assistance with food provided during the K.A.R.E. Kitchen daily meals and Food Pantry for clie nts experiencing homelessness and low-income households. Partial salary to support the KARE Kitchen Cook and Pantry Coordinator positions.	CDBG/ General Funds	$26,000	1,800
	TOTAL		**$586,144**	***5826 PEOPLE***
HOUSING PROJECTS				
City of Denton - Homebuyer Assistance Program	The program assists first time homebuyers with closing costs and down payment assistance to low and moderate households	CDBG/HOME	$300,000	5
City of Denton - Minor Repair Program	The program addresses urgently needed repairs of homes in the city limits of Denton up to $24,500 for low and moderate income households.	CDBG	$403,822	38
	TOTAL		**$703,822**	***43 UNITS***
PUBLIC FACILITY PROJECTS				
Denton Community Shelter	Repairs in bathrooms to enhance facilities using materials appropriate for usage. Repairs include demolition, reconstruction of wall system, installation of moisture-resistant finishes, upgrades to plumbing, improvements to mechanical ventilation, flooring replacement, and comprehensive ADA compliance verification.	CDBG	$365,046	1,878
Paisley Street Preschool	Window replacement to provide better energy and temperature control in the facility.	CDBG	$30,000	55
	TOTAL		**$395,046**	***1,933 PEOPLE***

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS, APPROVING THE MINOR HOME REPAIR PROGRAM; AUTHORIZING THE EXPENDITURE OF FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS IN A TOTAL AMOUNT NOT TO EXCEED $403,822.28 FOR PROJECTS MEETING THE PROGRAM GUIDELINES AND ELIGIBILITY CRITERIA; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City received funds from the U.S. Department of Housing and Urban Development under the Housing and Community Development Act of 1974, as amended (the "CDBG Act"); and

WHEREAS, the City Council approved program funding in the 2026 Action Plan for Housing and Community Development in accordance with the 2023-2027 Consolidated Plan for Housing and Community Development which includes an authorized budget expenditure of $403,822.28 of Community Development Block Grant ("CDBG") funds for the Minor Home Repair Program; and

WHEREAS, The City of Denton has previously provided the Minor Home Repair Program administered by the City Department of Community Services and funded through federal grants from the Department of Housing and Urban Development including CDBG funds; and

WHEREAS, The City Council deems it to be in the public interest to re-authorize the Minor Home Repair Program and approve the program guidelines to achieve the goal of assisting low and moderate-income families in securing safe, sanitary, and decent housing; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained above are found to be true and incorporated herein by reference as if fully set forth below.

SECTION 2. The City Council authorizes the creation and implementation of the Minor Home Repair Program (the "Program") as detailed in the Minor Home Repair Program Guidelines (the "Program Guidelines") which are attached hereto as "Exhibit A" and made a part of this ordinance.

SECTION 3. The City Manager, or their designee, is authorized to expend CDBG funds in the amount allocated for the Program in the 2026 Action Plan for Housing and Community Development ($403,822.28, subject to proportional increases or decreases to match allocation amounts pursuant to Ordinance Number 26-0944) to implement the Program, subject to the 2023-2027 Citizen Participation Plan and the Program Guidelines.

SECTION 4. The Minor Home Repair Program shall be funded annually in amount approved by the City Council in future Action Plans for Housing and Community Development. Future approvals by the City Council of an annual Action Plan for Housing and Community Development that include funding for the Minor Home Repair Program shall constitute approval

by the City Council for the expenditure of such funding in accordance with said Action Plan, the Program Guidelines, the CDBG Act, and applicable regulations promulgated by the U.S. Department of Housing and Urban Development.

SECTION 5. The Director of the Department of Community Services is authorized to update or amend the Program Guidelines from time to time as necessary to accomplish the objectives of the Program and this Ordinance or as required by the U.S. Department of Housing and Urban Development.

SECTION 6. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____and seconded by _____. The ordinance was passed and approved by the following vote [____- ___]:

	Aye	Nay	Abstain	Absent
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Scott Bray Scott Bray
Deputy City Attorney

INTRODUCTION

The Minor Home Repair Program's purpose is to help income-eligible homeowners with essential repairs or structural accessibility modifications. The program assists income qualified owners who cannot afford to complete the repairs themselves.

Community Development staff work with homeowners to determine the repairs that need to be completed on the property. During the inspection, staff evaluates the condition of the homes and the impact of not addressing some of the necessary repairs.

ELIGIBILITY

HOMEOWNER ELIGIBILITY:

- Applicants are subject to all program requirements and guideline changes. Guidelines are subject to change without notice.
- Household income cannot exceed 80 percent of the Area Median Income Limits, adjusted for family size. The current eligible income limits are provided in Attachment 1.
- Applicants must be United States citizens or legal resident aliens.
- Applicants must live in the home as principal residence and have no intention to market, rent, or sell the property. Proof of these requirements may be requested.
- Applicants must have one of the following types of ownership:
    - Hold fee simple title to the property.
    - Life estates, under which the occupant has the right to live in the housing for the remainder of their life and does not pay rent.
    - Inherited property, where the title has been passed by inheritance to several heirs, not all of whom reside in the housing.
    - Living Trust, where the owner of a property has conveyed their property to a trust for their own benefit or the benefit of a third-party beneficiary.
- Total homeowner assets (excluding the home) do not exceed $50,000. Assets include available cash, checking, savings accounts, stocks, bonds, and other assets that can be accessed like cash.
- Homeowners must be current on all property taxes owed to any taxing entity in Denton County before receiving assistance beyond the first repair. This requirement does not apply to the initial repair provided through the program. Homeowners are advised at the time of their first repair that they must meet this property tax requirement to be eligible for any future assistance. Exceptions include:
    - Homeowners with active payment arrangements that are up to date (documentation must be provided).
    - Elderly or disabled homeowners with established payment plans or tax deferrals are also exempt

from this requirement.

- Applicants are eligible for assistance once in a program year. Applicants seeking additional urgent repairs may request a waiver (see Programmatic Waivers section).
- Applicants who owe a debt to the City are ineligible for assistance under the program unless:
  - the debt arises from an issue with the Applicant's home, such as a City Code violation;
  - the assistance for which the Applicant has applied would correct that issue; and
  - Applicant has proven, and Community Development staff have determined, that Applicant could not correct the issue without financial assistance.

HOMEOWNER'S PROPERTY ELIGIBILITY:

- The home must be a single-family unit within the city limits of Denton.
- The structure must be more than five (5) years old.
- Home requires an essential repair or has code deficiencies, which if left unattended, would jeopardize the health and/or safety of the occupants; or the structure requires necessary modification(s) to ensure accessibility to meet a medical or physical disability.
- Properties in the floodplain or floodway are not eligible for this assistance.
- Homeowners will need to sign a Conflict-of-Interest form. In accordance with HUD requirements, applicants can be denied participation in a City Program if a conflict of interest exists. A conflict of interest happens if someone who is applying is an employee, agent, consultant, officer, or an elected or appointed official of the City of Denton, and if any of the following three statements is true for them in the past 12 months:
  - Exercises or who has exercised any function or responsibilities with respect to funds for this program.
  - Were involved in making decisions about the funding for this program.
  - Is or was in a position to gain inside information with regards to program activities.

OTHER FREQUENTLY ASKED QUESTIONS

- Do I need Good Credit? No.
- I still have a mortgage payment; can I still qualify for the program? Yes
- Will a Lien be placed against my property? No.

APPLICATION CONSIDERATION

The City of Denton's Minor Home Repair Program addresses safety-related issues that endanger health and well-being, as well as essential system repairs necessary for smooth operations. Additionally, making accessibility modifications will enhance livability for individuals with disabilities. These considerations to

these repairs help create a safer and more welcoming environment for everyone.

Considerations will be given to:

- Safety-related repairs: These may involve addressing immediate threats to life or the health and welfare of occupants, such as gas leaks, broken water lines, or unsafe heating/cooling systems.
- Essential System Repairs: These include repairs to major systems like roofing, plumbing, electrical, and HVAC, especially if they are deemed necessary to make the home safe and habitable.
- Accessibility modifications: These modifications can help improve the livability of the home for individuals with disabilities.

ELIGIBLE REPAIRS

Repairs that are urgently needed to make the housing accessible, safe, sanitary, or habitable or modifications to achieve accessibility. City staff will evaluate the home to determine the extent of the necessary repairs and whether the requested repairs are eligible.

- Repairs that can be completed for $24,500 or less are eligible for assistance:
  - Replacement of failed plumbing fixtures;
  - Clogged/broken sewer lines;
  - Damaged or exposed electrical wiring, switches, outlets;
  - Leaking roofs;
  - Broken HVAC system; and
  - Repairs and/or modifications to a structure as necessary to improve accessibility to accommodate a disability when other means are not available, i.e., building a wheelchair ramp, widening doorways to rooms that must be accessible for living, etc.

Repairs up to $24,500 will be considered, but the full maximum amount of funding is not guaranteed. The amount of the award will solely be determined by the City based on the repair(s) approved. If the bid for an approved repair is more than the maximum allowable funds, the project may be eligible if the homeowner can provide the additional funds.

Homeowner Insurance Claims: If a City-approved repair is only partially covered by a homeowner's insurance, the City may help cover the remaining costs. To begin the work, the homeowner must sign over their insurance claim payment(s) to the City of Denton. Here's how it works:

1. The insurance funds will be deposited into an account.
2. These funds will be used first to pay the contractor as work is approved.
3. If the homeowner has already used insurance funds for repairs, they must provide proof of payment along with detailed documentation of the work done. The City will then determine if the repair is eligible for additional assistance through the program.

INELIGIBLE REPAIRS

The following repairs are not eligible under the City of Denton's Minor Home Repair Program.

- Repairs that are solely cosmetic in nature. Some cosmetic repairs may be completed in areas where an eligible project repair has been completed and only when necessary to make the immediate areas match (as close as possible) the surrounding area. Example: floor covering to a complete room when a repair disturbed only a small section of flooring.
- Foundation repairs
- Mold remediation.
- A house built before 1978 may be subject to the requirements regarding lead-based paint. If lead-based paint hazards are identified in the home, it may be necessary to carry out hazard reduction. This cost could reduce the funds available for repairs or make some repairs ineligible for funding.

AVAILABLE FUNDING

The City of Denton has established a maximum funding limit of $24,500 for each project. If the required repairs exceed these limits, the project will not be eligible for assistance unless the owner provides the additional funds before the project begins.

Maximum funding per application for owner-occupied single-family structures is:

Minor Home Repair Program
Up to $24,500

- Limited Funds: Staff responds to requests for repairs on a priority basis and then on a first- come-first-served basis from the date a completed application is received. A specific amount of funding has been set up for each program year beginning October 1st. Once all program funds are expended, no applications will be considered until additional funds are available.
- Limited Application: Eligible housing units may only be approved for program assistance once in a 12-month period.
- Funding Set aside: A set-aside of funds is available for urgent repairs such as HVAC, gas leaks, broken water lines, collapsed sewer lines, and leaking water heaters.

PROGRAM PROCESS

APPLYING FOR THE PROGRAM (Estimated 15 to 20 business days)

1. Homeowner completes an application via the online application portal available at www.cityofdenton.com/homerepair. Applicants may contact Community Services to request assistance completing an application.

2. Community Development staff contacts applicants for an interview. Additional documentation may be requested. (1-2 days)
3. Applicant provides all requested information and documentation to complete application. (10 days).
4. Upon receipt of all required documentation, Community Development staff will schedule and complete an inspection of the property to determine eligibility. (2-3 days)
5. Community Development staff reviews and verifies all application information, environmental restrictions, and eligibility under federal regulations, and provides written notice of approval or denial for program participation. If denied from the program, staff will provide applicants with information detailing reasons for denial. (2-5 days)

REPAIR PROCESS (Estimated 19-21 business days)

1. The Texas Historical Commission may be notified for any home 45 years or older. The total estimated repair timeline *may be delayed by 14 to 21 business days*.
2. When painted surfaces will be affected in a house built before 1978, the area will be tested for lead-based paint by a licensed risk assessor. If a home is found to have lead-based paint hazards, hazard reduction techniques will be utilized. (21 days)
3. City staff complete work write-up and cost estimates. (1-2 days)
4. Additional evaluations/reports may be required, such as a leak detector (for water and gas leaks), HVAC evaluation, etc. to determine repairs (+5 days).
5. The project is bid out to contractors. Eligible Bids are reviewed and approved by program staff. If no bids are received, time to bid will be extended. (4-6 days)
6. Purchase Order and, if necessary, new vendors are set up in the City's internal financial system. (3-5 days)
7. Repair work begins and is completed. If a permit was required, the timeline for completion may be extended. (5 to 15 days).
8. City staff completes final inspection and verifies with homeowner work was completed to satisfaction. If a permit is required, City of Denton Buildings Inspections staff will also complete a final inspection. Homeowner is provided with a survey to evaluate the program and the assistance provided. (3-5 days)
9. Upon final inspection approval, the contractor submits an invoice to the City. Once the approved repairs are completed and the contractor(s) receives final payment, no additional repairs may be requested or approved. (3-5 days)

NON-DISCRIMINATION REQUIREMENTS

The program will be implemented consistent with Title VI of the 1964 Civil Rights Act, the Fair Housing Act, the Rehabilitation Act of 1973, Executive Order 11063, the Age Discrimination Act of 1974, and their respective implementing regulations. Agreements with beneficiaries and contractors shall prohibit discrimination in the sale, lease or rental of real property based on race, color, religion, handicap, national origin, familial status or gender.

PROCUREMENT OF CONTRACTORS

Procurement of contractors for repairs under this program shall be conducted in conformance with the City of Denton Procurement Policy and the competitive bidding requirements of 2 CFR Part 200 Subpart D, as applicable. No City employee, officer, agent, elected official, or board member with a real or apparent conflict of interest (as defined in 2 CFR § 200.318(c)) may participate in the selection, award, or administration of a contract entered under this program.

DISPUTE & APPEALS PROCESS

DISPUTES

The contractor's work will be monitored by the applicant, City of Denton staff, and a City of Denton Building Inspector. If the applicant considers any work done by the contractor to be unsatisfactory or incomplete, the applicant should advise the contractor of the discrepancy and ask that it be corrected. In the event a dispute exists between the applicant and the contractor with respect to the work, the City will take appropriate action to ensure that the applicant is reasonably satisfied before making any payment to the contractor. In the event any dispute cannot be resolved, City staff will consider all pertinent facts and decide an appropriate course of action to resolve the dispute.

APPEALS

An appeal of a program decision may be made in writing to Community Development using the contact information above. A written response to any appeal will be completed and mailed within 15 days from receipt of the written appeal. Documentation of the appeals will be placed in the appropriate project files.

PROGRAMMATIC WAIVERS

The City of Denton Minor Home Repair Program must follow specific guidelines required by the funding source to assure proper administration and management. If an applicant feels that their circumstances require special consideration, a request for waiver from the usual requirements may be submitted to Community Development. All waiver requests must be submitted in writing and should specify the program requirement(s) to be considered for waiver and state the applicant's reason(s) or special circumstances why they believe a waiver should be approved. The Deputy Director or Director will review requests on a case-by-case basis.

ATTACHMENT 1

The effective dates and limits in Attachment 1 remain in effect until HUD issues new limits.

INCOME ELIGIBILITY FOR THE MINOR HOME REPAIR PROGRAM

Effective Date: 10/1/2026 through 9/30/2027

Family Size	Maximum Income
1	$67,850
2	$77,500
3	$87,250
4	$96,900
5	$104,700
6	$112,450
7	$120,200
8	$127,950

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

CM/DCM/ACM: Kenneth Hedges

DATE: August 4, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager or designee to execute an Interlocal Cooperation Agreement with Denton County, Texas, a duly organized political subdivision of the State of Texas, to exempt Denton County from notifying or submitting a building permit for any new construction or renovation of a building or facility owned by Denton County to the City of Denton; and providing an effective date.

BACKGROUND

The City of Denton currently reviews and inspects permits for work completed by Denton County. There was a House Bill 3234 which went into effect on September 2025, lowering the population threshold where Cities can no longer require counties to permit from 3.3 to 1 million. This is based on census population and would be effective for Denton County after the 2030 census.

The bill specifically states "a political subdivision may not require a county to notify the political subdivision or obtain a building permit for any new construction or renovation of a building or facility owned by the county if the construction or renovation work is supervised and inspected by an engineer or architect licensed in the State".

Denton County has requested to be exempt from notifying the City and/or obtaining a building permit for any new construction or renovation of a building or facility owned by the County as stated in TLGC Sec. 245.007 in advance of the statutory requirement. In keeping with the continued partnership with Denton County, this agreement exempts the County from obtaining building permits, they are required to continue complying with the building standards of the City during construction or renovation of a building/facility. The County must also continue to obtain permits or approvals for any city utility connections, work within public Rights-of-Way, or other approvals expressly required by applicable law that are independent of building permit requirements.

While this would impact future revenue for the City in receiving permitting fees, the City's fees are based on cost recovery, and there would not be staff time associated with the review and inspections of these future permits allowing staff to work on other projects/permits.

RECOMMENDATION:

Staff recommends approval of this request.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

None.

FISCAL INFORMATION

The City has received $114,968 in permitting revenue from the County since 2020 and estimates this would impact an estimated $200,000 in future revenue.

EXHIBITS
Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance

Respectfully submitted:
Charlie Rosendahl
Director of Development Services

Prepared by:
Mitchell Stoltz
Management Analyst

ORDINANCE NO. 26-0942

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE AN INTERLOCAL COOPERATION AGREEMENT WITH DENTON COUNTY, TEXAS, A DULY ORGANIZED POLITICAL SUBDIVISION OF THE STATE OF TEXAS, TO EXEMPT DENTON COUNTY FROM NOTIFYING OR SUBMITTING A BUILDING PERMIT FOR ANY NEW CONSTRUCTION OR RENOVATION OF A BUILDING OR FACILITY OWNED BY DENTON COUNTY TO THE CITY OF DENTON; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Denton County (the "County") and the City of Denton (the "City") mutually desire to enter into an Interlocal Cooperative Agreement (the "Agreement"), attached hereto as Exhibit "A" and fully incorporated herein for all purposes, to exempt the County from notifying or submitting a building permit for any new construction or renovation of a building or facility owned by the County to the City; and

WHEREAS, the City requires that the County continue complying with the building standards of the City during the construction or renovation of a building or facility; and

WHEREAS, the City requires the County or its contractors to continue to obtain permits or approvals for City utility connections, work within public Rights-of-Way, or other approvals expressly required by applicable law that are independent of building permit requirements; and

WHEREAS, the Interlocal Cooperation Act, Texas Government Code Chapter 791 (the "Act"), provides authorization for a local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act, and the County and the City hereby mutually agree to be subject to the provisions of the Act; and

WHEREAS, the County and City acknowledge the mutual governmental functions, obligations, and commitments undertaken pursuant to the Agreement constitute adequate consideration under Chapter 791 of the Texas Government Code; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals contained in the preamble of this ordinance are hereby incorporated into the body of this ordinance are true and correct.

SECTION 2. The City Manager, or their designated representative, is hereby authorized to execute the Agreement which is attached hereto and incorporated herein as Exhibit A.

SECTION 3. The City Council of the City of Denton, hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. This ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Michael Ferrie Jr., At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY
ATTORNEY

BY: _____

Exhibit "A"
Interlocal Cooperative Agreement

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

INTERLOCAL COOPERATION AGREEMENT
BETWEEN
DENTON COUNTY AND THE CITY OF DENTON

THIS AGREEMENT is made, entered into and executed by and between Denton County, a political subdivision of the State of Texas (the "County"), and the City of Denton, a Texas home rule municipal corporation (the "City"). The County and the City are individually referred to as a "Party" and collectively referred to herein as "the Parties."

WHEREAS, the County has requested the City enter into this Agreement to address County's responsibility to obtain building permits for new construction or renovation of buildings owned by the County within the City; and

WHEREAS, in acknowledgment of the below mentioned consideration, the City is willing to agree that it will not require the County to notify the City or obtain a building permit for any new construction or renovation of a building or facility owned by the County if the construction or renovation work is supervised and inspected by an engineer or architect licensed in this State; and

WHEREAS, the City requires that the County continue complying with the building standards of the City during the construction or renovation of a building or facility; and

WHEREAS, the Interlocal Cooperation Act, Texas Government Code Chapter 791, hereinafter "the Act," provides authorization for a local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act, and the County and the City hereby mutually agree to be subject to the provisions of the Act; and

NOW, THEREFORE, this Agreement is hereby made and entered into by the County and the City upon the terms and conditions stated herein:

WITNESSETH:

I.

Pursuant to Texas Government Code §791.011, the County and the City hereby enter into this Agreement in order to perform certain governmental functions and services in the area of administrative functions related to building permit issuance for construction or renovation of a building or facility owned by the County. The purpose of this Agreement is to provide a governmental function or service that each party is authorized to perform individually, and in accordance with Section 791.011(d)(3) of the Act, each Party is paying for the performance of governmental functions and services from current revenues available to the paying party.

II.

The City agrees not to require the County to notify the City or obtain building permits when the County is constructing or renovating a building or facility the County owns; however, nothing in this Agreement shall exempt the County or its contractors from obtaining permits or approvals for utility connections, work within public rights-of-way, or other approvals expressly required by applicable law that are independent of building permit requirements.

III.

The Parties acknowledge the mutual governmental functions, obligations, and commitments undertaken pursuant to this Agreement constitute adequate consideration under Chapter 791 of the Texas Government Code.

IV.

For purposes of this Agreement, the terms "building," "facility," and "renovation" include new construction, additions, alterations, restoration, rehabilitation, remodeling, maintenance improvements, historic preservation work, and associated site improvements undertaken by or on behalf of the County. Historic preservation, rehabilitation, restoration, stabilization, archaeological investigations, and preservation-related improvements performed on County-owned historic properties shall constitute construction or renovation activities covered by this Agreement.

V.

This Agreement represents the entire integrated agreement between the County and the City and supersedes all prior negotiations, representations, and agreements, either oral or written. This Agreement may be amended only by written instrument signed by both of the Parties. Notices shall be directed as follows:

For City: Cassey Ogden, Interim City Manager
City of Denton, Texas
215 E. McKinney Street
Denton, Texas 76201

Copy To: Kristi Fogle, Interim City Secretary
City of Denton, Texas
215 E. McKinney Street
Denton, Texas 76201

Mack Reinwand, City Attorney
City of Denton, Texas
215 E. McKinney Street
Denton, Texas 76201

For County: Honorable Andy Eads, Denton County Judge
1 Courthouse Drive, Suite 3100
Denton, Texas 76208
andy.eads@dentoncounty.gov
holly.sadlowski@dentoncounty.gov

Copy To: Denton County District Attorney's Office - Civil Division
1450 East McKinney Street, Suite 3100
Denton, Texas 76209

VI.

In the event of a dispute concerning interpretation of this Agreement or whether a proposed project is subject to its provisions, the Parties shall first attempt to resolve the matter through discussions between the County Administrator or designee and the City Manager or designee before either Party pursues judicial or administrative remedies.

VII.

Nothing in this Agreement shall be construed to delay or prohibit emergency construction, repair, stabilization, or restoration activities undertaken by the County to protect public health, public safety, or governmental operations.

VIII.

The covenants, terms, and conditions herein are to be construed under the laws of the State of Texas and are performable by the Parties in Denton County, Texas. The Parties mutually agree that venue for any obligation arising from this Agreement shall be in Denton County, Texas.

IX.

Nothing contained in this Agreement shall be construed as an admission or acknowledgment by either Party regarding the scope of municipal regulatory authority over County-owned property or governmental functions. This Agreement is intended solely to memorialize the Parties' mutual agreement concerning permitting procedures and shall not constitute a waiver of any legal right, governmental immunity, or statutory authority possessed by either Party.

X.

The County agrees and understands that the County, its employees, servants, agents or representatives shall at no time represent themselves to be employees, servants, agents or representatives of the City.

The City agrees and understands that the City, its employees, servants, agents or representatives shall at no time represent themselves to be employees, servants, agents or representatives of the County.

XI.

This Agreement is not intended to extend the liability of the Parties beyond that provided for by law. Neither the County nor the City waive, nor shall be deemed to have hereby waived, any immunity or defense that would otherwise be available to it against claims made by third parties.

XII.

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the Parties hereto that the remaining portions shall remain valid and in full force and effect to the fullest extent possible.

XIII.

The undersigned officers and agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto, and each party hereby certifies to the other that any necessary resolutions extending said authority have been duly passed and are now in full force and effect.

XIV.

This Agreement becomes effective when signed by the last party whose signing makes the respective agreement fully executed.

Executed this _____ day of _____, 2026.

DENTON COUNTY, TEXAS
1 Courthouse Drive, Suite 3100
Denton, Texas 76209

By: _____
Honorable Andy Eads
Denton County Judge

Acting by and on behalf of the authority
of the Denton County Commissioners Court

ATTEST:

By: _____
Denton County Clerk

CITY OF DENTON, TEXAS
215 E. McKinney Street
Denton, Texas 76201

By:_____
Cassey Ogden
Interim City Manager of City of Denton, Texas
Acting by and on behalf of the authority
of the City of Denton, Texas

ATTEST:

By: _____
City Secretary CITY OF DENTON, TEXAS

This Agreement has been both reviewed and approved as to operational and business terms

By:_____
Charlie Rosendahl
Director of Development Services of the City of Denton

Approved as to Legal Form

By:_____
Mack Reinwand
City Attorney of the City of Denton

COUNTY AUDITOR'S CERTIFICATE

I hereby certify funds are available to accomplish and pay the obligation of Denton County, Texas, under this Agreement.

_____

Denton County Auditor

APPROVAL OF INTERLOCAL COOPERATION AGREEMENT

Denton County, Texas, acting by and through the Denton County Commissioners Court, hereby approves and authorizes this Interlocal Cooperation Agreement for the purpose memorializing City's agreement with County that County is not required to obtain building permits for new construction activity or renovation of buildings owned by the County and located within the City; This Agreement establishes the respective understandings, responsibilities, and obligations of Denton County and the City of Denton as set forth herein

By vote on the date below, the Denton County Commissioners Court has approved the agreement identified above and authorized execution of this document by the presiding officer of the Denton County Commissioners Court.

Date: _____

By: _____
Presiding Officer of the Denton
County Commissioners Court

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

CM/DCM/ACM: Kenneth Hedges

DATE: August 4, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager or designee to execute an Interlocal Cooperation Agreement with Denton County, Texas, a duly organized political subdivision of the State of Texas, to provide for funding of the maintenance and acquisition of artifacts; for the design and construction of park improvements including rehabilitation of structures within the park, parking lot improvements, walking trails, and other features typical of a park (the "Project"); and for the operation of a public park on the 10.2 acres of land located on the Evers Farm property; and providing an effective date.

BACKGROUND

The City approved a Planned Development zoning (PD24-0002a) for a multifamily development at the northwest corner of N Elm St. and N Locust. St. called Jefferson North Elm. As a part of the PD, the developer was required to provide 10.2 acres to Denton County for the County's future creation of a historic park. The City received funding from the developer for Park Development and Dedication fees for a total of $918,900.00 ($783,450.00 for Development and $135,450.00 for Land Dedication). The County requested from the City the Park Development funding from the project be used towards future improvements for the County park to be located onsite.

As such, the agreement included as Exhibit 2 includes stipulations that the County will design and construct a 10.2-acre public park adjacent to the Jefferson North Elm multifamily development, with the City agreeing to contribute no more than $783,450.00, the amount of Park Development Fees received, in accordance with Ordinance No. 25-754. The funding will cover the maintenance and acquisition of artifacts, design and construction of park improvements including but not limited to – parking lot improvements, walking trails, and rehabilitation of structures, and the operation of the park. The agreement includes several stipulations stating:

1. If the County fails to complete construction of the park within 5 years of the effective date, all funds provided by the City that have not been expended are to be repaid to the City.
2. Any change to the character or use of any portion of the park found to be inconsistent with its continued operation requires the consent of the City. If the County fails to comply with PD24-0002a within 20 years of completion of the park, any funds paid to the County will be returned to the City.

By providing the agreement and funding to Denton County, the City would be ensuring that the park being dedicated as part of the Jefferson North Elm development will be used towards the goal of preserving the original Evers Farm.

RECOMMENDATION:

Staff recommends approval of this request.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On October 15, 2024, City Council approved the Planned Development establishing the zoning for the multifamily development and public park (PD24-0002a).

On May 20, 2025, City Council approved the Park Development Agreement with Jefferson North Elm, LLC (Ordinance 25-754).

FISCAL INFORMATION

The City's financial obligation of $783,450.00 is funded from account 9160.4470.4001.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance

Respectfully submitted:
Charlie Rosendahl
Director of Development Services

Prepared by:
Mitchell Stoltz
Management Analyst

ORDINANCE NO. 26-0981

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE AN INTERLOCAL COOPERATION AGREEMENT WITH DENTON COUNTY, TEXAS, A DULY ORGANIZED POLITICAL SUBDIVISION OF THE STATE OF TEXAS, TO PROVIDE FOR FUNDING OF THE MAINTENANCE AND ACQUISITION OF ARTIFACTS; FOR THE DESIGN AND CONSTRUCTION OF PARK IMPROVEMENTS INCLUDING REHABILITATION OF STRUCTURES WITHIN THE PARK, PARKING LOT IMPROVEMENTS, WALKING TRAILS, AND OTHER FEATURES TYPICAL OF A PARK (THE "PROJECT"); AND FOR THE OPERATION OF A PUBLIC PARK ON THE 10.2 ACRES OF LAND LOCATED ON THE EVERS FARM PROPERTY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Denton County (the "County") and the City of Denton (the "City") mutually desire to enter into an Interlocal Cooperative Agreement (the "Agreement"), the form of which is attached hereto as Exhibit "A" and fully incorporated herein for all purposes, to provide for funding of the maintenance and acquisition of artifacts; for the design and construction of park improvements including rehabilitation of structures within the park, parking lot improvements, walking trails, and other features typical of a park (the "Project"); and for the operation of a public park on the 10.2 acres of land located on the Evers Farm property; and

WHEREAS, the County will design and construct the Project with the City agreeing to contribute an amount which shall not exceed SEVEN HUNDRED EIGHTY-THREE THROUSAND FOUR HUNDRED FIFTY AND NO/100 DOLLARS ($783,450.00) based on the available funding provided through the Park Development Agreement between the City and Jefferson North Elm, LLC, approved by Ordinance No. 25-754; and

WHEREAS, pursuant to the Agreement, the County agrees to construct the Project in accordance with Chapter 22 of the City of Denton Code of Ordinances, keep the Property open to the public for use as a park, and retain the acreage as Denton County Parkland indefinitely; and

WHEREAS, the Interlocal Cooperation Act, Texas Government Code Chapter 791 (the "Act"), provides authorization for a local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act, and the County and the City hereby mutually agree to be subject to the provisions of the Act; and

WHEREAS, the County and the City value the completion of the Project which involves parks which are an integral part of the County's and the City's provision of public services, and the Parties are undertaking the Project to benefit the public through access to a quality park system; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals contained in the preamble of this ordinance are hereby

incorporated into the body of this ordinance and are found to be true and correct.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the written contract which is attached hereto and incorporated herein as Exhibit A, and to take any actions deemed necessary for the exercise of the City's rights or obligations thereunder in the discretion of the City Manager or the City Attorney, including the expenditure of funds in an amount not-to-exceed $783,450.00.

SECTION 3. The City Council of the City of Denton hereby delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Michael Ferrie Jr., At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

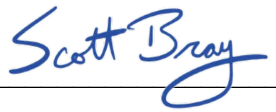
BY:  Scott Bray
Deputy City Attorney

Exhibit "A"
Interlocal Cooperative Agreement

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

INTERLOCAL COOPERATION AGREEMENT BETWEEN DENTON COUNTY AND THE CITY OF DENTON

THIS AGREEMENT is made, entered into and executed by and between Denton County, Texas ("the County"), a duly organized political subdivision of the State of Texas; and the City of Denton, Texas ("the City"), a duly organized political subdivision of the State of Texas. The County and the City are collectively referred to herein as "the Parties."

WHEREAS, the County and the City mutually desire to enter into this Agreement to provide for funding of the maintenance and acquisition of artifacts; for the design and construction of park improvements including rehabilitation of structures within the park, parking lot improvements, walking trails, and other features typical of a park (the "Project"); and for the operation of a public park on the 10.2 acres of land located on the Evers Farm property that is described and depicted as Subdistrict B (the "Property") on City of Denton Ordinance No. PD24-0002a, a copy of which is attached hereto and incorporated herein as Exhibit A (the "Evers Farm PD"); and

WHEREAS, the County will design and construct the Project with the City agreeing to contribute an amount which shall not exceed SEVEN HUNDRED EIGHTY THREE THROUSAND FOUR HUNDRED FIFTY AND NO/100 DOLLARS ($783,450.00), based on the available funding provided through the Park Development Agreement with Jefferson North Elm, LLC executed by the City of Denton on May 20, 2025 pursuant to Ordinance No. 25-754 (the "Park Development Agreement"), toward satisfactory completion of the Project, and

WHEREAS, the Interlocal Cooperation Act, Texas Government Code Chapter 791, hereinafter "the Act," provides authorization for a local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act, and the County and the City hereby mutually agree to be subject to the provisions of the Act; and

WHEREAS, the County and the City value the completion of the Project which involves parks which are an integral part of the County's and the City's provision of public services, and the Parties are undertaking the Project to benefit the public through access to a quality park system;

WHEREAS, the County agrees to construct the Project in accordance with Chapter 22 of the City of Denton Code of Ordinances, keep the Property open to the public for use as a park, and retain the acreage as Denton County Parkland indefinitely;

NOW, THEREFORE, this Agreement is hereby made and entered into by the County and the City upon and for the mutual consideration stated herein:

WITNESSETH:

I.

Pursuant to Texas Government Code §791.011, the County and the City hereby enter into this Agreement in order to perform certain governmental functions and services relating to the development and operation of public parks. The purpose of this Agreement is to provide a governmental function or service that each party is authorized to perform individually, and in accordance with Section 791.011(d)(3) of the Act, the County is paying for the performance of governmental functions and services from current revenues available to the paying party.

II.

The County and the City hereby agree that the County shall design and construct the Project, and the City shall contribute an amount which shall not exceed SEVEN HUNDRED EIGHTY-THREE THROUSAND FOUR HUNDRED FIFTY AND NO/100 DOLLARS ($783,450.00) toward satisfactory completion of the Project. The Project is located entirely within the municipal limits of the City and Denton County.

III.

The City shall pay to the County an amount not to exceed the lesser of SEVEN HUNDRED EIGHTY-THREE THROUSAND FOUR HUNDRED FIFTY AND NO/100 DOLLARS ($783,450.00) or the amount of Park Development Fees (as provided for in Section 22-39 of the Denton Code of Ordinances) actually received by the City pursuant to the Park Development Agreement (the "City Contribution").

IV.

The County agrees to provide the Project and the associated improvements in accordance with Chapter 22 of the City of Denton Code of Ordinances, to keep the park open to the public similar to other parks within the City of Denton, and to maintain the Property as a park. The City shall

provide the City Contribution within thirty (30) days of receipt of the Park Development fees paid by the developer in accordance with the Park Development Agreement.

V.

This exchange of funding and in-kind services between the County and the City is deemed adequate consideration for the obligations exchanged by the Parties herein.

VI.

Upon completion of the Project, the County shall notify the City in writing of the expenses incurred during the course of the Project to ensure that all expenditures are made in a manner which is consistent with the terms of this Agreement. In the event the County fails to complete the Project within 5 years of the Effective Date of this Agreement, all funds provided by the City pursuant to this Agreement that have not been expended on the Project shall immediately revert and be repaid to the City. .

VII.

County acknowledges that the Property is designated as "Park Land Dedication Area, PD-PF" by the Evers Farm PD, and any land use not expressly permitted thereby is prohibited. Any change to the character or use of any portion of the Property to be inconsistent with its continued operation as a public park requires the consent of the City, as evidenced by a written resolution or ordinance of the Denton City Council. If the County fails to comply with the Evers Farm PD or changes the use of the property to be inconsistent with its continued operation as a public park within 20 years of the completion of the Project, the County shall return any funds paid to the County under this Agreement to the City.

VIII.

This Agreement may be terminated in whole, or in part, by the County or the City upon thirty (30) days written notice to the other party, except that the County's obligations to return funds to the City for failure to perform its obligations hereunder shall survive termination of this Agreement.

IX.

This Agreement represents the entire integrated agreement between the County and the City and supersedes all prior negotiations, representations, and agreements, either oral or written. This Agreement may be amended only by written instrument signed by both of the Parties. Notices shall be directed as follows:

For City:

City Manager
City of Denton, Texas
215 E. McKinney Street
Denton, Texas 76201

Copy To:
Ingrid Rex, Interim City Secretary
City of Denton, Texas
215 E. McKinney Street
Denton, Texas 76201

Copy To:
Mack Reinwand, City Attorney
City of Denton, Texas
215 E. McKinney Street
Denton, Texas 76201

For County:
Honorable Andy Eads, Denton County Judge
1 Courthouse Drive, Suite 3100
Denton, Texas 76208

andy.eads@dentoncounty.gov
holly.sadlowski@dentoncounty.gov

Copy To:
Denton County District Attorney's Office - Civil Division
1450 East McKinney Street, Suite 3100
Denton, Texas 76209

X.

The covenants, terms, and conditions herein are to be construed under the laws of the State of Texas and are performable by the Parties in Denton County, Texas. The Parties mutually agree that venue for any obligation arising from this Agreement shall be in Denton County, Texas.

XI.

The City agrees and understands that the City, its employees, servants, agents or representatives shall at no time represent themselves to be employees, servants, agents or representatives of the County.

XII.

The County agrees to accept full responsibility for the acts, negligence and omissions of all County employees, agents, subcontractors or contract laborers.

XIII.

This Agreement is not intended to extend the liability of the Parties beyond that provided for by law. Neither the County nor the City waive, nor shall be deemed to have hereby waived, any immunity or defense that would otherwise be available to it against claims made by third parties.

XIV.

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the Parties hereto that the remaining portions shall remain valid and in full force and effect to the fullest extent possible.

XV.

The undersigned officers and agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto, and each party hereby certifies to the other that any necessary resolutions extending said authority have been duly passed and are now in full force and effect.

XVI.

This Agreement becomes effective when signed by the last party whose signing makes the respective agreement fully executed, and the term of this Agreement is for the life of the Project beginning on the date of execution of this Agreement and continuing until the Project is completed.

Executed this _____ day of _____, 2026.

DENTON COUNTY, TEXAS
1 Courthouse Drive, Suite 3100
Denton, Texas 76209

By: _____
Honorable Andy Eads
Denton County Judge
Texas Acting by and on behalf of the authority of the Denton County Commissioners Court

ATTEST:

By: _____
Denton County Clerk

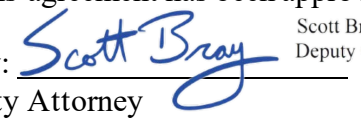
CITY OF DENTON, TEXAS
215 E. McKinney Street
Denton, Texas 76201

By:_____
Cassey Ogden
Interim City Manager, City of Denton,
Acting by and on behalf of the authority of the City of Denton, Texas

ATTEST:

By: _____
City Secretary

This agreement has been approved as to legal form

By:  Scott Bray
Deputy City Attorney
City Attorney

This agreement has been both reviewed and approved as to operational and business terms

By: _____

Director of Development Services

COUNTY AUDITOR'S CERTIFICATE

I hereby certify funds are available to accomplish and pay the obligation of Denton County, Texas, under this Agreement.

_____

Denton County Auditor

APPROVAL OF INTERLOCAL COOPERATION AGREEMENT

Denton County, Texas, acting by and through the Denton County Commissioners Court, hereby gives its specific written approval to the following Project, prior to beginning of the Project in satisfaction of Texas Government Code §791.014. The scope of the Project shall be to provide park improvements on the Property. The Project shall be located entirely within the municipal limits of the City of Denton and Denton County Commissioner Precinct #1.

The County hereby agrees to contribute funding towards the Project, provided that any and all funding is approved by formal action of the Denton County Commissioners Court.

The local governments which requested the Project and with whom the Agreement is by and between are Denton County, Texas, and the City of Denton, Texas.

By vote on the date below, the Denton County Commissioners Court has approved the project identified above and authorized execution of this document by the presiding officer of the Denton County Commissioners Court.

Date: _____

By: _____
Presiding Officer of the Denton
County Commissioners Court

Exhibit A

City of Denton Ordinance No. PD24-0002a (Evers Farm PD)

ORDINANCE NO.PD24-0002a

AN ORDINANCE OF THE CITY OF DENTON, TEXAS REGARDING A CHANGE IN THE ZONING DISTRICT AND USE CLASSIFICATION ON APPROXIMATELY 25.96 ACRES OF LAND FROM A RESIDENTIAL 2 (R2) DISTRICT TO A PLANNED DEVELOPMENT (PD) WITH MIXED-USE NEIGHBORHOOD (PD-MN) AND PUBLIC FACILITIES (PD-PF) BASE ZONING DISTRICTS. THE SITE IS GENERALLY LOCATED AT THE NORTHWEST CORNER OF THE INTERSECTION OF NORTH ELM STREET AND NORTH LOCUST STREET IN THE CITY OF DENTON, DENTON COUNTY, TEXAS; ADOPTING AN AMENDMENT TO THE CITY'S OFFICIAL ZONING MAP; PROVIDING FOR A PENALTY IN THE MAXIMUM AMOUNT OF $2,000.00 FOR VIOLATIONS THEREOF; PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE. (PD24-0002a, Jefferson North Elm)

WHEREAS, Aimee Bissett of 97 Land Company, applied on behalf of the property owner, Greater Texas Land Resources, LP, for a zoning change from Residential 2 (R2) District to a Planned Development (PD) with Mixed-Use Neighborhood (PD-MN) and Public Facilities (PD-PF) base zoning districts on approximately 25.96 acres, legally described and depicted in Exhibit "A" (hereinafter, the "Property"); and

WHEREAS, on September 11, 2024, the Planning and Zoning Commission, in compliance with the laws of the State of Texas, having given the requisite notices by publication and otherwise, and having held due hearings and afforded full and fair hearings to all property owners interested in this regard, and have recommended approval (3-2) of the amendment; and

WHEREAS, on October 15, 2024, the City Council likewise conducted a public hearing as required by law, and finds that the request meets and complies with all substantive and procedural standards for a zoning change to a Planned Development (PD) District set forth in Section 2.7.3 of the Denton Development Code, and is consistent with the Denton 2040 Comprehensive Plan and the Denton Development Code; and

WHEREAS, the Planning and Zoning Commission and the City Council of the City of Denton, in considering the application for a change in the zoning classification of the property, have determined that the proposed use is in the best interest in the health, safety, morals, and general welfare of the City of Denton, and accordingly, the City Council of the City of Denton is of the opinion and finds that said zoning change is in the public interest and should be granted as set forth herein; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference and found to be true.

SECTION 2. The zoning district and use classification for the Property is hereby changed from Residential 2 (R2) District to a Planned Development (PD) with Mixed-Use Neighborhood (PD-MN) and Public Facilities (PD-PF) base zoning districts. The Development Standards for the Property are described in Exhibit "B" attached hereto and incorporated herein by reference, and

the PD Development Plans depicting development layout, landscaping, and building elevations for the Property is provided in Exhibit "C" attached hereto and incorporated herein by reference. Development of the Property shall be in accordance with the Development Standards in Exhibit "B" and the Development Plans in Exhibit "C".

SECTION 3. No development plans (i.e. zoning compliance plan, civil engineering plans, tree preservation plans, and/or plats) shall be approved for the multifamily development of the PD-MN area until a park development agreement for the PD-PF area is approved by the City and executed by the City and Developer of the multifamily.

SECTION 4. The City's official zoning map is hereby amended to show the change in the zoning district and use classification.

SECTION 5. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid by any court, such invalidity shall not affect the validity of the provisions or applications, and to this end the provisions of this ordinance are severable.

SECTION 6. Penalty. Any person, firm, entity or corporation violating any provision of this ordinance shall, upon conviction, be deemed guilty of a misdemeanor and shall be punished by fine in a sum not exceeding $2,000.00 for each offense. Each day that a provision of this ordinance is violated shall constitute a separate and distinct offense.

SECTION 7. In compliance with Section 2.09(c) of the Denton Charter, this ordinance shall become effective fourteen (14) days from the date of its passage, and the City Secretary is hereby directed to cause the caption of this ordinance to be published twice in the Denton Record-Chronicle, a daily newspaper published in the City of Denton, Texas, within ten (10) days of the date of its passage.

The motion to approve this ordinance was made by Paul Meltzer and seconded by Brian Beck, the ordinance was passed and approved by the following vote 7 - 0]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	X			
Vicki Byrd, District 1:	X			
Brian Beck, District 2:	X			
Paul Meltzer, District 3:	X			
Joe Holland, District 4:	X			
Brandon Chase McGee, At Large Place 5:	X			
Jill Jester, At Large Place 6:	X			

PASSED AND APPROVED this the 15th day of October, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Exhibit A
Legal Description – Subdistrict A

BEING a tract of land situated in the B.B.B. & C.R.R. Survey, Abstract No. 186, Denton County, Texas, and being part of a called 25.976 acre tract of land described in Special Warranty Deed to Greater Texas Land Resources, Et Al recorded in instrument No. 2023-59521, Official Public Records, Denton County, Texas, and being more particularly described as follows:

BEGINNING PK nail found for the most easterly northeast corner of said 25.976 acre tract, in the west right-of-way line of North Locust Street (a variable width right-of-way);

THENCE with said west right-of-way line of North Locust Street, the following courses and distances:

South 03°27'09" East, a distance of 100.10 feet to a 1/2" iron rod found for corner;
South 00°35'09" East, a distance of 33.30 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for corner;
South 00°45'51" West, a distance of 706.48 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for the northeast end of a corner clip at the intersection of said west right-of-way line of North Locust Street and the north right-of-way line of North Elm Street (a variable width right-of-way);

THENCE with said corner clip, South 45°36'24" West, a distance of 25.00 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for the southwest end of said corner clip, from which a 3-1/4" iron rod with aluminum disk stamped "TXDOT ROW MONUMENT PBS 2144" found bears North 51°02'53" East, a distance of 6.22 feet;

THENCE with said north and northeast right-of-way line of North Elm Street, the following courses and distances:

North 89°23'36" West, a distance of 369.04 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 334.46 feet, a central angle of 30°33'52", and a chord bearing and distance of North 62°50'43" West, 176.31 feet;
In a northwesterly direction, with said non-tangent curve to the right, an arc distance of 178.42 feet to a 1/2" iron rod found at the beginning of a non-tangent curve to the left with a radius of 906.09 feet, a central angle of 10°29'45", and a chord bearing and distance of North 53°06'57" West, 165.75 feet;

In a northwesterly direction, with said non-tangent curve to the left, an arc distance of 165.98 feet to a 3-1/4" iron rod with aluminum disk stamped "TXDOT MONUMENT PBS 2365" found for corner;
North 58°45'53" West, a distance of 105.52 feet to a 3-1/4" iron rod with aluminum disk stamped "TXDOT MONUMENT PBS 2364" found at the beginning of a non-tangent curve to the left with a radius of 3,879.72 feet, a central angle of 04°29'02", and a chord bearing and distance of North 60°37'10" West, 303.54 feet;
In a northwesterly direction, with said non-tangent curve to the left, an arc distance of 303.61 feet to a point for corner;

THENCE departing said north right-of-way line of Windsor drive, over and across said 25.976 acre tract, the following courses and distances:

North 42°00'00" East, a distance of 165.25 feet to a point for corner;
South 48°00'00" East, a distance of 53.38 feet to a point for corner;
North 42°00'00" East, a distance of 238.39 feet to a point for corner;
North, a distance of 163.10 feet to a point for corner;
North 41°03'54" East, a distance of 70.89 feet to a point for corner;
North 48°56'06" East, a distance of 245.79 feet to a point for corner in the southwest line of a called 0.65 acre tract described in Warranty Deed to the City of Denton Texas, a Municipal Corporation, recorded in Volume 1196, Page 442, Deed Records, Denton County, Texas;

THENCE with said southwest line of the 0.65 acre tract and the south line of said 0.65 acre tract, the following courses and distances:

South 41°03'46" East, a distance of 221.71 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for corner;
South 89°17'24" East, a distance of 440.00 feet to the **POINT OF BEGINNING** and containing 686,345 square feet or 15.7563 acres of land.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

Legal Description – Subdistrict B

BEING a tract of land situated in the B.B.B. & C.R.R. Survey, Abstract No. 186, Denton County, Texas, and being part of a called 25.976 acre tract of land described in Special Warranty Deed to Greater Texas Land Resources, Et Al recorded in instrument No. 2023-59521, Official Public Records, Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8" iron rod with red plastic cap stamped "KHA" set at the north end of a corner clip at the intersection of the east right-of-way line of Windsor Drive (a variable width right-of-way) and the northeast right-of-way line of North Elm Street (a variable width right-of-

way) and being the beginning of a non-tangent curve to the left with a radius of 570.83 feet, a central angle of 25°02'14", and a chord bearing and distance of North 20°16'08" East, 247.46 feet;

THENCE with said east right-of-way line and the south right-of-way line of Windsor Drive the following courses and distances:

In a northeasterly direction, with said non-tangent curve to the left, an arc distance of 249.44 feet to a 1/2" iron rod with yellow plastic cap found for corner;
North 07°45'01" East, a distance of 209.42 feet to a 1/2" iron rod with yellow plastic cap stamped "H&N 1849" found at the beginning of a tangent curve to the right with a radius of 345.00 feet, a central angle of 69°10'03", and a chord bearing and distance of North 42°20'02" East, 391.65 feet;
In a northeasterly direction, with said tangent curve to the right, an arc distance of 416.48 feet to a 1/2" iron rod with yellow plastic cap stamped "H&N 1849" found for corner;
North 76°55'01" East, a distance of 100.10 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set at the beginning of a non-tangent curve to the right with a radius of 478.35 feet, a central angle of 32°33'02", and a chord bearing and distance of South 86°48'25" East, 268.12 feet;
In a southeasterly direction, with said non-tangent curve to the right, an arc distance of 271.76 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for corner in the west line of a called 0.65 acre tract of land described in Warranty Deed to the City of Denton Texas, a Municipal Corporation, recorded in Volume 1196, Page 442, Deed Records, Denton County, Texas;

THENCE departing said south right-of-way line of Windsor Drive, with said west line and the southwest line of the 0.65 acre tract, the following courses and distances:

South 00°38'27" East, a distance of 244.62 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for corner;
South 41°03'46" East, a distance of 12.76 feet to a point for corner;

THENCE departing said southwest line of the 0.65 acre tract, over and across said 25.976 acre tract, the following courses and distances:

South 48°56'06" West, a distance of 245.79 feet to a point for corner;
South 41°03'54" East, a distance of 70.89 feet to a point for corner;
South, a distance of 163.10 feet to a point for corner;
South 42°00'00" West, a distance of 238.39 feet to a point for corner;
North 48°00'00" West, a distance of 53.38 feet to a point for corner;
South 42°00'00" West, a distance of 165.25 feet to a point for corner in said northeast right-of-way line of North Elm Street and being the beginning of a non-tangent curve to the left with a radius of 3,879.72 feet, a central angle of 03°27'18", and a chord bearing and distance of North 64°35'20" West, 233.91 feet;

THENCE with said northeast right-of-way line of North Elm Street, the following courses and distances:

In a northwesterly direction, with said non-tangent curve to the left, an arc distance of 233.95 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for corner and being the beginning of a reverse curve to the right with a radius of 3,759.72 feet, a central angle of 01°28'32", and a chord bearing and distance of North 65°34'42" West, 96.83 feet;
In a northwesterly direction, with said reverse curve to the right, an arc distance of 96.83 feet to a 5/8" iron rod with red plastic cap stamped "KHA" set for the southeast end of said corner clip;

THENCE with said corner clip, North 17°38'34" West, a distance of 20.12 feet to the **POINT OF BEGINNING** and containing 444,288 square feet or 10.1995 acres of land.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

EXHIBIT B - DEVELOPMENT STANDARDS

PD24-0002

Jefferson North Elm

25.96 acres

PD-MN, Multi-Family Land Use – 15.76 acres

PD-PF, Park Land Dedication and Amenities – 10.20 acres

City of Denton, Denton County, Texas

SECTION 1: Purpose Statement

The purpose of the proposed Planned Development (PD) is to facilitate a clustered multi-family development on 15.76 acres while preserving 10.20 acres of open space and existing trees, adding trails and amenities, and dedicating this area to the City of Denton Parks Department.

The regulations set forth in these development standards are for the PD District which consists of approximately 25.96 acres described in Exhibit A.

SECTION 2: Definitions

Clustered Multi-Family Development: A multi-family development in which density is allowed to be concentrated in exchange for permanent protection of open space. The purpose is to protect sensitive lands and common open space areas.

Park Land Dedication Area: An area within the Planned Development District that has been designated for Tree Preservation and Open Space which exceeds 30% of the overall development and is consistent with the *intent of the Preferred Land Preservation Plan and the goals of the Comprehensive to preserve open space.* This area will have a base zoning designation of Public Facilities (PF), will be considered acreage within the Development Impact Area, and will include trails, benches, and amenities for public use.

SECTION 3: Zoning

Where modifications are not expressly authorized within the Planned Development Standards, all requirements of the Denton Development Code, as amended, must be met.

This PD establishes two subdistricts with separate base zoning districts:

Subdistrict A: Multi-Family Land Use, PD-MN (15.76 acres)
Subdistrict B: Park Land Dedication Area, PD-PF (10.20 acres)

3.1 Subdistrict A

Subdistrict A has a base zoning district of Mixed-Use Neighborhood (MN) containing a primary land use of multi-family dwelling units. Accessory Uses are permitted as listed below. Subdistrict A shall follow the development standards only as provided for in the Mixed-Use Neighborhood (MN) District of the DDC. Uses allowed within this Subdistrict shall be limited to only those uses listed in Section 3.1.1 below. Otherwise, all requirements of the 2019 Edition of the Denton Development Code (DDC), as amended, shall apply except where modified herein.

3.1.1 Permitted Uses

Primary Uses

Multi-family Dwelling Units

Accessory Uses

Amenity Centers

Leasing Offices

Garages and Car Ports

Home Occupations

Swimming Pools

Onsite Resident Amenities

3.1.2 Subdistrict A Dimensional Standards

Dimensional standards required for the MN Zoning District apply to this development, except as amended in this Section.

The maximum building height is 55', with the approval of this Planned Development.

3.2 Subdistrict B

Subdistrict B has a base zoning district of Public Facilities. Uses allowed within this Subdistrict shall be limited to only those uses listed in Section 3.2.1 below. Otherwise, all requirements of the 2019 Edition of the Denton Development Code (DDC), as amended, shall apply except where modified herein.

3.2.1 Permitted Land Uses

Park
Playground
Open Space

3.2.2 Prohibited Land Uses

Any land use not expressly permitted within these PD Standards.

3.2.3 Subdistrict B Dimensional Standards

Dimensional standards required for the PF Zoning District apply to this development.

SECTION 4: Development Standards

This PD shall comply with the development standards listed in this Section below, and in accordance with the Zoning Plan, Development Plan, Landscape Plan, and Building Elevations with attached Exhibits respectively.

4.1 Landscape Standards

All requirements of DDC Subchapter 7.7, Landscaping, Screening, Buffering, and Fences shall apply to this Planned Development, except where amended by this Section.

4.1.1 COMPATIBILITY BUFFER

No Landscape Buffer will be required between Subdistrict A and Subdistrict B, as both are developing uses within this Planned Development.

4.1.2 LANDSCAPE AND TREE CANOPY REQUIREMENTS

DDC Subsection 7.7.5 Table 7.D Shall Apply except that:

A. Minimum Landscape Area for Subdistrict A shall be 30%
B. Minimum Landscape Area for Subdistrict B shall be 90%
C. Minimum Tree Canopy Coverage for Subdistrict A shall be 40%
D. Minimum Tree Canopy Coverage for Subdistrict B shall be 50%
E. A combination of parking lot landscaping elements from DDC Subsection 7.7.5 Table 7.E shall be permitted as shown on the Development Plan, including:
    a. Internal landscape islands with an area of at least 9 feet by 10 feet containing at least one canopy tree; and
    b. Landscape medians at least 8 feet wide running the length of a parking row and containing at least one large canopy tree per 30 linear feet

4.1.3 TREE PRESERVATION REQUIREMENTS

The total Planned Development Area shall have a minimum tree preservation requirement of 40%.

4.2 Parking Standards

4.2.1 Amount of Off-Street Parking Required:

The minimum parking requirement is 1 space per bedroom. A studio is considered equivalent to a 1-bedroom dwelling unit. A minimum of 653 parking spaces are required, plus 112 guest parking spaces, resulting in 765 spaces provided.

4.2.2 Off-Street Parking Layout and Design

Parking located between the front building façade and adjacent street frontage is permitted where shown on the PD Development Plan.

4.3 Site and Building Design Standards

4.3.1. All requirements of DDC Subchapter 7.10.4, Multifamily Site and Building Design shall apply to the multifamily use in this PD, except where amended by this Section.

Subdistrict A: Multi-family

A. This Planned Development shall be exempt from the requirement that the first floor be a minimum of 12 feet in height.
B. Subdistrict A shall provide a minimum of 3% Open Space and Subdistrict B shall provide a minimum of 95% Open Space.
C. Building 1, as shown on the Development Plan, shall be exempt from the requirement that the primary building access be oriented towards the adjacent street or sidewalk.
D. Pedestrian paths connecting to adjacent street rights-of-way shall be provided as shown on the PD Development Plan.

SECTION 5: Development Phasing

The development shall be constructed in a single phase.

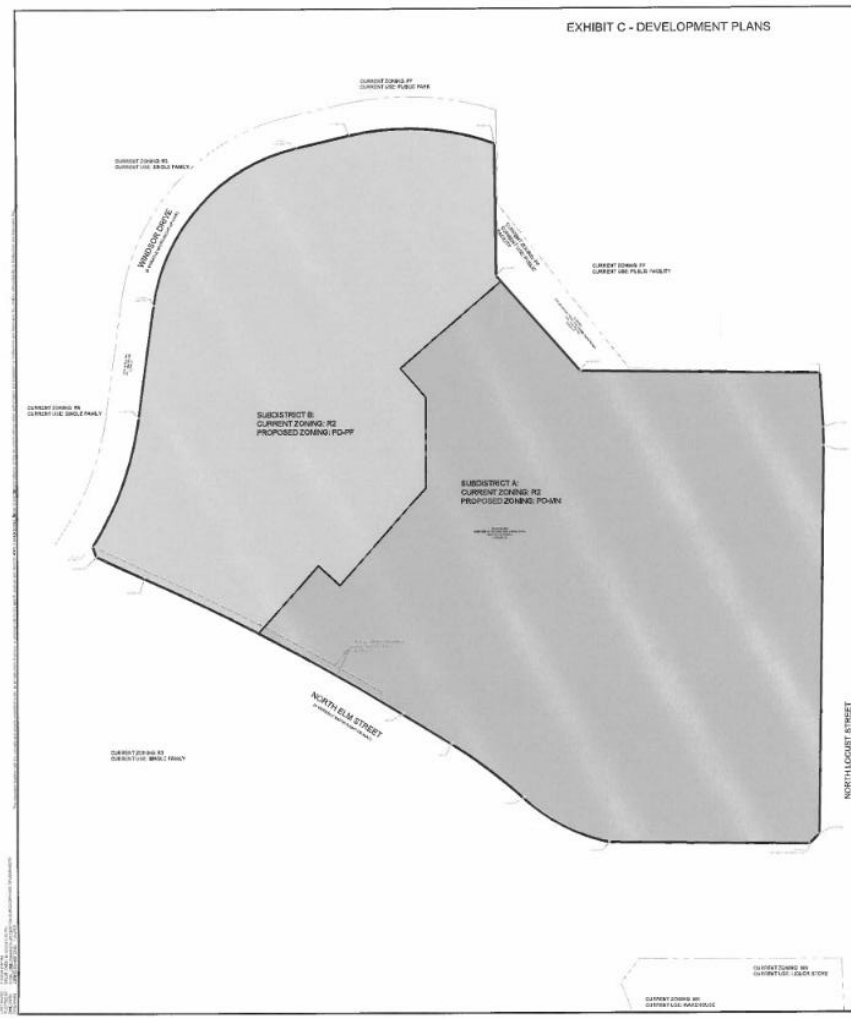
5.1 Driveway Locations

5.1.1 Improvements within the Texas Department of Transportation (TxDOT) roadways require approval by TxDOT. If TxDOT requires minor alterations to relocate the proposed drive approaches, relocate proposed street trees, adjust building location and relocate parking spaces impacted by the relocation of drive approaches, add a turn lane, or any other minor changes required by TxDOT, these changes may be approved by City staff, provided that the final configuration of the drive approaches and the number of street trees provided comply with the TxDOT requirements as well as all elements of the DDC . All other changes shall require a Planned Development amendment in accordance with the Denton Development Code.

Exhibits

EXHIBIT C - DEVELOPMENT PLANS

EXHIBIT C - DEVELOPMENT PLANS



GRAPHIC SCALE IN FEET
0 40 80 160

LEGEND
ZONING DISTRICT BOUNDARY
PROPERTY LINE

Zoning Plan	
Subdistrict A	15.76 AC
Subdistrict B	10.20 AC

Kimley»Horn

JEFFERSON ELM
PREPARED FOR:
JPI
CITY OF DENTON, TX

ZONING PLAN

SHEET NUMBER
EX A

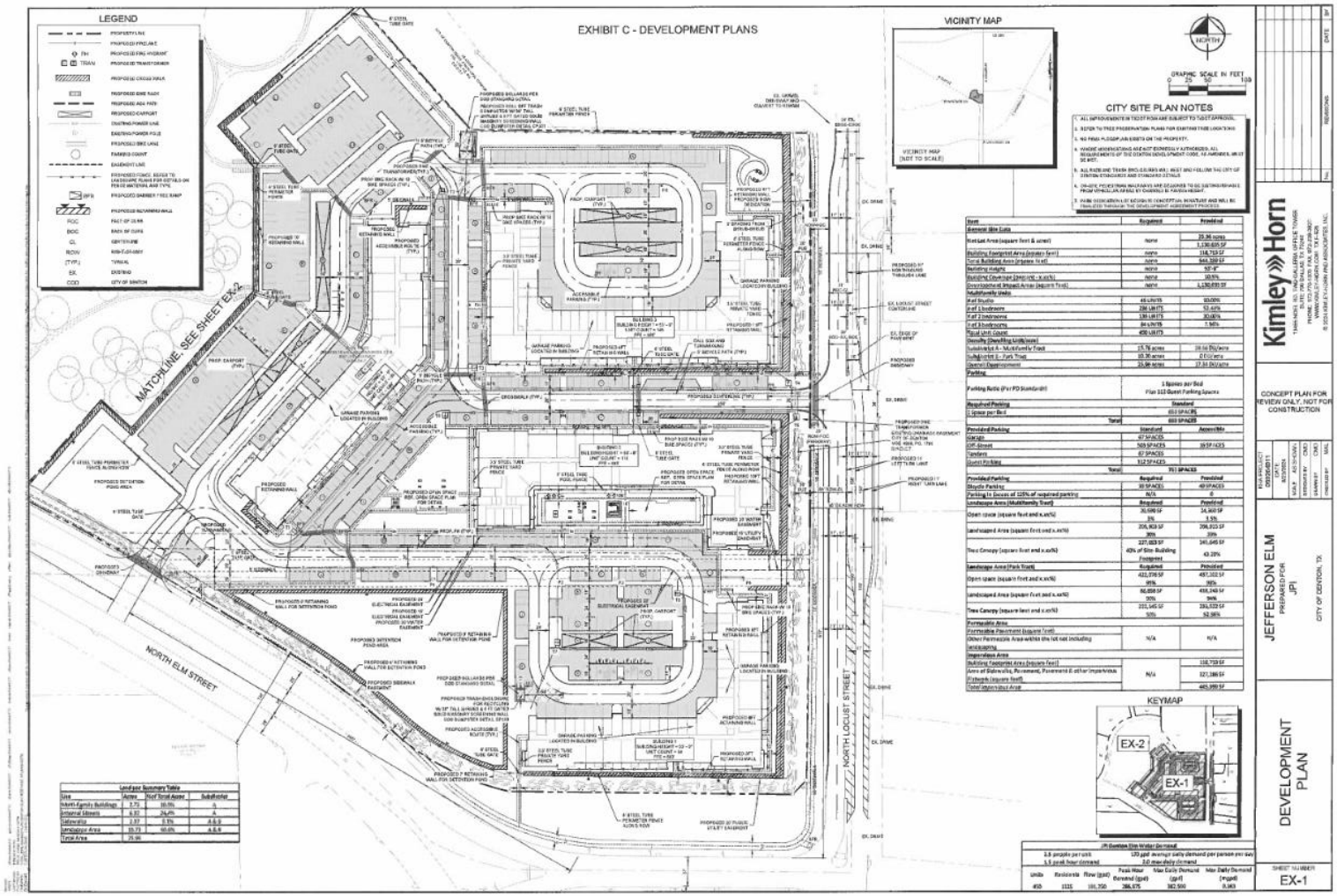
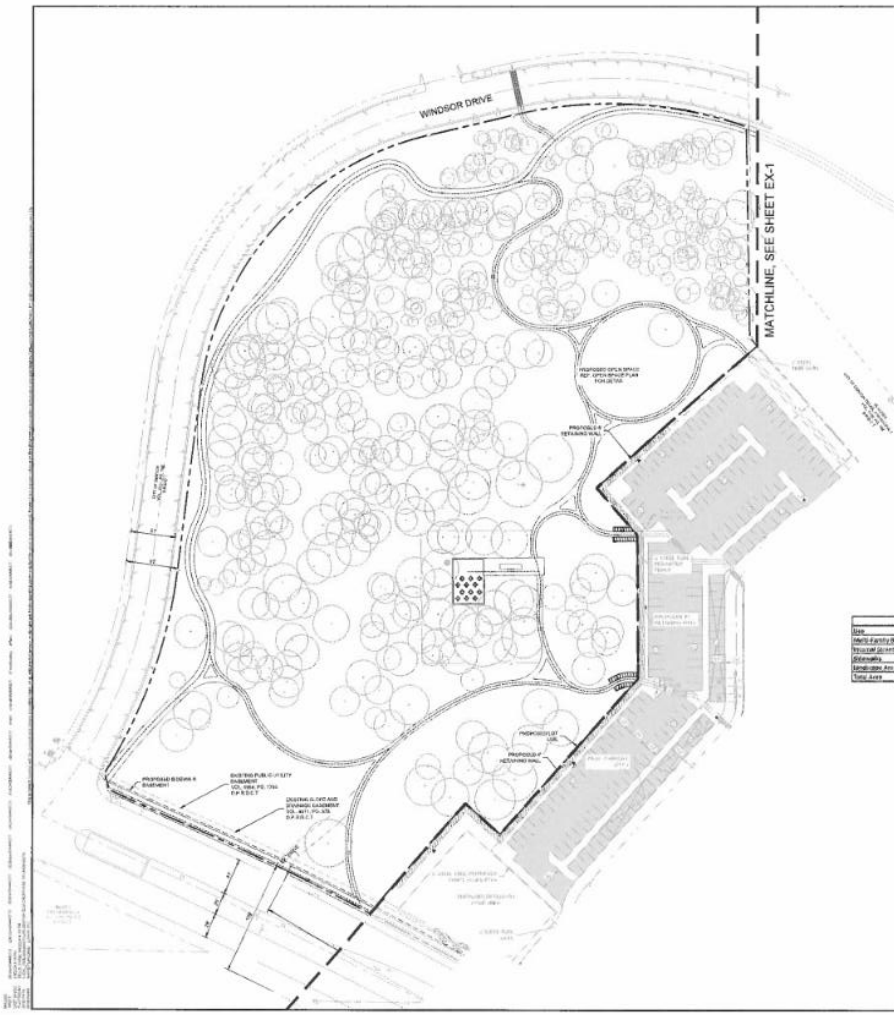


EXHIBIT C - DEVELOPMENT PLANS
LEGEND
VICINITY MAP
CITY SITE PLAN NOTES
KEYMAP
MATCHLINE, SEE SHEET EX-2
NORTH ELM STREET
NORTH LOCUST STREET
Kimley»Horn
JEFFERSON ELM
PREPARED FOR
JPI
CITY OF DENTON, TX
CONCEPT PLAN FOR REVIEW ONLY, NOT FOR CONSTRUCTION
DEVELOPMENT PLAN
EX-1



VICINITY MAP

NORTH

GRAPHIC SCALE IN FEET
0 25 50 100

CITY SITE PLAN NOTES

1. ALL IMPROVEMENTS IN CROSS HATCHED AREAS SUBJECT TO TXDOT APPROVAL.
2. REFER TO TREE PRESERVATION PLANS FOR CONSTRUCTION LOCATIONS.
3. NO FEMA FLOODPLAIN EXISTS ON THE PROPERTY.
4. SIGNAGE INDICATIONS ARE NOT APPROVED OR PERMITTED. ALL REQUIREMENTS OF THE DENTON DEVELOPMENT CODE, AS AMENDED, MUST BE MET.
5. ALL TRASH AND TRASH ENCLOSURES WILL MEET AND FOLLOW THE CITY OF DENTON STANDARDS AND STANDARD DETAILS
6. ON-SITE PEDESTRIAN WALKWAYS ARE INTENDED TO BE DISTINGUISHABLE FROM VEHICULAR AREAS BY CHANGES IN PAVING HEIGHT.
7. TREE DEDICATION / LOT DESIGN IS CONCEPTUAL IN NATURE AND WILL BE FINALIZED THROUGH THE DEVELOPMENT ASSESSMENT PROCESS.

LEGEND

	PROPERTY LINE
PL	PROPOSED FIRE LANE
	PARKING COUNT
	EASEMENT LINE
	ACCESSIBLE ROUTE
	PROPOSED RETAINING WALL

Land Use Summary Table			
Use	Acres	% of Total Acres	Subdistrict
Multi-Family Buildings	2.75	10.9%	A
Structural Garages	4.22	16.6%	A
Sidewalks	2.37	9.3%	A & B
Landscape Area	15.73	60.6%	A & B
Total Area	25.06		

KEYMAP

Item	Required	Provided
General Site Data		
Net Lot Area (square feet & acres)	none	25.76 acres 1,130,635 SF
Building Footprint Area (square feet)	none	138,713 SF
Total Building Area (square feet)	none	544,286 SF
Building Height	none	5/6 4T
Building Coverage (percent - s.a/ft)	none	10.5%
Development Impact Area (square feet)	none	1,130,635 SF
Residential Units		
# of Studio	45 UNITS	10.00%
# of 1 Bedroom	256 UNITS	52.41%
# of 2 Bedrooms	135 UNITS	30.00%
# of 3 Bedrooms	34 UNITS	7.56%
Total Unit Count	450 UNITS	
Density (Dwelling Unit/acre)		
Subdistrict A - Multifamily Tract	15.76 acres	28.56 Du/acre
Subdistrict B - Park Tract	10.30 acres	0 Du/acre
Overall Development	25.94 acres	27.34 Du/acre
Parking		
Parking Ratio (Per PD Standards)		1 Space per bed Plus 112 Guest Parking Spaces
Required Parking	Standard	
1 Space per Bed	450 SPACES	
Total	450 SPACES	
Provided Parking	Standard	Accessible
Garage	67 SPACES	
Off-Street	300 SPACES	16 SPACES
Tandem	47 SPACES	
Guest Parking	112 SPACES	
Total	766 SPACES	
Handicap Parking	Required	Provided
Regular Parking	38 SPACES	42 SPACES
Parking in Excess of 125% of required parking	N/A	2
Landscape Area (Multifamily Tract)	Required	Provided
Open space (square feet and s.a/ft)	35,100 SF 3%	34,500 SF 3.5%
Landscaped Area (square feet and s.a/ft)	303,968 SF 30%	386,870 SF 39%
Tree Canopy (square feet and s.a/ft)	227,088 SF 40% of Site Building Footprint	395,699 SF 40.28%
Landscape Area (Park Tract)	Required	Provided
Open space (square feet and s.a/ft)	420,876 SF 90%	437,303 SF 98%
Landscaped Area (square feet and s.a/ft)	38,880 SF 20%	418,349 SF 94%
Tree Canopy (square feet and s.a/ft)	222,548 SF 50%	233,627 SF 52.56%
Permeable Area		
Permeable Pavement (square feet)	N/A	N/A
Other Permeable Area within the lot not including landscaping		
Impervious Area		
Building Footprint Area (square feet)	N/A	138,713 SF
Area of Sidewalks, Plaza, Pavement, Pavement & other impervious (sidewalk) (square feet)		337,206 SF
Total Impervious Area		475,919 SF

Wastewater Flow Calculations						
2.5 people per unit 1.5 peak hour factor			100 gpd average daily demand per person per day 2.0 max daily demand			
Units	Residents	Flow (gpd)	Peak Hour Demand (gpd)	Max Daily Demand (gpd)	Max Daily Demand (mgpd)	
450	1125	393,750	394,875	382,500	0.383	

Kimley»Horn

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WWW.KIMLEY-HORN.COM

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No.	DATE	BY
1	8/16/2024	

CONCEPT PLAN FOR REVIEW ONLY, NOT FOR CONSTRUCTION

KHA PROJECT 069600011
DATE 8/16/2024
DESIGNED BY CMR
DRAWN BY CMR
CHECKED BY MAL

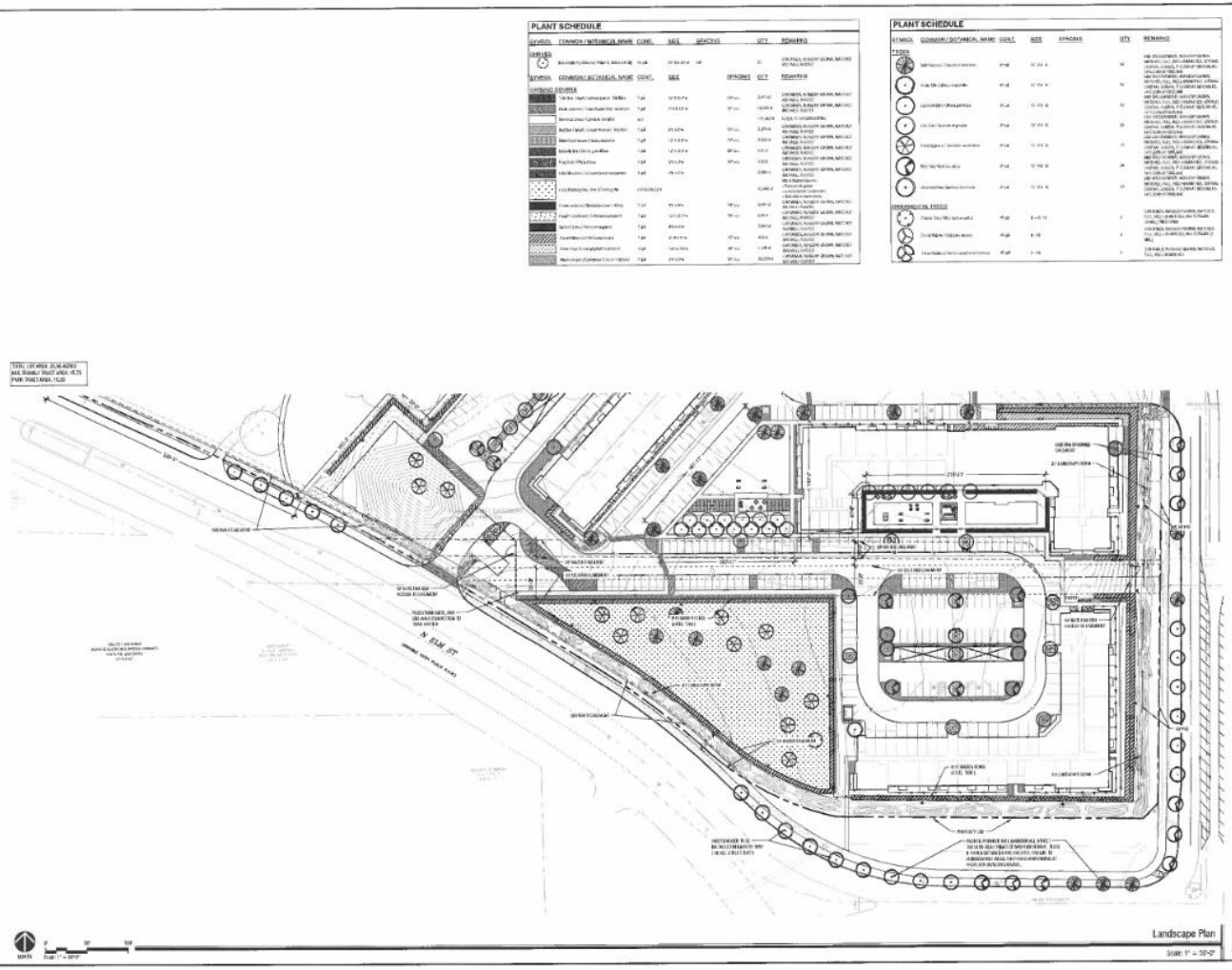
JEFFERSON ELM

PREPARED FOR JPI

CITY OF DENTON, TX

DEVELOPMENT PLAN

SHEET NUMBER
EX-2



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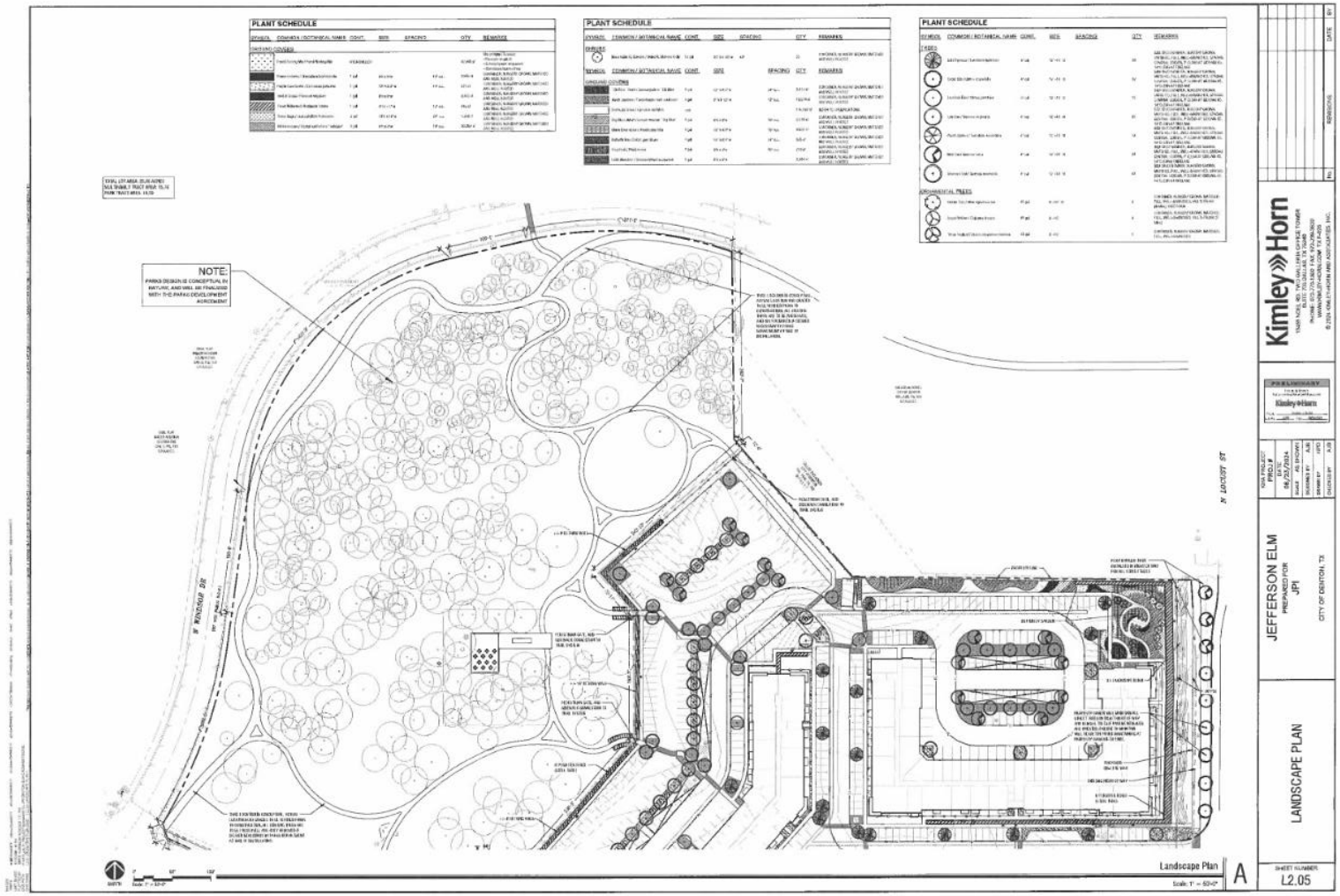
JEFFERSON ELM

PREPARED FOR JPI

CITY OF DENTON, TX

LANDSCAPE PLAN

SHEET NUMBER L2.04


PLANT SCHEDULE
PLANT SCHEDULE
PLANT SCHEDULE
NOTE:
PARKS DESIGN IS CONCEPTUAL IN NATURE AND WILL BE FINALIZED WITH THE PARKS DEVELOPMENT AGREEMENT
N. WOODROW DR
N. LOCUST ST
Landscape Plan
Scale: 1" = 60'-0"
Kimley»Horn
JEFFERSON ELM
PREPARED FOR
JPI
CITY OF DENTON, TX
LANDSCAPE PLAN
SHEET NUMBER
L2.05

PLANTING NOTES:

1. LANDSCAPE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE LOCATION OF ALL UNDERGROUND UTILITIES, PIPES, STRUCTURES, AND LINE RUNS SO THAT NO DAMAGE TO THE INSTALLATION OF ANY PLANT MATERIAL.
2. IT IS THE RESPONSIBILITY OF THE CONTRACTOR TO ADVISE THE LANDSCAPE ARCHITECT IF ANY CONDITION FOUND BY THE SITE WORK PROHIBITS INSTALLATION AS SHOWN OR THESE DRAWINGS.
3. ALL PLANT MATERIAL SHALL BE MAINTAINED IN A HEALTHY AND THRIVING CONDITION AND MUST BE REPLACED WITH PLANT MATERIAL OF LIKE VARIETY AND SIZE IF DAMAGED, DESTROYED, OR REMOVED.
4. LANDSCAPE CONTRACTOR SHALL BE RESPONSIBLE FOR FINE GRADING AND REMOVAL OF DEBRIS PRIOR TO PLANTING IN ALL AREAS.
5. FINAL SHRUB GRADING SHALL BE REVIEWED BY THE LANDSCAPE ARCHITECT. LANDSCAPE CONTRACTOR SHALL BE RESPONSIBLE FOR ANY ADDITIONAL TOPSOIL REQUIRED TO CREATE A UNIFORM CONDITION PRIOR TO PLANTING.
6. ALL PLANT QUANTITIES QUOTED ARE FOR INFORMATION ONLY. IT IS THE CONTRACTORS RESPONSIBILITY TO PROVIDE FULL COVERAGE IN ALL PLANTING AREAS AS SPECIFIED ON THE PLANT MATERIAL SCHEDULE.
7. LANDSCAPE CONTRACTOR TO PROVIDE STEEL EDGING (NOTED TO MATERIALS PAGE) BETWEEN ALL PLANTING BEDS AND LAWN AREAS.
8. ALL PLANT MATERIAL SHALL CONFORM TO THE SPECIFICATIONS AND SIZES GIVEN IN THE PLANT LIST AND SHALL BE INSPECTED IN ACCORDANCE WITH THE AMERICAN STANDARD FOR NURSERY STOCK, LATEST EDITION. APPROVED SELECTION OF NURSERY PLANTS IS REQUIRED. ALL PLANTS USED WITHIN SHALL BE APPROVED BY LANDSCAPE ARCHITECT PRIOR TO PURCHASE.
9. LANDSCAPE CONTRACTOR IS RESPONSIBLE FOR ANY COORDINATION WITH OTHER CONTRACTORS AS MAY BE REQUIRED TO ACCOMPLISH ALL PLANTING OPERATIONS.
10. ALL WORK PERFORMED TO BE ACCORDING PER SPECIFICATIONS.
11. ANY PLANT MATERIAL THAT DOES NOT SURVIVE SHALL BE REPLACED WITH AN EQUIVALENT SIZE AND SPECIES WITHIN THIRTY DAYS NOTICE.
12. PLANT MATERIAL SHALL BE PRUNED AS NECESSARY TO CONTROL SIZE BUT NOT TO DISRUPT THE NATURAL GROWTH PATTERN OR OPERATIONS TO FORM OF THE PLANT DESPITE ALL NECESSARY TO ACHIEVE HEIGHT CLEARANCE FOR MOBILITY AND PEDESTRIAN PASSAGE OR TO ACHIEVE A CONTINUOUS OPAQUE SCREEN IF REQUIRED.
13. LANDSCAPED AREAS SHALL BE KEPT FREE OF TRASH, WEEDS, DEBRIS, AND DEAD PLANT MATERIAL.
14. ALL LAWN ESTABLISHED SOIL & ORGANIC SUBJECTFILL FOR BUILDING SHALL BE REMOVED FROM PLANTING AREAS TO A DEPTH OF 24" & REPLACED WITH ORGANIC APPROVED TOPSOIL MIX.
15. ALL PLANT OR MATERIALS NOTED ARE FOR INFORMATION ONLY. IT IS THE CONTRACTOR'S RESPONSIBILITY TO PROVIDE FULL COVERAGE IN ALL PLANTING AREAS AS SPECIFIED ON THE PLANS. REFER TO LANDSCAPE DETAILS ON SHEET L2.07.
16. CONTRACTOR TO PROVIDE 12 MONTH WARRANTY AND MAINTENANCE AFTER FINAL ACCEPTANCE
17. ALL AREAS DISTURBED BY CONSTRUCTION ACTIVITY (NOT ALREADY INCLUDED IN PLANTING PLANS) TO BE FINE GRADED, AND PLANTED WITH PLANTS OR SOD TO MATCH EXISTING CONDITIONS.

Item	Required	Provided
General Site Data		
Net Lot Area (square feet & acres)	none	35.90 acres 1,133,410.5'
Building Footprint Area (square feet)	none	333,713.00'
Total Building Area (square feet)	none	346,288.00'
Building Height	none	53'-0"
Building Coverage (percent - LOT)	None	29.5%
Development Impact Area (square feet)	none	1,158,410.5'
Multifamily Units		
# of Studio	45 UNITS	12.45%
# of 1 bedroom	276 UNITS	52.46%
# of 2 bedrooms	126 UNITS	35.81%
# of 3 bedrooms	34 UNITS	9.66%
Total Unit Count	480 UNITS	
Density (Dwelling Unit/Acre)		
Residential - Multifamily Tract	15.79 acres	28.54 DU/acre
Residential - Park Tract	19.52 acres	0 DU/acre
Overall Development	35.90 acres	17.54 DU/acre
Parking		
Parking Per Unit (Per PD Standards)	1 Spaces per Bed Plus 1/2 Guest Parking Spaces	
Required Parking	Standard	
1 Space per Bed	653 SPACES	
Total	653 SPACES	
Provided Parking	**Standard**	**Accessible**
Garage	67 SPACES	
Lot (private)	468 SPACES	To MEET ADA
Parallel	67 SPACES	
Leased Parking	132 SPACES	
Total	734 SPACES	
Required Parking	**Required**	**Provided**
Bicycle Parking	10 SPACES	40 SPACES
Parking Reduction of 20% of required parking	N/A	0
Landscape Calculations (Multifamily Tract)	**Required**	**Provided**
Open space (square feet and s.a.m%)	20,160 SF 5%	24,394 SF 6.0%
Landscaped Area (square feet and s.a.m%)	305,603 SF 30%	306,913 SF 30%
Tree Canopy (square feet and s.a.m%)	22,680 SF 40% of (Site-Building Footprint)	265,945 SF 42.36%
Landscape Calculations (Park Tract)	**Required**	**Provided**
Open space (square feet and s.a.m%)	410,896 SF 90%	421,909 SF 100%
Landscaped Area (square feet and s.a.m%)	85,416 SF 100%	418,349 SF 99%
Tree Canopy (square feet and s.a.m%)	122,148 SF 30%	208,322 SF 49.84%
Landscape Calculations (Site Total)	**Required**	**Provided**
Open space (square feet and s.a.m%)	20,416 SF 5%	486,303 SF 43%
Landscaped Area (square feet and s.a.m%)	256,127 SF 30%	680,150 SF 51%
Tree Canopy (square feet and s.a.m%)	449,196 SF 40%	474,267 SF 47.95%
Street Trees	**REQUIRED**	**PROVIDED**
Elm Street (West)	1,320 LINEAR FEET OF STREET FRONTAGE. TREES 30' O.C. 1,320 / 30 = 45 TREES	45 Trees Provided
Locust Street (East)	810 LINEAR FEET OF STREET FRONTAGE. TREES 30' O.C. 810 / 30 = 27 TREES	28 Trees Provided

Denton Elm

Street Tree Requirements

Street Tree Species Diversity		
Tree	Tree Species	# of Trees
1	Bald Cypress	11
2	Cedar Elm	12
3	Live Oak	12
4	Texas Ash	11
5	Red Oak	9
6	Shumard Red Oak	12

Street Naming & Required Tree Numbers		
Street Name	Planted Trees	Required Trees
Elm Street, S.Dir	72	45
Locust Street, S.Dir	28	28
Total Street Trees to be Planted	28	

Denton Elm

Landscape Point System (30 points required)

Section A: Right-of-Way Buffers (USE ONLY WHEN THERE IS NO ON-SITE PARKING)		
Point	Landscape Item	Points & Required
(5 pts)	Multi-layered tree row with a minimum 3.5 to 4 caliper inch trees	5 Points
Section B: Parking Lot Landscaping Elements (Minimum 5)	**Points**	**Points**
Points	Landscape Item	(2) Provided
(5 pts)	Tree caps must be placed at least every 15 LF containing at least 1 large canopy tree per 20 linear feet	5 Points
(5 pts)	A landscape median of at least 8' width "among the angle of a parking row and containing at least 1 large canopy tree per 30 linear feet	5 Points
Section C: Other Site Landscaping Elements		
Points	Landscape Items	(2) Required
(5 pts)	Butterfly or bird attracting gardens that include native perennial and annual plants that are specified as part of a designated pollinator area. No less than one and one half percent (1.5%) of the required overall landscape area. Butterfly and pollinator gardens are encouraged over turfed lawn areas/garden as a Research City.	Required Area: 6,900 sf
(5 pts)	At least 75 percent of plants proposed are drought-tolerant as indicated in the approved plant list.	5 Points
(5 pts)	Landscape areas planted to naturalistic mixed-use trees with a landscaped 20 percent or more.	5 Points
Total pts		20

		5 Points Provided Area: 8,000 sf
		5 Points
		30

TREE CANOPY COVERAGE IS CALCULATED USING THE FOLLOWING FORMULA:
TREE CANOPY COVERAGE = 40% (SITE AREA - BUILDING FOOTPRINT)

TREE CANOPY COVERAGE IS CALCULATED USING THE FOLLOWING FORMULA:
TREE CANOPY COVERAGE = 40% SITE AREA.

TREE CANOPY COVERAGE IS CALCULATED USING THE FOLLOWING FORMULA:
TREE CANOPY COVERAGE = (PARK TRACT REQUIREMENT) + MULTIFAMILY TRACT REQUIREMENT

PLANT SCHEDULE

SYMBOL	COMMON / BOTANICAL NAME	CONT.	SIZE	SPACING	QTY	REMARKS
TREES						
	Bald Cypress / Taxodium distichum	4" cal.	12'-14' HT		38	B&B OR CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED, STRONG CENTRAL LEADER, 7' CLEAR AT SIDEWALKS, 14' CLEAR AT TRAILWAY
	Cedar Elm / Ulmus crassifolia	4" cal.	12'-14' HT		32	B&B OR CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED, STRONG CENTRAL LEADER, 7' CLEAR AT SIDEWALKS, 14' CLEAR AT TRAILWAY
	Lacebark Elm / Ulmus parvifolia	4" cal.	12'-14' HT		13	B&B OR CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED, STRONG CENTRAL LEADER, 7' CLEAR AT SIDEWALKS, 14' CLEAR AT TRAILWAY
	Live Oak / Quercus virginiana	4" cal.	12'-14' HT		28	B&B OR CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED, STRONG CENTRAL LEADER, 7' CLEAR AT SIDEWALKS, 14' CLEAR AT TRAILWAY
	Pond Cypress / Taxodium ascendens	4" cal.	12'-14' HT		12	B&B OR CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED, STRONG CENTRAL LEADER, 7' CLEAR AT SIDEWALKS, 14' CLEAR AT TRAILWAY
	Red Oak / Quercus rubra	4" cal.	12'-14' HT		34	B&B OR CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED, STRONG CENTRAL LEADER, 7' CLEAR AT SIDEWALKS, 14' CLEAR AT TRAILWAY
	Shumard Oak / Quercus shumardii	4" cal.	12'-14' HT		40	B&B OR CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED, STRONG CENTRAL LEADER, 7' CLEAR AT SIDEWALKS, 14' CLEAR AT TRAILWAY
ORNAMENTAL TREES						
	Crape Myrtle / Lagerstroemia indica	45 gal	8'-10' HT		5	CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED, MULTI-TRUNK (3 MIN.), TREE FORM
	Bradford Pear / Pyrus calleryana 'Bradford'	45 gal	8'-10'		4	CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED, MULTI-TRUNK (3 MIN.)
	Texas Redbud / Cercis canadensis texensis	45 gal	8'-10'		5	CONTAINER, NURSERY GROWN, MATCHED, FULL, WELL-BRANCHED
SHRUBS						
	Dwarf Nellie R. Stevens / Ilex x 'Nellie R. Stevens' Holly	15 gal	36" H x 30" W	48"	27	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED

SYMBOL	COMMON / BOTANICAL NAME	CONT.	SIZE	SPACING	QTY	REMARKS
GROUND COVERS						
	'Dr. Huey' Rock / Asteca sutera 'Dr. Blue'	1 gal	12" H, 8-10" W	24" o.c.	2,413 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Asian Jasmine / Trachelospermum asiaticum	1 gal	6" H, 8-12" W	12" o.c.	10,576 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Bermuda Grass / Cynodon dactylon	sod			176,867 sf	REFER TO SPECIFICATIONS
	Big Blue Liriope / Liriope muscari 'Big Blue'	1 gal	6"H x 6"W	18" o.c.	2,374 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Black Eyed Susan / Rudbeckia hirta	1 gal	12"H x 24"W	18" o.c.	4,000 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Butterfly Mix / Various grandiflora	1 gal	12"H x 12"W	24" o.c.	909 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Frog Fruit / Phyla nodiflora	1 gal	4"H x 6"W	18" o.c.	778 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Little Bluestem / Schizachyrium scoparium	1 gal	6"H x 6"W		2,364 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED Mix of Native Grasses: - Panicum virgatum - Sorghastrum nutans - Schizachyrium scoparium
	Floral Planting Mix / Floral Planting Mix	HYDROMULCH			42,849 sf	
	Prairie Verbena / Glandularia bipinnatifida	1 gal	6"H x 6"W	18" o.c.	3,851 sf	CONTAINER, NURSERY GROWN, MATURED AND WELL ROOTED
	Purple Coneflower / Echinacea purpurea	1 gal	12"H x 8-10" W	18" o.c.	979 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Switch Grass / Panicum virgatum	1 gal	6"H x 6"W		3,402 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Texas Milkweed / Asclepias texana	1 gal	6"H x 6"W	18" o.c.	443 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Texas Sage / Leucophyllum frutescens	3 gal	12"H x 12"W	24" o.c.	1,243 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED
	Wintercreeper / Euonymus fortunei 'Coloratus'	1 gal	6"H x 6"W	18" o.c.	10,356 sf	CONTAINER, NURSERY GROWN, MATCHED AND WELL ROOTED

LANDSCAPE SUMMARY TABLE

OPEN SPACE	Square Footage (sf)	Percentage (%)
Multifamily Tract	24,302	6%
Park Tract	421,909	99%
TOTAL	446,302	40%
LANDSCAPE AREA	Square Footage (sf)	Percentage (%)
Multifamily Tract	306913	30%
Park Tract	418349	99%
TOTAL	680,150	51%

PROPOSED TREE CANOPY CALCULATIONS

PROVIDED TREES	QUANTITY	TOTAL SF
CANOPY (LARGE) = 1256 S.F.	174	218,544
CANOPY (MEDIUM) = 707 S.F.	38	26,866
ORNAMENTAL (LARGE) = 314 S.F.	8	2,826
ORNAMENTAL (SMALL) = 79 S.F.	1	237
Existing Tree Canopy		226,123
Totals:	220	474,567

Kimley»Horn
TEXAS REG. ENGINEERING FIRM F-928
TEXAS REG. LANDSCAPE ARCHITECTURAL FIRM LA-2194
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FRISCO, TEXAS 75034
PHONE: 972-335-3580
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No.	REVISIONS	DATE	BY

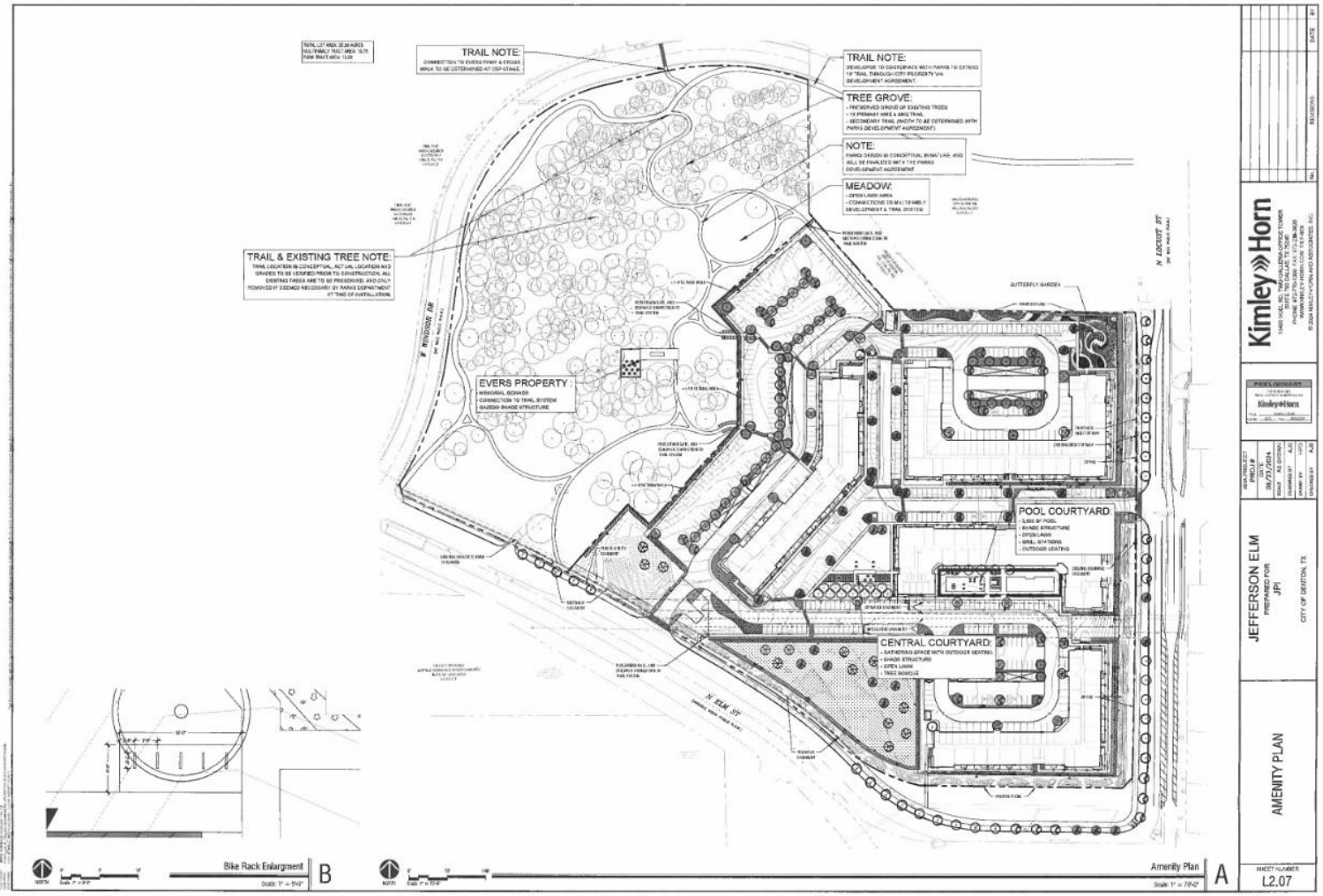
PRELIMINARY
Kimley»Horn
Not for construction, bidding or permit purposes
Authorized by: [redacted]
Date: [redacted]

KLH PROJECT
PROJECT #
DATE:
06/27/2024
SCALE: AS SHOWN
DESIGNED BY: AJS
DRAWN BY: BRTC
CHECKED BY: AJS

JEFFERSON ELM
PREPARED FOR
JPI
CITY OF DENTON, TX

LANDSCAPE CALCULATIONS

SHEET NUMBER
L2.06



Kimley»Horn

JEFFERSON ELM
PREPARED FOR
JPI
CITY OF DENTON, TX

AMENITY PLAN

SHEET NUMBER
L2.07

H1 BUILDING 1 - SOUTH ELEVATION 1/16" = 1'-0"

E1 BUILDING 1 - EAST ELEVATION 1/16" = 1'-0"

E9 BUILDING 1 - WEST ELEVATION 1/16" = 1'-0"

A1 BUILDING 1 - NORTH ELEVATION 1/16" = 1'-0"

FENESTRATION CALCULATIONS

BUILDING 1

SIDE	WALL AREA	FENESTRATION AREA	%
EAST ELEVATION	10,868 SF	2,580 SF	23.8%
SOUTH ELEVATION	17,469 SF	4,061 SF	23.4%
WEST ELEVATION	10,743 SF	2,503 SF	23.3%
NORTH ELEVATION	17,464 SF	4,063 SF	23.3%

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BUILDING 1 ELEVATIONS

2900 N. ELM ST. MULTIFAMILY

DENTON, DENTON COUNTY, TEXAS 76201

4/1/2024

11836-10

A-203

NOT FOR CONSTRUCTION

H1 BUILDING 2 - SOUTH ELEVATION 1/16" = 1'-0"

E1 BUILDING 2 - EAST ELEVATION

E9 BUILDING 2 - WEST ELEVATION

A1 BUILDING 2 - NORTH ELEVATION 1/16" = 1'-0"

FENESTRATION CALCULATIONS

BUILDING 2

EXT	WALL AREA	FENESTRATION AREA	%
EAST ELEVATION	7,360 SF	2,240 SF	27.3%
SOUTH ELEVATION	17,460 SF	6,340 SF	15.0%
WEST ELEVATION	7,356 SF	1,868 SF	25.6%
NORTH ELEVATION	17,602 SF	5,945 SF	33.8%

CONSENT ITEM FOR REVIEW ONLY. NOT FOR CONSTRUCTION. PREPARED UNDER THE SUPERVISION OF JOY GRECO TX LICENSE NO. 23580

LORD AECK SARGENT

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BUILDING 2 ELEVATIONS

2300 N. ELM ST. MULTIFAMILY

2300 N. ELM STREET
DENTON, TX 76201

4/1/2024

11836-10

A-204

NOT FOR CONSTRUCTION

H1 BUILDING 3 - SOUTH ELEVATION 1/16" = 1'-0"

E1 BUILDING 3 - EAST ELEVATION 1/16" = 1'-0"

E9 BUILDING 3 - WEST ELEVATION 1/16" = 1'-0"

A1 BUILDING 3 - NORTH ELEVATION 1/16" = 1'-0"

FENESTRATION CALCULATIONS

BUILDING 3

DIR.	WALL AREA	FENESTRATION AREA	%
EAST ELEVATION	8,944 SF	2,353 SF	27.5%
SOUTH ELEVATION	19,111 SF	4,664 SF	28.9%
WEST ELEVATION	4,381 SF	2,353 SF	26.2%
NORTH ELEVATION	16,733 SF	4,724 SF	25.2%

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BUILDING 3 ELEVATIONS

2900 N. ELM ST. MULTI-FAMILY

4/1/2024

11836-10

A-205

NOT FOR CONSTRUCTION

H1 BLDG 4 - SOUTHEAST ELEVATION 1/16" = 1'-0"

E1 BLDG 4 - SOUTHWEST ELEVATION

E9 BUILDING 4 - NORTH ELEVATION

A1 BLDG 4 - NORTHWEST ELEVATION 1/16" = 1'-0"

FENESTRATION CALCULATIONS

BUILDING 4

SIDE	WALL AREA	FENESTRATION AREA	%
SOUTHEAST ELEV.	16,716 SF	4,448 SF	26.7%
SOUTHWEST ELEV.	3,371 SF	898 SF	26.6%
NORTHWEST ELEV.	12,004 SF	2,955 SF	24.6%
NORTH ELEV.	2,971 SF	595 SF	20.0%

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BUILDING 4 ELEVATIONS

3500 N. ELM ST., MULTIFAMILY

DENTON, TX 76207

4/1/2024

11636-10

A-206

NOT FOR CONSTRUCTION

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

CM/DCM/ACM: Kenneth Hedges

DATE: August 18, 2026

SUBJECT
Consider approval of a resolution of the City of Denton, Texas, amending prior resolution consenting to the creation of "Hunter Ranch Improvement District No. 1 of Denton County, Texas" and the inclusion of land therein; providing additional consent to the inclusion of land therein; and providing an effective date.

STRATEGIC ALIGNMENT
This action supports Key Focus Area: Enhance Infrastructure and Mobility.

BACKGROUND
Hunter Ranch is a 3,167-acre master-planned development located west of I-35 West and east of Robson Ranch, within the city limits of Denton. It is designated as a Master Planned Community District under the Denton Development Code. The development's buildout is expected to occur over 40 years and is anticipated to include:

- 6,500 single-family units
- 3,250 multifamily units
- 365 commercial acres

Due to the scale of the development, significant public infrastructure is required. Developers fund these improvements and seek reimbursement through a Municipal Management District (MMD), a governmental agency and political subdivision of the state. The MMD finances public capital improvements and/or services by imposing property taxes, special assessments, and/or impact fees on property owners within the district.

On February 12, 2019, the Denton City Council passed resolutions of support for the creation of the MMD, which was approved by the Texas Legislature on June 14, 2019. On April 7, 2020, the City Council passed a consent resolution authorizing the creation of the Hunter Ranch MMD, accompanied by operating and project agreements outlining improvement projects, financing, reimbursement eligibility, allowable district tax rates, and district operations. The first amendment to the Operating Agreement, approved on May 7, 2024, increased the district's tax rate, removed the bond reimbursement cap, and permitted reimbursement for supplemental improvement projects. The second amendment to the Operating Agreement, approved on January 16, 2026, modernized the financial and operational framework of the development and established a formal process for cost-sharing for wastewater improvements.

In July 2025, the District's board exercised its statutory authority to divide the District into multiple subdistricts, creating the need for clearer procedures for future boundary adjustments within the originally approved territory.

The proposed amendment authorizes certain internal boundary changes among subdistricts and inclusion of additional land into the District without requiring additional City Council action, and allows for the conditional consent to include two additional properties in the Hunter Ranch MMD as shown in Exhibit 3. The consent is conditioned on the two additional parcels being included in the agreements and master planned community zoning for the District which will be brought forward to City Council at a future date. This item is being brought for Council consideration now because the District will be holding a meeting at the end of August for making amendments to the district boundaries.

RECOMMENDATION

Staff recommends approval of the consent resolution.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Feb. 12, 2019 – Resolution of support and escrow agreement ordinance approved by City Council
Apr. 7, 2020 – Consent resolution, Project Agreement, and Operating Agreement approved by City Council.
May 7, 2024 – First Amendment to the Hunter Ranch Operating Agreement approved by City Council
Dec. 16, 2025 – Second amendment to the Hunter Ranch Project Agreement approved by City Council.
Jan. 16, 2026 – Second Amendment to the Hunter Ranch Operating Agreement approved by City Council.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution
Exhibit 3 – District Map

Respectfully submitted:
Charlie Rosendahl
Director of Development Services

Prepared by:
Mitchell Stoltz
Management Analyst

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF DENTON, TEXAS, AMENDING PRIOR RESOLUTION CONSENTING TO THE CREATION OF "HUNTER RANCH IMPROVEMENT DISTRICT NO. 1 OF DENTON COUNTY, TEXAS" AND THE INCLUSION OF LAND THEREIN; PROVIDING ADDITIONAL CONSENT TO THE INCLUSION OF LAND THEREIN; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to Section 59, Article XVI, Texas Constitution, Hunter Ranch Improvement District No. 1 of Denton County, Texas (the "District") has been created during the 86th Regular Session of the Texas Legislature through the passage of HB 4683 and codified under Chapter 3980, Special District Local Laws Code (the "District Act"), to include land within the City of Denton, Texas (the "City"), as a special district for the benefit of the public, including the acquisition, construction, improvement, financing, operation, and maintenance of water, wastewater, drainage, road, landscaping, park and recreational facilities; and

WHEREAS, in satisfaction of the requirements of Section 3980.0109(a)(1) of the District Act, the City adopted Resolution No. 20-765, dated April 7, 2020 (the "2020 Resolution"), consenting to the creation of the District and to the inclusion of the land described therein; and

WHEREAS, the City adopted Resolution No. 24-989, dated May 7, 2024 , amending the 2020 Resolution (the "2024 Resolution") (collectively with the 2020 Resolution, the "Consent Resolution"); and

WHEREAS, Section 3980.0701 of the District Act and the Consent Resolution authorize the District to divide into up to four (4) subdistricts ("Subdistrict(s)"), and, pursuant to Section 3980.0702 of the District Act, any Subdistrict(s) created by division shall be governed by the District Act; and

WHEREAS, Section 3980.0304 of the District Act and the Consent Resolution requires that the City consent to the addition of land into, and the exclusion of land from, the District or any Subdistricts; and

WHEREAS, on July 22, 2025, the Board of the District adopted an Order Dividing District creating three Subdistricts: Hunter Ranch Improvement District No. 2 of Denton County, Texas, Hunter Ranch Improvement District No. 3 of Denton County, Texas, and Hunter Ranch Improvement District No. 4 of Denton County, Texas; and

WHEREAS, from time to time it may be desirable for land located within the District or any Subdistrict to be excluded from the District or any Subdistrict and annexed into the District or any other Subdistrict; and

WHEREAS, the District is seeking consent from the City for the inclusion of additional land described on **Exhibit A** and **Exhibit B** herein into the District or any of the Subdistricts; and

WHEREAS, the City Council finds that allowing such boundary adjustments and the inclusion of the additional land within the District or any Subdistrict promotes efficient development and administration of District services and does not expand the geographic area approved by the City; and

WHEREAS, the City now desires to further amend the Consent Resolution as provided herein.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The facts and recitations contained in the preamble of this resolution are true and correct.

SECTION 2. Section 4(d) of the Consent Resolution is hereby amended and restated to provide as follows:

(d) Boundary Changes

(i) Land shall not be added to or excluded from the District without the written consent of the City Council as provided by the District Act.

(ii) Notwithstanding the foregoing, the City hereby consents, without the necessity of further action by City Council, to the future exclusion of land from, and annexation of land into, the District or any district created by the division of the District ("Subdistrict") pursuant to the District Act; provided however, that (1) the City has previously consented to the inclusion of such land in the District or a Subdistrict; (2) with respect to land annexations, such land is annexed only into the District or a Subdistrict; and (3) with respect to land exclusions, such land is thereafter annexed into the District or a Subdistrict.

SECTION 3. The City Council hereby grants its written consent, as provided by Section 4(d)(i) of the Consent Resolution (as amended) and Section 3980.0109(a)(1) of the District Act, to the following, and the City Manager of the City is hereby authorized to execute any documents necessary to effectuate this Resolution:

(a) the addition of the land described in **Exhibit A** attached hereto, which is located in the City, into the District or any Subdistrict, subject to an approved City ordinance authorizing the execution of an applicable amendment to the Hunter Ranch Operating Agreement subjecting such land to the terms and conditions of the Hunter Ranch Operating Agreement. City Ordinance 25-2101 previously approved an amendment to the Hunter Ranch Project Agreement, and City Ordinance MPC25-000la approved applicable amendment to the Hunter Ranch Master Planned Community zoning district, in each case subjecting the land described on **Exhibit A** to their respective terms and conditions; and

(b) the addition of the land described in **Exhibit B** attached hereto, which is located in the City, into the District or any Subdistrict, subject to, and effective only upon, the approval of City ordinances authorizing the execution of applicable amendments to the Hunter Ranch Operating Agreement, the Hunter Ranch Project Agreement, and the Hunter Ranch Master Planned Community zoning district, in each case, subjecting the land described in **Exhibit B** to their respective terms and conditions.

SECTION 4. If any section, subsection, clause, phrase or portion of this resolution is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portion thereof.

SECTION 5. This resolution shall be in full force and effect from and after its passage.

The motion to approve this resolution was made by _____ and seconded by _____. The resolution was passed and approved by the following vote [___-___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:				
Jordan E. Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:				
Suzi Rumohr, District 3	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At-Large Place 5	_____	_____	_____	_____
Jill Jester, At-Large Place 6	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:

_____
KRISTI FOGLE, INTERIM CITY SECRETARY

APPROVED AS TO LEGAL FORM:

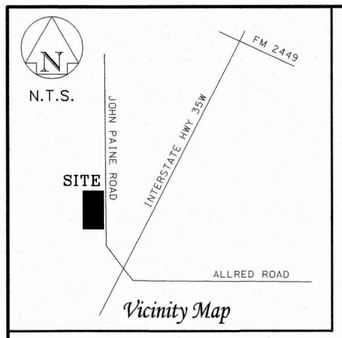
Scott Bray
Deputy City Attorney

_____
MACK REINWAND, CITY ATTORNEY

EXHIBIT A

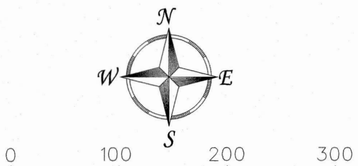
Diocese Annexation Tract

See attached



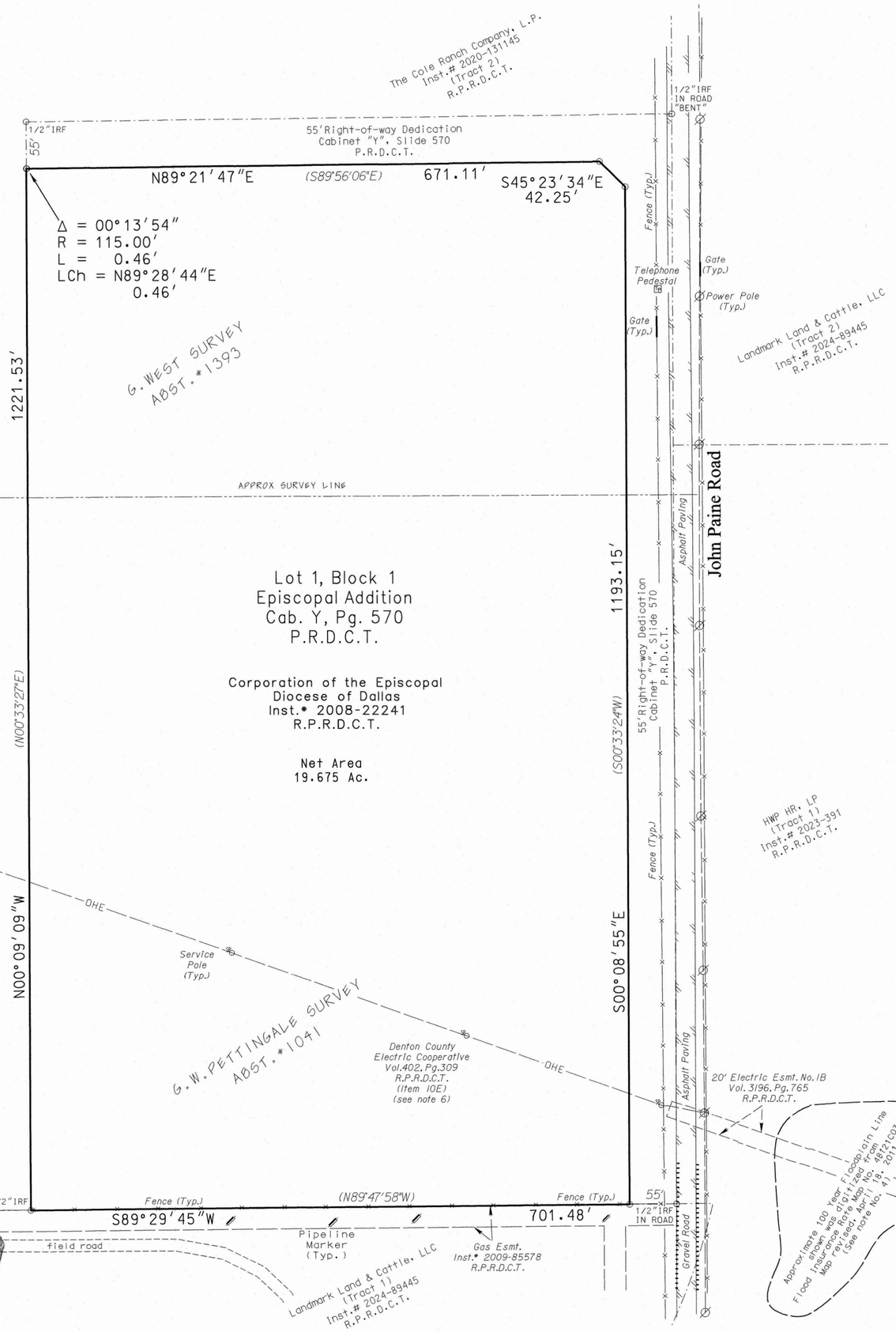
DESCRIPTION:

BEING LOT 1, BLOCK 1, OF EPISCOPAL ADDITION, AN ADDITION TO THE CITY OF DENTON, DENTON COUNTY, TEXAS, ACCORDING TO THE CONVEYANCE PLAT THEREOF RECORDED IN CABINET Y, PAGE 570, PLAT RECORDS, DENTON COUNTY, TEXAS.



Legend

IRS IRON ROD SET
IRF IRON ROD FOUND
( ) RECORD BEARING



TO: HILLWOOD ENTERPRISES, L.P.. A TEXAS LIMITED PARTERNSHIP; CORPORATION OF THE EPISCOPAL DIOCESE OF DALLAS; REPUBLIC TITLE OF TEXAS, INC.; AND FIRST AMERICAN TITLE INSURANCE COMPANY

I, TODD A. BRIDGES, REGISTERED PROFESSIONAL LAND SURVEYOR OF THE STATE OF TEXAS, DO HEREBY CERTIFY THAT THE MAP SHOWN HEREON ACCURATELY REPRESENTS THE DESCRIBED PROPERTY AS DETERMINED BY A SURVEY MADE ON THE GROUND UNDER MY DIRECTION AND SUPERVISION IN JULY, 2025. AND THAT ALL CORNERS ARE AS SHOWN.

THERE ARE NO ENCROACHMENTS, EASEMENTS, CONFLICTS OR PROTRUSIONS APPARENT ONTHE GROUND EXCEPT AS SHOWN.

THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL LAND SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A. CONDITION II SURVEY.

STATE OF TEXAS
REGISTERED
TODD A. BRIDGES
4940
PROFESSIONAL
LAND SURVEYOR

Todd A Bridges 12/22/25

TODD A. BRIDGES
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 4940
TODD.BRIDGES@WESTWOODPS.COM

NOTES:

1. THE SURVEY SHOWN HEREON WAS PREPARED WITH THE BENEFIT OF A COMMITMENT FOR TITLE INSURANCE ISSUED BY FIRST AMERICAN TITLE INSURANCE COMPANY HAVING AN EFFECTIVE DATE OF OCTOBER 9, 2025 UNDER GF# 1002-414451-RTT AND WAS RELIED ON FOR EASEMENTS AND OTHER MATTERS OF RECORD.
2. BASIS OF BEARING IS THE TEXAS COORDINATE SYSTEM, NAD83, ZONE 4202.
3. ALL CORNERS SET ARE 5/8 INCH IRON RODS WITH PLASTIC CAP STAMPED "WESTWOOD" UNLESS OTHERWISE NOTED.
4. THE APPROXIMATE 100 YEAR FLOODPLAIN LINE SHOWN WAS DIGITIZED FROM FLOOD INSURANCE RATE MAP NUMBER 48121C0365G, REVISED APRIL 18, 2011. THE SURVEYOR ASSUMES NO LIABILITY FOR THE ACCURACY OF THAT MAP.
5. EASEMENT, MINERAL, LEASE AND OTHER DOCUMENTS LISTED BELOW WERE REVIEWED BY DESCRIPTION ONLY. THE SURVEYOR MAKES NO REPRESENTATION AS TO THE CURRENT STATUS OR OWNERSHIP OF ANY SUCH INTERESTS.
6. EASEMENT GRANTED TO DENTON COUNTY ELECTRIC COOPERATIVE, INC., RECORDED IN VOLUME 402, PAGE 309, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. POWER POLES CROSSING THE SUBJECT TRACT MAY BE COVERED UNDER THIS DOCUMENT. (ITEM 10E)
7. OIL, GAS AND MINERAL LEASE, DESCRIBED IN INSTRUMENT RECORDED IN VOLUME 2479, PAGE 441, REAL PROPERTY RECORDS OF DENTON COUNTY, TEXAS, AND ALL RIGHTS INCIDENT THERETO, AS AMENDED AND CLARIFIED BY INSTRUMENT RECORDED IN VOLUME 2916, PAGE 280, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS; AS EXTENDED BY INSTRUMENT RECORDED IN INSTRUMENT NUMBER 94R0073009, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS; AS AMENDED BY INSTRUMENT RECORDED IN INSTRUMENT NUMBER 95R0052261, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS; AS EXTENDED BY INSTRUMENT RECORDED IN INSTRUMENT NUMBER 95R0074517, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS; AS AMENDED BY INSTRUMENT RECORDED IN VOLUME 4541, PAGE 1607, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS; AS AMENDED BY INSTRUMENT RECORDED IN INSTRUMENT NUMBER 2005-98080, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS; AS AMENDED BY INSTRUMENT RECORDED IN INSTRUMENT NUMBER 2008-64547, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS FURTHER AFFECTED BY DESIGNATION OF PRODUCTION UNIT RECORDED IN VOLUME 2531, PAGE 204, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS AFFECTED BY MINERAL AND SURFACE USE DEVELOPMENT AGREEMENT, RECORDED IN INSTRUMENT NUMBER 2008-22242, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECTS THE SUBJECT TRAC AND IS BLANKET IN NATURE. (ITEM 10F)
8. OIL, GAS AND MINERAL LEASE, TO MITCHELL ENERGY CORPORATION AS EVIDENCED BY MEMORANDUM RECORDED IN VOLUME 4541, PAGE 1603, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AND ALL RIGHTS INCIDENT THERETO; AS AMENDED BY INSTRUMENTS RECORDED IN VOLUME 4859, PAGE 1659, VOLUME 5128, PAGE 1403, VOLUME 5262, PAGE 3228, VOLUME 5304, PAGE 1231, AND BY INSTRUMENT RECORDED IN INSTRUMENT NUMBER 2005-98079, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS; AS AMENDED BY SIXTH AMENDATORY INSTRUMENT TO OIL, GAS AND MINERAL LEASE, RECORDED INSTRUMENT NUMBER2007-83198, DEED RECORDS, DENTON COUNTY, TEXAS; AS AMENDED BY SEVENTH AMENDMENT RECORDED IN INSTRUMENT NUMBER 2008-64546, AS AFFECTED BY MINERAL AND SURFACE USE DEVELOPMENT AGREEMENT, RECORDED UNDER INSTRUMENT NUMBER 2005-12279, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS FURTHER AFFECTED BY SURFACE USE WAIVER AGREEMENT, RECORDED IN INSTRUMENT NUMBER 2008-22242, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS AFFECTED BY RATIFICATION OF LEASE AND POOLED UNITS RECORDED IN INSTRUMENT NUMBER 2009-39135, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECTS THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10G)
9. WATER WELL, WATER USAGE AND EASEMENT AGREEMENT BETWEEN DEVON ENERGY OPERATING COMPANY, L.P. AND AMY COLE GAIN (GRIFFIN), SUSAN BONNER MEAD AND JACK DONALD GRIFFIN, SUCCESSOR TRUSTEES OF THE M. T. COLE TRUST NO. 1, M. T. COLE TRUST NO. 2 AND M. T. COLE TRUST NO. 4, AS EVIDENCED BY MEMORANDUM RECORDED IN VOLUME 5541, PAGE 1008, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECTS THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10H)
10. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN SPECIAL WARRANTY DEED RECORDED IN INSTRUMENT NUMBER 2005-12274, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS AFFECTED BY MINERAL AND SURFACE USE DEVELOPMENT AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-12279, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND SURFACE USE WAIVER AGREEMENT, RECORDED AS INSTRUMENT NUMBER 2008-22242, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10I)
12. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN SPECIAL WARRANTY DEED RECORDED IN INSTRUMENT NUMBER 2005-12275, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS AFFECTED BY MINERAL AND SURFACE USE DEVELOPMENT AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-12279, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND SURFACE USE WAIVER AGREEMENT, RECORDED AS INSTRUMENT NUMBER 2008-22242, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10J)
13. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN SPECIAL WARRANTY DEED RECORDED IN INSTRUMENT NUMBER 2005-12276, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS AFFECTED BY MINERAL AND SURFACE USE DEVELOPMENT AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-12279, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND SURFACE USE WAIVER AGREEMENT, RECORDED AS INSTRUMENT NUMBER 2008-22242, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10K)
14. MINERAL AND SURFACE USE DEVELOPMENT AGREEMENT RECORDED IN INSTRUMENT NUMBER 2005-12279, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS AFFECTED BY SURFACE USE WAIVER AGREEMENT, RECORDED IN INSTRUMENT NUMBER2008-22242, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10L)
15. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN MINERAL DEED RECORDED IN INSTRUMENT NUMBER 2009-102751, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS AFFECTED BY MINERAL AND SURFACE USE DEVELOPMENT AGREEMENT RECORDED UNDER INSTRUMENT NUMBER 2005-12279, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND SURFACE USE WAIVER AGREEMENT, RECORDED AS INSTRUMENT NUMBER 2008-22242, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10M)
16. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN DISTRIBUTION MINERAL/ROYALTY DEED TO TRUST BENEFICIARIES RECORDED IN INSTRUMENT NUMBER 2015-57260, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10N)
17. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN MINERAL AND ROYALTY DEED RECORDED IN INSTRUMENT NUMBER 2020-27510, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10O)
18. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN MINERAL AND ROYALTY DEED RECORDED IN INSTRUMENT NUMBER 2020-27512, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10P)
19. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN MINERAL AND ROYALTY DEED RECORDED IN INSTRUMENT NUMBER 2020-27519, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10Q)
20. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN MINERAL AND ROYALTY DEED RECORDED IN INSTRUMENT NUMBER 2020-27535, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10R)
21. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN MINERAL AND ROYALTY DEED RECORDED IN INSTRUMENT NUMBER 2020-8295B, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10S)
22. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN MINERAL AND ROYALTY DEED RECORDED IN INSTRUMENT NUMBER 2020-165227, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10T)
23. MINERAL ESTATE AND INTEREST, AND ALL RIGHTS INCIDENT THERETO, DESCRIBED IN MINERAL AND ROYALTY DEED RECORDED IN INSTRUMENT NUMBER 2023-83291, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, AS AFFECTED BY MINERAL AND SURFACE USE DEVELOPMENT AGREEMENT RECORDED UNDER INSTRUMENT NUMBER 2005-12279, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND SURFACE USE WAIVER AGREEMENT, RECORDED AS INSTRUMENT NUMBER 2008-22242, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS. AFFECT THE SUBJECT TRACT AND IS BLANKET IN NATURE. (ITEM 10U)

JOB #:	0070134.01
DRAWN BY:	
CHECKED BY:	T. BRIDGES
DATE:	07/10/2025
REVISIONS:	8-25-25 - rev map to lot& rev note 6 10-16-25 - rmov well, add are table 10-22-25 - commit rev

A Land Title Survey of Lot1, Block 1 - Episcopal Addition

Situated in the G.W. Pettingale Survey, Abstract Number 1041, and the G. West Survey, Abstract Number 1393, Denton County, Texas

Westwood
Westwood Professional Services, Inc.
9800 HILLWOOD PARKWAY, SUITE 250
FORT WORTH, TEXAS 76177 PH.# 817-562-3350

SHEET 1 OF 1 SHEET

Copyright © 2025 Westwood Professional Services, Inc. TBPELS - LS FIRM REG. NO. 10074301

Ref. Job No. HWR18008, 0057136

Job No. 0070134.01

N:\0070134.01\06_CAD\DGN\Survey\0070134_bnl.dgn Default 12/2/2025 2:36:42 PM

EXHIBIT B

Jeremiah Annexation Tract

See attached

DESCRIPTION OF
8.938 ACRES OF LAND

BEING A TRACT OF LAND SITUATED IN THE S.A. PRITCHETT SURVEY, ABSTRACT NUMBER 1021, DENTON COUNTY, TEXAS AND BEING ALL OF THAT TRACT OF LAND DESCRIBED BY DEED TO JEREMIAH PARTNERS J.V., RECORDED IN INSTRUMENT NUMBER 2007-57435, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD, FOUND AT THE SOUTHWEST CORNER OF SAID JEREMIAH PARTNERS TRACT, AND BEING IN THE EAST LINE OF THAT (TRACT 1) TRACT OF LAND DESCRIBED BY DEED TO HWP HR, L.P., RECORDED IN INSTRUMENT NUMBER 2023-391, SAID REAL PROPERTY RECORDS;

THENCE N 00°27'27"W, 1454.55 FEET, WITH THE WEST LINE OF SAID JEREMIAH PARTNERS TRACT, AND THE EAST LINE OF SAID TRACT 1, TO A 5/8 INCH IRON ROD WITH CAP STAMPED "BANNISTER", FOUND AT THE SOUTHWEST CORNER OF THAT TRACT OF LAND DESCRIBED BY DEED TO VICTRON HOLDING, L.P., RECORDED IN INSTRUMENT NUMBER 2025-90189, SAID REAL PROPERTY RECORDS;

THENCE S 83°26'54"E, 435.12 FEET, WITH THE SOUTH LINE OF SAID VICTRON HOLDING, L.P. TRACT, TO A 5/8 INCH IRON ROD WITH CAP STAMPED "TXDOT", FOUND AT THE SOUTHEAST CORNER OF SAID VICTRON HOLDING, L.P. TRACT, AND BEING THE SOUTH CORNER OF THAT TRACT OF LAND DESCRIBED BY DEED TO THE STATE OF TEXAS, RECORDED IN INSTRUMENT NUMBER 2024-88867, SAID REAL PROPERTY RECORDS;

THENCE WITH THE EAST LINE OF SAID JEREMIAH PARTNERS TRACT, THE FOLLOWING BEARINGS AND DISTANCES:

S 26°25'58"W, 368.36 FEET, TO A 5/8 INCH IRON ROD FOUND;

S 28°59'14"E, 286.00 FEET, TO A 5/8 INCH IRON ROD, FOUND AT THE NORTHWEST CORNER OF THAT TRACT OF LAND DESCRIBED BY DEED TO THE STATE OF TEXAS, RECORDED IN INSTRUMENT NUMBER 2022-124882, SAID REAL PROPERTY RECORDS, AND BEING THE BEGINNING OF A CURVE TO THE RIGHT;

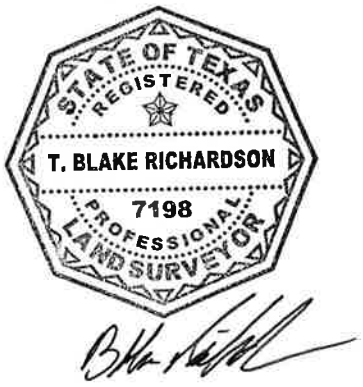
THENCE WITH THE WEST LINE OF SAID STATE OF TEXAS TRACT (2022-124882), AND WITH SAID CURVE TO THE RIGHT, AN ARC DISTANCE OF 219.50 FEET, THROUGH A CENTRAL ANGLE OF 12°14'03", HAVING A RADIUS OF 1028.00 FEET, THE LONG CHORD WHICH BEARS S 20°11'52"W, 219.09 FEET, TO A 5/8 INCH IRON ROD WITH CAP STAMPED "TXDOT", FOUND;

THENCE S 26°18'41"W, 691.05 FEET, CONTINUING WITH SAID WEST LINE, TO A 5/8 INCH IRON ROD, FOUND AT THE SOUTHEAST CORNER OF SAID JEREMIAH PARTNERS TRACT;

THENCE N 88°57'24"W, 13.33 FEET, WITH THE SOUTH LINE OF SAID JEREMIAH PARTNERS TRACT, TO THE **POINT OF BEGINNING** AND CONTAINING 389,340 SQUARE FEET OR 8.938 ACRES OF LAND MORE OR LESS.

"THIS DOCUMENT WAS PREPARED UNDER 22 TEXAS ADMINISTRATIVE CODE 138.95(5), DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED."

7-15-26



Legend

- HRID NO.1 MASTER DISTRICT
- HRID NO.2 SINGLE FAMILY DISTRICT
- HRID NO.3 COMMERCIAL DISTRICT
- HRID NO.4 REMAINDER DISTRICT

HRID NO. 1

INTERSTATE 35W

LOOP 288

JEREMIAH TRACT

Vintage Dr.

DIOCESE TRACT

HRID NO. 2 ANNEXATION TRACT LANDMARK PHASE 2

EXISTING HRID NO. 4

Allred Road

John Paine Rd

Johnson St

HRID NO. 1

EXISTING HRID NO. 3

377

EXISTING HRID NO. 2

Robson Ranch Road

HRID NO. 2 ANNEXATION TRACT LANDMARK PHASE 2

INTERSTATE 35W

Westwood

Hunter Ranch

± 3,152.483 Acres

0 1000 2000

SCALE: 1" = 1000'-0"

8/7/2026 N:\00539931.00\06 CAD\DWG\Site Design C3D\Exhibits\Landmark District Boundaries\2026.08.07_Landmark Map of District Movements ExhibitREV.dgn

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Human Resources**

CM: **Cassey Ogden**

DATE: **August 18, 2026**

SUBJECT

Consider approval of a resolution of the City Council of the City of Denton confirming the City Manager's appointment of Raymond Knight to the Civil Service Commission to serve for the term beginning September 1, 2026, and ending on August 31, 2029; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

BACKGROUND

Police and Fire personnel of the City of Denton are governed by Chapter 143 of the Texas Local Government Code and have been since the late 1940s. With the adoption of Chapter 143, the City is required to implement a Civil Service Commission.

Chapter 143.006(b) of the Texas Local Government Code states, "The commission consists of three members appointed by the municipality's chief executive and confirmed by the governing body of the municipality. Members serve staggered three-year terms with the term of one member expiring each year."

Per Chapter 143.006(c), a person appointed to the Commission must:

1) be of good moral character;
2) be a United States citizen;
3) be a resident of the municipality who has resided in the municipality for more than three years;
4) be over 25 years of age; and
5) not have held a public office within the preceding three years.

The current Commissioners are Darhyl Ramsey and Dianne Baker. Commissioner Ramsey has served on the Commission since August of 2004 and Commissioner Baker has served since September of 2024.

The City Manager has elected to appoint Raymond Knight to the Civil Service Commission and is recommending that Council confirms this appointment.

EXHIBITS

1. Exhibit 1 – Agenda Information Sheet
2. Exhibit 2 – Letter of Intent
3. Exhibit 3 – Resolution

Respectfully submitted:
Megan Gilbreath
Human Resources Director, Civil Service Director

Raymond Knight
1601 Victoria Dr
Denton, Tx 76209

To	megan.gilbreath@cityofdenton.com Person
Cc	Person
Bcc	raymond knight
Subject	Civil Service Commissioner

June 18, 2026

Megan Gilbreath
Director of Human Resources
City of Denton

Dear Ms. Gilbreath,

I am interested in serving as a Civil Service Board Commissioner for the City of Denton. I retired from Garland Fire Dept. in August 2016 after serving for 36 years. I held every position from entry level firefighter in January , 1980, Driver, Lieutenant (including as Fire Inspector), Captain, Battalion Chief, Assistant Chief, and Fire Chief. Garland Fire Dept. is ruled by Texas Civil Service Law, which I became very familiar with as our governing law.

I understand the importance of the Civil Service Board and its application to the members of Fire and Police. I would be honored to serve as a commissioner on the board.

Sincerely,
Ramond Knight

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DENTON CONFIRMING THE CITY MANAGER'S APPOINTMENT OF RAYMOND KNIGHT TO THE CIVIL SERVICE COMMISSION TO SERVE FOR THE TERM BEGINNING SEPTEMBER 1, 2026, AND ENDING AUGUST 31, 2029; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Chapter 143.006(b) of the Texas Local Government Code states, "The commission consists of three members appointed by the municipality's chief executive and confirmed by the governing body of the municipality"; and

WHEREAS, Chapter 143.006(c), provides that a person appointed to the Commission must:

(1) be of good moral character;
(2) be a United States citizen;
(3) be a resident of the municipality who has resided in the municipality for more than three years;
(4) be over 25 years of age; and
(5) not have held a public office within the preceding three years; and

WHEREAS, after determining that Raymond Knight meets the requirements in Chapter 143.006(c), the City Manager appointed Raymond Knight to serve as a Civil Service Commissioner to serve the term beginning September 1, 2026, and ending August 31, 2029.

WHEREAS, NOW, THEREFORE, THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1: The City Council hereby confirms the City Manager's appointment of Raymond Knight to the Civil Service Commission to serve for the term beginning September 1, 2026, and ending August 31, 2029.

SECTION 2: That this Resolution shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____; the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____

Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a contract between the City of Denton and Our Daily Bread, Inc., amending the contract approved by City Council on March 21, 2023, in the not-to-exceed amount of $1,040,803.00; said first amendment to provide additional funding for charges through the contract term for the Ready to Work Program for the Solid Waste and Recycling Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 7988 – providing for an additional first amendment expenditure amount not-to-exceed $260,200.00, with the total contract amount not-to-exceed $1,301,003.00). The Public Utilities Board recommends approval (4 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Strengthen Community and Quality of Life.

INFORMATION/BACKGROUND

The City of Denton operates a landfill located at 1527 South Mayhill Road under Texas Commission on Environmental Quality permit MSW-1590B. This permit requires, among other things, that the City maintains equipment and personnel sufficient to complete compliance efforts, including, but not limited to, site maintenance, litter collection, and traffic spotting activities. The City maintains permanent positions to complete these duties. These positions also serve as entry-level, career ladder positions wherein these employees are trained to operate landfill equipment, and when positions are available, they become eligible to promote into the open positions.

In June 2021, the City of Denton published a Request for Proposal to identify local non/not-for-profit organizations offering job training and placement programs for people experiencing homelessness who could help the City fill vacant positions and reduce workforce shortages. The purpose of this contract between the City and Our Daily Bread (ODB) is to provide a dedicated labor force to the City of Denton and create opportunities for community members to exit homelessness through training, counseling, and the promise of defined, consistent income. The program develops a pool of trained, reliable individuals who are eligible to apply for permanent positions within the City of Denton.

Performance results of this contract have demonstrated a great benefit. Since the inception of the contract, the Solid Waste and Recycling Department has hired five (5) participants through the program. These individuals are preparing for advanced roles within the department.

The City's contract with Our Daily Bread expires on March 21, 2028; however, the not-to-exceed (NTE) amount will be exhausted within ten months due to additional departments, including Animal Services and Fleet, utilizing this great program and accelerating the spend against the NTE amount. In addition to this contract amendment, the Solid Waste Department is preparing to initiate a new Request for Proposal. The additional funding requested by this amendment will allow time to procure a new contract.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSION)

On March 21, 2023, City Council approved a contract with Our Daily Bread Inc., in the not-to-exceed amount of $1,040,803 (Ordinance 23-583).

On August 10, 2026, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award Amendment No. 1 with Our Daily Bread, Inc., to provide additional funding for charges through the contract term for the Ready to Work Program for the Solid Waste and Recycling Department, in a not-to-exceed amount of $260,200, for a total amended contract amount of $1,301,003.

PRINCIPAL PLACE OF BUSINESS

Our Daily Bread, Inc.
Denton, TX

ESTIMATED SCHEDULE OF PROJECT

This contract will expire on March 3, 2028.

FISCAL INFORMATION

These services will be funded from the Solid Waste and Recycling account 660800.7879. Requisitions will be entered on an as-needed basis. The total amended amount of this contract is $1,301,004.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Original Ordinance and Contract
Exhibit 3: Ordinance and Amendment 1

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Arturo Garcia, 940-349-8021.

Legal point of contact: Leah Bush at 940-349-8333.

ORDINANCE NO. 23-583

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH OUR DAILY BREAD, INC., FOR THE PROVISION AND SUPERVISION OF TEMPORARY LABOR FOR THE SOLID WASTE AND RECYCLING DEPARTMENT AS SET FORTH IN THE CONTRACT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 7988 –AWARDED TO OUR DAILY BREAD, INC., FOR ONE (1) YEAR, WITH THE OPTION FOR FOUR (4) ADDITIONAL ONE (1) YEAR EXTENSIONS, IN THE TOTAL FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $1,040,803.00).

WHEREAS, Our Daily Bread, Inc., the professional services provider (the "Provider") set forth in this ordinance, is being selected as the most highly qualified on the basis of its demonstrated competence and qualifications to perform the proposed professional services; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the fees under the proposed contract are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees published by the professional associations applicable to the Provider's profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager, or their designee, is authorized to enter into the professional service contract attached hereto with Our Daily Bread, Inc., for the provision and supervision of temporary labor for the Solid Waste and Recycling Department.

SECTION 2. The City Manager, or their designee, is authorized to expend funds as required by the attached contract.

SECTION 3. The City Council of the City of Denton, Texas expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 4. The findings in the preamble of this ordinance are incorporated herein by reference.

SECTION 5. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by Jesse Davis and seconded by Chris Watts. This ordinance was passed and approved by the following vote [5 - 0]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	✓			
Vicki Byrd, District 1:	✓			
Brian Beck, District 2:	✓			
Jesse Davis, District 3:	✓			
VACANT, District 4:				
Brandon Chase McGee, At Large Place 5:				✓
Chris Watts, At Large Place 6:	✓			

PASSED AND APPROVED this the 21st day of March, 2023.

GERARD HUDSPETH, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

BY: Rosa Rios

CITY OF DENTON DENTON, TEXAS

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

Digitally signed by Marcella Lunn
DN: cn=Marcella Lunn, o, ou=City of Denton, email=marcella.lunn@cityofdenton.com, c=US
Date: 2023.02.21 17:10:01 -06'00'

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Docusign City Council Transmittal Coversheet

RFP	7988
File Name	Ready to Work Program
Purchasing Contact	Erica Garcia
City Council Target Date	MARCH 21, 2023
Piggy Back Option	Not Applicable
Contract Expiration	MARCH 21, 2028
Ordinance	23-583

DS
LH

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CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND OUR DAILY BREAD, INC.
(CONTRACT 7988)

THIS CONTRACT is made and entered into this date 03/21/2023, by and between **Our Daily Bread, Inc.** a Texas nonprofit corporation, whose address is 909 North Loop 288, Denton, TX 76209 hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their duly authorized designee.

For and in consideration of the covenants and agreements contained herein, and for the mutual benefits to be obtained hereby, the parties agree as follows:

SCOPE OF SERVICES

Contractor shall provide products and/or services in accordance with the City's document RFQ 7988 – Ready to Work Program, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. The Contract consists of this written agreement and the following items which are attached hereto and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton's RFQ 7988 **(Exhibit "B" on File at the Office of the Purchasing Agent);**
(c) City of Denton Standard Terms and Conditions **(Exhibit "C");**
(d) Insurance Requirements **(Exhibit "D");**
(e) Certificate of Interested Parties Electronic Filing **(Exhibit "E");**
(f) Contractor's Proposal (**Exhibit "F")**;
(g) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "G");**

These documents make up the Contract documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the Contract documents, the inconsistency or conflict shall be resolved by giving precedence first to the written agreement then to the contract documents in the order in which they are listed above. These documents shall be referred to collectively as "Contract Documents."

Prohibition on Contracts with Companies Boycotting Israel
Contractor acknowledges that in accordance with Chapter 2271 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Energy Companies
Contractor acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is

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prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

Contractor acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Sections 2252 and 2270 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor, pursuant to Chapters 2252 and 2270, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Termination Right for Contracts with Companies Doing Business with Certain Foreign-Owned Companies

The City of Denton may terminate this Contract immediately without any further liability if the City of Denton determines, in its sole judgment, that this Contract meets the requirements under Chapter 2274, and Contractor is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or other designated country (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or other designated country, or (iii) is headquartered in China, Iran, North Korea, Russia, or other designated country.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

IN WITNESS WHEREOF, the parties of these presents have executed this agreement in the year and day first above written.

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CONTRACTOR

BY: DocuSigned by: Wendy McGee 48ED49A85EA0447...
AUTHORIZED SIGNATURE

Printed Name: Wendy McGee

Title: Executive Director

940-566-1308
PHONE NUMBER

wendy.mcgee@ourdailybreaddenton.org
EMAIL ADDRESS

2023-984651
TEXAS ETHICS COMMISSION
1295 CERTIFICATE NUMBER

CITY OF DENTON, TEXAS

BY: DocuSigned by: Sara Hensley 5236DB296270423...
SARA HENSLEY, CITY MANAGER

ATTEST:
ROSA RIOS, CITY SECRETARY

BY: DocuSigned by: Rosa Rios 1C5CA8C5E175493...

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: DocuSigned by: Marcella Lunn 4B070831B4AA438...

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.

DocuSigned by: Brian Boerner DCD14331B89A4A9...
SIGNATURE

Brian Boerner
PRINTED NAME

Director of Solid Waste
TITLE

SWR
DEPARTMENT

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Exhibit A
Special Terms and Conditions

1. Total Contract Amount
The contract total for services shall not exceed $1,040,803. Pricing shall be per Exhibit F attached.

2. The Quantities

The quantities indicated on Exhibit F are estimates based upon the best available information. The City reserves the right to increase or decrease the quantities to meet its actual needs without any adjustments in the bid price. Individual purchase orders will be issued on an as needed basis.

3. Contract Terms

The contract term will be one (1) year, effective from date of award. The City and the Supplier shall have the option to renew this contract for an additional four (4) one-year periods.

The Contract shall commence upon the issuance of a Notice of Award by the City of Denton and shall automatically renew each year, from the date of award by City Council. The Supplier's request to not renew the contract must be submitted in writing to the Purchasing Manager at least 60 days prior to the contract renewal date for each year. At the sole option of the City of Denton, the Contract may be further extended as needed, not to exceed a total of six (6) months.

4. Price Escalation and De-escalation

On Supplier's request in the form stated herein, the City will implement an escalation/de-escalation price adjustment annually based on these special terms. Any request for price adjustment must be based on the, U.S Department of Labor, Bureau of Labor Statistics, Producer Price Index (PPI) or the manufacturer published pricing list. The maximum escalation will not exceed +/- 8% for any individual year. The escalation will be determined annually at the renewal date. The price will be increased or decreased based upon the annual percentage change in the PPI or the percentage change in the manufacturer's price list. Should the PPI or manufacturer price list change exceed a minimum threshold value of +/-1%, then the stated eligible bid prices shall be adjusted in accordance with the percent change not to exceed the 8% limit per year. The supplier should provide documentation as percentage of each cost associated with the unit prices quoted for consideration.

Request must be submitted in writing with supporting evidence for need of such increase to the Purchasing Manager at least 60 days prior to contract expiration of each year. Respondent must also provide supporting documentation as justification for the request. If no request is made, then it will be assumed that the current contract price will be in effect.

Upon receipt of such request, the City of Denton reserves the right to either: accept the escalation as competitive with the general market price at the time, and become effective upon the renewal

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date of the contract award or reject the increases within 30 calendar days after receipt of a properly submitted request. If a properly submitted increase is rejected, the Contractor may request cancellation of such items from the Contract by giving the City of Denton written notice. Cancellation will not go into effect for 15 calendar days after a determination has been issued. Pre-price increase prices must be honored on orders dated up to the official date of the City of Denton approval and/or cancellation.

The request can be sent by e-mail to: purchasing@cityofdenton.com noting the solicitation number.

The City of Denton reserves the right to accept, reject, or negotiate the proposed price changes.

5. Performance Liquidated Damages

The Contractor shall incur contractual payment losses, as initiated by the City for performance that falls short of specified performance standards as outlined below:

- Delivery beyond contracted lead times
- Performance below contracted levels (services only)

The Contractor shall be assessed a one (1%) percent fee each month when any one of the performance standards outlined above are not met in full. The Contractor shall be assessed a two (2%) percent profit fee each month when any two (2) or more performance standards outlined above are not met in full. At the end of each month, the City will review the monthly reports and determine the percentage of penalty to be assessed to the Contractor's monthly profit margin.

COD Scope of Work

I. INTRODUCTION

Employment empowers people experiencing homelessness. Meaningful and sustainable employment is a key component to creating and maintaining housing stability. However, individuals experiencing homelessness face obstacles to finding and maintaining employment. Connecting them with employment and job experience where barriers to employment may exist is critical to ensure they have the financial resources necessary to exit homelessness and contribute to long-term housing stability.

The City of Denton (City) is seeking a request for proposals for an employment program for people experiencing homelessness. Work services anticipated to be delivered under this contract include, but are not limited to:

- Assisting drivers while they are backing the vehicle (spotting)
- Collecting windblown litter on and offsite
- Building temporary litter control fencing around the active landfill working face.
- Completing daily performance logs
- Inspecting equipment before and after use
- Operating a variety of hand tools and/or power tools; such as:

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    - a steam cleaner
    - weed-eater
    - yard blower
    - chainsaw
    - bolt cutter
    - hammer
    - sledgehammer
    - metal cutter
    - pliers,
    - wrench
    - saw
- Operating compactor, mechanical and hydraulic mechanisms
- Performing general maintenance task, including:
    - painting
    - mowing, planting, fertilizing, and trimming
        - grass
        - shrubs
        - trees
        - flowers
        - other landscaping
    - steam cleaning of equipment
    - general maintenance assignments
- Performing various lifting and carrying tasks.
- Picking-up and unloading solid waste on residential routes including:
    - Garbage
    - recyclables
    - leaves
    - tree limbs
    - bulk waste
    - appliances
- Steam cleaning and washing trucks and equipment

Participant in the Ready to Work Program nust have the ability to

- get along with customers and co-workers.
- lift to 60 pounds
- communicate effectively both verbally and in writing.
- perform all job duties in a safe manner.
- work in inclement weather.

The City intends to award by complete proposal, however, Primary, Secondary and Tertiary contractors will be selected. The Secondary contractor will be called if the Primary contractor fails to provide a suitable candidate for the position requested. If secondary contractor fails to provide a suitable candidate, the City has the right to call the Tertiary contractor.

II. PURPOSE AND BACKGROUND OF THE REQUEST FOR Qualifications

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RESPONSIBILITIES OF EMPLOYMENT PROGRAM VENDOR

1) Employment Program Vendor/Firm shall administer and maintain all employment and payroll records, payroll processing, and payment of wages and taxes for FIRM's Assigned Employees, making the deductions required of employers by state, federal and local laws, including deductions for social security and withholding taxes. FIRM will also be responsible for distribution of payroll time sheets and checks, for all FIRM'S Assigned Employees provided under this contract.
2) FIRM understands and acknowledges all Assigned Employees are not CITY employees and any assignment to the CITY does not constitute an offer of employment to Assigned Employees.
3) FIRM shall make all contributions for unemployment compensation funds as required by federal and state laws and process claims as indicated.
4) FIRM shall provide unemployment insurance and workers' compensation benefits; and handle unemployment and workers' compensation claims involving Assigned Employees to the CITY.
5) FIRM shall conduct and assume all financial responsibilities for employment screening (including background), testing (including drug), evaluations, advertising, recruitment, and disciplinary actions involving any FIRM's Assigned Employees under this contract.
6) FIRM shall conduct and assume all financial responsibilities for pre-employment drug testing their Assigned Employee provided to CITY. FIRM's internal process shall be followed. CITY shall not be informed about any test results. The results shall remain confidential with FIRM. If the CITY has reasonable suspicion to think a FIRM's Assigned Employee may be under the influence, FIRM shall be notified to pick up their Assigned Employees and process the Assigned Employee under FIRM's drug-testing policy **within one-hour of notice** to the FIRM. The CITY shall be able to review FIRM's drug testing policy upon reasonable notice any time during the term of this agreement. FIRM warrants, represents and guarantees that their drug-testing policy is in compliance with all federal, state and local ordinances.
7) FIRM shall maintain an active policy on drugs and alcohol in the workplace that supports a drug-free environment, and be prepared to submit such policy upon CITY request.
8) FIRM shall perform criminal background checks on all prospective Assigned Employees prior to the Assigned Employee being considered eligible to perform duties for the CITY. FIRM shall comply with current EEOC guidance regarding the process for performing and considering the results of criminal background checks in FIRM's employment decisions.
9) FIRM shall provide proof of drug testing and background screening, but not the results, upon request to the CITY.
10) FIRM shall ensure Assigned Employees obtain any necessary licenses and permits as deliniated by CITY Supervisor.
11) FIRM shall ensure that Assigned Employees can perform the essential functions of the job assigned and are not under the influence of altering drugs, medicine, and alcohol.
12) FIRM shall ensure all Assigned Employees report to work at the specified facility at the scheduled time.
13) FIRM shall understand that once a worker is assigned, the Assigned Employee shall complete the full assignment unless the CITY Supervisor releases the Assigned Employee.
14) FIRM understands that an Assigned Employee(s) that leaves an assignment, without prior notification to the CITY, shall be replaced by FIRM within thirty (30) minutes of notice by the CITY. In addition, the Assigned Employee who left the assignment may not be utilized on future assignments until approved by the Contract Administrator.
15) FIRM understands that an Assigned Employees shall be expected to work the time periods specified by the requesting department.
16) FIRM understands that the "Hourly Rate Billed to CITY" is for up to eight (8) hours per day,

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forty (40) hours per workweek (straight-time), and that the straight-time rate shall be increased by a factor of 1.5 for each hour worked, during a single workweek (Saturday through Friday), in excess of forty (40) hours (overtime), provided the requesting CITY department authorized the overtime.

17) FIRM understands for all hours worked, compensation shall be computed to the quarter hour.
18) FIRM is solely responsible for the provision of, and payment for, any and all workers' compensation claims. The CITY does not, and shall not, assume any liability for any workers' compensation claims, injuries, or other claims that a FIRM's Assigned Employee(s) may file. Such claims shall be the sole responsibility of FIRM.
19) FIRM'S Assigned Employees are NOT to be accompanied on any CITY property by acquaintances, family members, assistants, or any person unless said person is an authorized employee of FIRM.
20) FIRM MUST PROVIDE ALL OSHA/CITY REQUIRED PERSONAL PROTECTIVE EQUIPMENT (PPE) and comply with all applicable statutes, federal, and state laws related to employment safety.
21) Orientation of FIRM's Assigned Employees by CITY department/division staff prior to work assignment shall be at no additional cost to CITY.
22) Assigned Employees shall be paid at least the a minimum of $15.00 per hour.
23) Assigned Employees must have identification as a STAFFING FIRM employee visible at all times.
24) Assigned Employees must wear highly visible vests, preferably with the logo of the FIRM they represent. Attire must be appropriate for outside labor, including jeans (or appropriate leg wear), shirts, hat and appropriate footwear. Attire must be clean and may not depict inappropriate logos including but not limited to alcohol, tobacco products, offensive language or adult content.

CITY'S RESPONSIBILITIES

1) Properly supervise Assigned Employees performing their work and be responsible for its business operations, products, services and intellectual property.
2) Provide a safe work site and appropriate information, training, and equipment with respect to any hazardous substances or conditions to which the Assigned Employee may be exposed at the work site.
3) Not change Assigned Employee's job duties without FIRM's prior approval.
4) The CITY will notify the FIRM of a safety or security requirement for a specific job placement.
5) The City **WILL Not** provide meals or snacks as needed or required by the employee

JOB DESCRIPTIONS

Item 1: General Assigned Employees

The FIRM's Assigned Employees shall perform general laboring or maintenance tasks for an office, department or work team. Tasks may include collecting solid waste and reqsysling throughout the City, moving files, furniture, boxes, from one location to another location in the same or another office, building or facility; loading and unloading trucks; shoveling and moving materials; general maintenance tasks such as lawn mowing, yard care, hand collection of windblown litter and snow or ice removal; and other labor tasks. Assigned Employees may use tools and equipment such as carts, dollies, shovels, tee-post drivers and pullers, lawn equipment, mowers, weed-eaters and other hand and small power tools. Assigned Employees must adhere to all safety precautions relevant to the use of hand and powered tools.

Assigned employees must have

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- Ability to perform strenuous labor under adverse conditions;
- Ability to perform lifting, carrying, pushing or pulling tasks associated with the specific assignment;
- Ability to ensure that safe work habits are observed;
- Ability to traverse uneven terrain and ascend/descend steep slopes.
- Ability to lift, climb, bend and kneel in order to complete assigned tasks;
- Ability to tolerate working at heights from a ladder or scaffold;
- Ability to follow proper safety procedures for the job, including but not limited to proper lifting procedures and working in high traffic areas;
- Ability to follow verbal instructions;
- Must be able to lift 60 lbs.;
- Ability to get along with customers and co-workers;
- Ability to work outside in various weather environments;
- Ability to work independently and in group settings.

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Exhibit C
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor or Supplier. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Supplier. No Terms and Conditions contained in the seller's proposal response, invoice or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, 22 and 32 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be

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shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.

9. **PLACE AND CONDITION OF WORK**: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE**

A. The Contractor shall employ only orderly and competent workers, trained in the performance of the services which they will perform under the Contract. Workers provided by contractor will participate in training programs available.

B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Denton contract or on the City's property .

i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.

C. If the City or the City's representative notifies the Contractor that any worker is incompetent,

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disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

Immigration: The Contractor represents and warrants that it shall comply with the requirements of the Immigration Reform and Control Act of 1986 and 1990 regarding employment verification and retention of verification forms for any individuals hired on or after November 6, 1986, who will perform any labor or services under the Contract and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRIRA) enacted on September 30, 1996.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: The Contractor, it's Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

Environmental Protection: The Respondent shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:

A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.

B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount.

The City will furnish a tax exemption certificate upon request.

13. **PAYMENT**:

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A. All proper invoices need to be sent to Accounts Payable. Approved invoices will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice being received in Accounts Payable, whichever is later.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;

iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, with all required attachments and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given that any awarded firm who is in arrears to the City of Denton for delinquent taxes, the City may offset indebtedness owed the City through payment withholding.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.

G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the contract terms. During the term of this contract, the contractor shall bill and the City shall reimburse contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise

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negotiated.

15. **FINAL PAYMENT AND CLOSE-OUT**:
A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.
B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. **RIGHT TO AUDIT**:
A. The City shall have the right to audit and make copies of the books, records and computations pertaining to the Contract. The Contractor shall retain such books, records, documents and other evidence pertaining to the Contract period and five years thereafter, except if an audit is in progress or audit findings are yet unresolved, in which case records shall be kept until all audit tasks are completed and resolved. These books, records, documents and other evidence shall be available, within ten (10) business days of written request. Further, the Contractor shall also require all Subcontractors, material suppliers, and other payees to retain all books, records, documents and other evidence pertaining to the Contract, and to allow the City similar access to those documents. All books and records will be made available within a 50 mile radius of the City of Denton. The cost of the audit will be borne by the City unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the Contractor which must be payable within five (5) business days of receipt of an invoice.
B. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City's sole discretion, grounds for termination thereof. Each of the terms "books", "records", "documents" and "other evidence", as used above, shall be construed to include drafts and electronic files, even if such drafts or electronic files are subsequently used to generate or prepare a final printed document.

18. **SUBCONTRACTORS**:
A. If the Contractor identified Subcontractors in a DBE/MBE/WBE agreed to Plan, the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or

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remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the

Contract, and shall contain provisions that:

i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;

ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:

A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

20. **WARRANTY – TITLE**: The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all

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deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may

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reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**: The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and any Offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written

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notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.

29. **FRAUD**: Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:

A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 49. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor’s subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR**

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THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.

32. **INSURANCE**: The following insurance requirements are applicable, in addition to the specific insurance requirements detailed in **Appendix A** for services only**.** The successful firm shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton. The insurance shall be written by a company licensed to do business in the State of Texas and satisfactory to the City of Denton.

A. General Requirements:

i. The Contractor shall at a minimum carry insurance in the types and amounts indicated and agreed to, as submitted to the City and approved by the City within the procurement process, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.

ii. The Contractor shall provide Certificates of Insurance with the coverage's and endorsements required to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.

iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.

iv. The Contractor must submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.

v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of **A- VII or better**. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.

vi. All endorsements naming the City as additional insured, waivers, and notices of cancellation endorsements as well as the Certificate of Insurance shall contain the solicitation number and the following information:

City of Denton
Materials Management Department
901B Texas Street
Denton, Texas 76209

vii. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.

viii. If insurance policies are not written for amounts agreed to with the City, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.

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ix. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.

x. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.

xi. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.

xii. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.

xiii. The Contractor shall endeavor to provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverage's indicated within the Contract.

xiv. The insurance coverage's specified in within the solicitation and requirements are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in the solicitation instrument.

33. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

34. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as

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such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code.

36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's' ownership, and if applicable, license rights, and its use of the deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such deliverables will not impact such warranties of Contractor.

37. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

38. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to

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execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 38 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such deliverables to the City or at such other time as the City may request.

C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 38 a., b., and c. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 37 above.

39. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

40. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.

41. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

42. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without

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liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

43. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation as defined in the City's Ethic Ordinance 18-757 and in the City Charter chapter 2 article XI(Ethics). Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Contractor shall complete and submit the City's Conflict of Interest Questionnaire.

44. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or their designee under this agreement. The contractor is expressly free to advertise and perform services for other parties while performing services for the City.

45. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and ensure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.

The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

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46. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

47. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

48. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

49. **DISPUTE RESOLUTION**:

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

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50. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

51. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

52. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veterans Day
Thanksgiving
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or their authorized designee.

53. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

54. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

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55. **EQUAL OPPORTUNITY**

A. **Equal Employment Opportunity:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice. No person shall, on the grounds of race, sex, sexual orientation, age, disability, creed, color, genetic testing, or national origin, be refused the benefits of, or be otherwise subjected to discrimination under any activities resulting from this RFQ.

B. **Americans with Disabilities Act (ADA) Compliance:** No Offeror, or Offeror's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

56. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**

The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –

i. "Component" means an article, material, or supply incorporated directly into an end product.

ii. "Cost of components" means -

(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or

(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.

iii. "Domestic end product" means-

(1) An unmanufactured end product mined or produced in the United States; or

(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.

v. "Foreign end product" means an end product other than a domestic end product.

vi. "United States" means the 50 States, the District of Columbia, and outlying areas.

B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.

C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.

D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

57. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

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58. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

59. **PREVAILING WAGE RATES:** The contractor shall comply with prevailing wage rates as defined by the United States Department of Labor Davis-Bacon Wage Determination at http://www.dol.gov/whd/contracts/dbra.htm and at the Wage Determinations website www.wdol.gov for Denton County, Texas (WD-2509).

60. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The contractor or supplier shall comply with all State, Federal, and Local laws and requirements. The Respondent must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants. The Respondent shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

61. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Respondent shall demonstrate on-site compliance with the Federal Tax Reform Act of 1986, Section 1706, amending Section 530 of the Revenue Act of 1978, dealing with issuance of Form W-2's to common law employees. Respondent is responsible for both federal and State unemployment insurance coverage and standard Workers' Compensation insurance coverage. Respondent shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Respondent or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Respondent's omission or breach of this Section.

62. **DRUG FREE WORKPLACE:** The contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

63. **RESPONDENT LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Respondent shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Respondent and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Respondent shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

64. **FORCE MAJEURE:** The City of Denton, any Customer, and the Respondent shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the

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Respondent will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Respondent continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Respondent shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

65. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

66. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

67. **RECORDS RETENTION:** The Respondent shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Respondent shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit and litigation matters are resolved, whichever period is longer. The Respondent shall grant access to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract.

Should a conflict arise between any of the contract documents, it shall be resolved with the following order of precedence (if applicable). In any event, the final negotiated contract shall take precedence over any and all contract documents to the extent of such conflict.

1. **Final negotiated contract**
2. **RFP/Bid documents**
3. **City's standard terms and conditions**
4. **Purchase order**
5. **Supplier terms and conditions**

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Exhibit D

INSURANCE REQUIREMENTS AND WORKERS' COMPENSATION REQUIREMENTS

Upon contract execution, all insurance requirements shall become contractual obligations, which the successful contractor shall have a duty to maintain throughout the course of this contract.

STANDARD PROVISIONS:

Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall provide and maintain until the contracted work has been completed and accepted by the City of Denton, Owner, the minimum insurance coverage as indicated hereinafter.

Contractor shall file with the Purchasing Department satisfactory certificates of insurance including any applicable addendum or endorsements, containing the contract number and title of the project. Contractor may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Denton.

All insurance policies proposed or obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

- Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A or better**.

- Any deductibles or self-insured retentions shall be declared in the proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officials, agents, employees and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- Liability policies shall be endorsed to provide the following:

    - Name as Additional Insured the City of Denton, its Officials, Agents, Employees and volunteers.

    - That such insurance is primary to any other insurance available to the Additional Insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

    - Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.

- ***Cancellation: City requires 30 day written notice should any of the policies described on the certificate be cancelled or materially changed before the expiration date.***

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- Should any of the required insurance be provided under a claims made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.

- Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the Contractor shall either double the occurrence limits or obtain Owners and Contractors Protective Liability Insurance.

- Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this agreement effective on the date of the lapse.

SPECIFIC ADDITIONAL INSURANCE REQUIREMENTS:

All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following marked specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:

[X] A. **General Liability Insurance:**

General Liability insurance with combined single limits of not less than **$1,000,000.00** shall be provided and maintained by the Contractor. The policy shall be written on an occurrence basis either in a single policy or in a combination of underlying and umbrella or excess policies.

If the Commercial General Liability form (ISO Form CG 0001 current edition) is used:

- Coverage A shall include premises, operations, products, and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverage.

- Coverage B shall include personal injury.

- Coverage C, medical payments, is not required.

If the Comprehensive General Liability form (ISO Form GL 0002 Current Edition and ISO Form GL 0404) is used, it shall include at least:

- Bodily injury and Property Damage Liability for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse or underground (XCU) exposures.

- Broad form contractual liability (preferably by endorsement) covering this contract, personal injury liability and broad form property damage liability.

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[X] **Automobile Liability Insurance:**

Contractor shall provide Commercial Automobile Liability insurance with Combined Single Limits (CSL) of not less than **$500,000** either in a single policy or in a combination of basic and umbrella or excess policies. The policy will include bodily injury and property damage liability arising out of the operation, maintenance and use of all automobiles and mobile equipment used in conjunction with this contract.

Satisfaction of the above requirement shall be in the form of a policy endorsement for:

- any auto, or
- all owned hired and non-owned autos.

[X] **Workers' Compensation Insurance**

Contractor shall purchase and maintain Workers' Compensation insurance which, in addition to meeting the minimum statutory requirements for issuance of such insurance, has Employer's Liability limits of at least $100,000 for each accident, $100,000 per each employee, and a $500,000 policy limit for occupational disease. The City need not be named as an "Additional Insured" but the insurer shall agree to waive all rights of subrogation against the City, its officials, agents, employees and volunteers for any work performed for the City by the Named Insured. For building or construction projects, the Contractor shall comply with the provisions of Attachment 1 in accordance with §406.096 of the Texas Labor Code and rule 28TAC 110.110 of the Texas Workers' Compensation Commission (TWCC).

[ ] **Owner's and Contractor's Protective Liability Insurance**

The Contractor shall obtain, pay for and maintain at all times during the prosecution of the work under this contract, an Owner's and Contractor's Protective Liability insurance policy naming the City as insured for property damage and bodily injury which may arise in the prosecution of the work or Contractor's operations under this contract. Coverage shall be on an "occurrence" basis and the policy shall be issued by the same insurance company that carries the Contractor's liability insurance. Policy limits will be at least **$500,000.00** combined bodily injury and property damage per occurrence with a **$1,000,000.00** aggregate.

[ ] **Fire Damage Legal Liability Insurance**

Coverage is required if Broad form General Liability is not provided or is unavailable to the contractor or if a contractor leases or rents a portion of a City building. Limits of not less than _____ each occurrence are required.

[ ] **Professional Liability Insurance**

Professional liability insurance with limits not less than **$1,000,000.00** per claim with respect to negligent acts, errors or omissions in connection with professional services is required under this Agreement.

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[ ] **Builders' Risk Insurance**

Builders' Risk Insurance, on an All-Risk form for 100% of the completed value shall be provided. Such policy shall include as "Named Insured" the City of Denton and all subcontractors as their interests may appear.

[ ] **Environmental Liability Insurance**

Environmental liability insurance for $1,000,000 to cover all hazards contemplated by this contract.

[ ] **Riggers Insurance**

The Contractor shall provide coverage for Rigger's Liability. Said coverage may be provided by a Rigger's Liability endorsement on the existing CGL coverage; through and Installation Floater covering rigging contractors; or through ISO form IH 00 91 12 11, Rigger's Liability Coverage form. Said coverage shall mirror the limits provided by the CGL coverage

[ ] **Commercial Crime**

Provides coverage for the theft or disappearance of cash or checks, robbery inside/outside the premises, burglary of the premises, and employee fidelity. The employee fidelity portion of this coverage should be written on a "blanket" basis to cover all employees, including new hires. This type insurance should be required if the contractor has access to City funds. Limits of not less than $_____ each occurrence are required.

[ ] **Additional Insurance**

Other insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Specific Conditions" of the contract specifications.

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ATTACHMENT 1

[ ] **Workers' Compensation Coverage for Building or Construction Projects for Governmental Entities**

A. Definitions:

Certificate of coverage ("certificate")-A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in §406.096) - includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any overage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Contractor providing services on the project, for the duration of the project.

C. The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.

D. If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

E. The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:

1. a certificate of coverage, prior to that person beginning work on the

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project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and

2. no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.

F. The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.

G. The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.

H. The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

I. The contractor shall contractually require each person with whom it contracts to provide services on a project, to:

1. provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;

2. provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;

3. provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

4. obtain from each other person with whom it contracts, and provide to the contractor:

a. a certificate of coverage, prior to the other person beginning work on the project; and

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b. a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

5. retain all required certificates of coverage on file for the duration of the project and for one year thereafter;

6. notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

7. Contractually require each person with whom it contracts, to perform as required by paragraphs (1) - (7), with the certificates of coverage to be provided to the person for whom they are providing services.

J. By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

K. The contractor’s failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

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Exhibit E
Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor shall:

1. Log onto the State Ethics Commission Website at : https://www.ethics.state.tx.us/filinginfo/1295/
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

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Exhibit F

- The crew will be available for up to 29 hours a week
- Crew sizes can either consist of 3 workers (1 supervisor and 2 trainees) or 5 workers (1 supervisor and 4 trainees)
- The hourly rate per worker is $25.94

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EXHIBIT G

CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a) and by City of Denton Ethics Code, Ordinance 18-757.
By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

Our Daily Bread, Inc.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information in this section is being disclosed.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government officer. This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

☐ Yes ☐ No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 ☒ **I have no Conflict of Interest to disclose.**

5 DocuSigned by:

48ED49A85EA0447...

Signature of vendor doing business with the governmental entity

2/17/2023

Date

DocuSign Envelope ID: 300A2E1B-664E-4CF1-B6E9-A1DE3D84C496

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

DocuSign

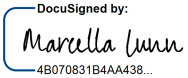
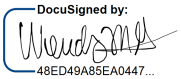
Certificate Of Completion

Envelope Id: 300A2E1B664E4CF1B6E9A1DE3D84C496
Status: Completed
Subject: Please DocuSign: City Council Contract 7988 Ready to Work Program
Source Envelope:
Document Pages: 40
Signatures: 6
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Erica Garcia
901B Texas Street
Denton, TX 76209
erica.garcia@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
2/14/2023 1:53:24 PM
Holder: Erica Garcia
erica.garcia@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Erica Garcia erica.garcia@cityofdenton.com Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**Completed** Using IP Address: 198.49.140.10	Sent: 2/14/2023 2:00:05 PM Viewed: 2/14/2023 2:00:24 PM Signed: 2/14/2023 2:01:40 PM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/14/2023 2:01:46 PM Viewed: 2/14/2023 2:10:47 PM Signed: 2/14/2023 2:11:41 PM
Marcella Lunn marcella.lunn@cityofdenton.com Mack Reinwand City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/14/2023 2:11:47 PM Viewed: 2/17/2023 11:22:28 AM Signed: 2/17/2023 11:32:52 AM
Wendy McGee wendy.mcgee@ourdailybreaddenton.org Executive Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 4/4/2022 10:56:31 AM ID: 70345625-878e-479a-9906-95ae53aea870	 Signature Adoption: Drawn on Device Using IP Address: 172.108.209.122	Sent: 2/17/2023 11:32:59 AM Viewed: 2/17/2023 4:48:11 PM Signed: 2/17/2023 4:49:59 PM

Signer Events	Signature	Timestamp
Brian Boerner Brian.Boerner@cityofdenton.com Director of Solid Waste Security Level: Email, Account Authentication (None)	DocuSigned by: Brian Boerner DCD14331B89A4A9... Signature Adoption: Pre-selected Style Using IP Address: 38.65.73.181	Sent: 2/17/2023 4:50:07 PM Viewed: 2/20/2023 4:30:43 PM Signed: 2/20/2023 4:32:30 PM
Electronic Record and Signature Disclosure: Accepted: 2/20/2023 4:30:43 PM ID: 4868814f-b407-4f20-82ed-6ce5fbcc790b		
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None)	**Completed** Using IP Address: 198.49.140.104	Sent: 2/20/2023 4:32:39 PM Viewed: 3/21/2023 3:29:49 PM Signed: 3/21/2023 3:30:02 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Sara Hensley sara.hensley@cityofdenton.com City Manager City of Denton Security Level: Email, Account Authentication (None)	DocuSigned by: Sara Hensley 5236DB296270423... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 3/21/2023 3:30:07 PM Viewed: 3/21/2023 3:31:21 PM Signed: 3/21/2023 3:31:26 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
Rosa Rios rosa.rios@cityofdenton.com City Secretary Security Level: Email, Account Authentication (None)	DocuSigned by: Rosa Rios 1C5CA8C5E175493... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 3/21/2023 3:31:31 PM Viewed: 3/21/2023 3:57:47 PM Signed: 3/21/2023 3:58:14 PM
Electronic Record and Signature Disclosure: Accepted: 3/21/2023 3:57:47 PM ID: 7ce716b3-3845-4ae1-be87-c337bc6dc1cd		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 2/14/2023 2:01:47 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 2/20/2023 4:32:39 PM Viewed: 2/20/2023 4:53:56 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 3/21/2023 3:58:19 PM
Brian Boerner Brian.Boerner@cityofdenton.com Director of Solid Waste Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/20/2023 4:30:43 PM ID: 4868814f-b407-4f20-82ed-6ce5fbcc790b	COPIED	Sent: 3/21/2023 3:58:21 PM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/14/2023 2:00:05 PM
Envelope Updated	Security Checked	2/27/2023 10:53:52 AM
Certified Delivered	Security Checked	3/21/2023 3:57:47 PM
Signing Complete	Security Checked	3/21/2023 3:58:14 PM
Completed	Security Checked	3/21/2023 3:58:21 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE APPROVAL OF A FIRST AMENDMENT TO A CONTRACT BETWEEN THE CITY OF DENTON AND OUR DAILY BREAD, INC., AMENDING THE CONTRACT APPROVED BY CITY COUNCIL ON MARCH 21, 2023, IN THE NOT-TO-EXCEED AMOUNT OF $1,040,803.00; SAID FIRST AMENDMENT TO PROVIDE ADDITIONAL FUNDING FOR CHARGES THROUGH THE CONTRACT TERM FOR THE READY TO WORK PROGRAM FOR THE SOLID WASTE AND RECYCLING DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 7988 – PROVIDING FOR AN ADDITIONAL FIRST AMENDMENT EXPENDITURE AMOUNT NOT-TO-EXCEED $260,200.00, WITH THE TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $1,301,003.00).

WHEREAS, on March 21, 2023, City Council awarded a contract to Our Daily Bread, Inc. in the amount of $1,040,803.00, for the Ready to Work Program for the Solid Waste and Recycling Department; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the additional fees under the proposed First Amendment are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees applicable to the Provider's profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The First Amendment, increasing the amount of the contract between the City and Our Daily Bread, Inc., which is on file in the office of the Purchasing Agent, in the amount of Two Hundred Sixty Thousand Two Hundred and 0/100 ($260,200.00) Dollars, is hereby approved, and the expenditure of funds therefor is hereby authorized in accordance with said amendment which shall be effective upon the execution of the amendment attached hereto. The total contract amount increases to $1,301,003.00.

SECTION 2. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Docusign Envelope ID: 376ED2AC-8C94-8143-826F-CCF314AD5C16

Docusign City Council Transmittal Coversheet

RFQ	7988
File Name	Ready to Work program
Purchasing Contact	Crystal Westbrook
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: 376ED2AC-8C94-8143-826F-CCF314AD5C16

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

FIRST AMENDMENT TO CONTRACT
BY AND BETWEEN THE CITY OF DENTON, TEXAS
AND OUR DAILY BREAD, INC.

THIS FIRST AMENDMENT TO CONTRACT 7988 (this "Amendment") by and between the City of Denton, Texas ("City") and OUR DAILY BREAD, INC. ("Contractor") to that certain contract executed on March 21, 2023, in the original not-to-exceed amount of $1,040,803 (the "Agreement"); for services related to the **Ready to Work Program.**

WHEREAS, the City deems it necessary to further expand the services provided by Contractor to the City pursuant to the terms of the Agreement, and to provide an additional not-to-exceed amount $**260,200** with this First Amendment for an aggregate not-to-exceed amount of $**1,301,003** and

WHEREAS, this amendment incorporates any previously executed documents between the parties including but not limited to pricing adjustments.

WHEREAS, the City deems it necessary to further expand the goods/services provided by Contractor to the City; and

WHEREAS, the original not-to-exceed amount may not be increased by more than 25.0% as provided in Texas Local Government Code Sec. 252.048; and

NOW THEREFORE, the City and Contractor (hereafter collectively referred to as the "Parties"), in consideration of their mutual promises and covenants, as well as for other good and valuable considerations, do hereby AGREE to the following First Amendment, which amends the following terms and conditions of the said Agreement, to wit:

1. This Amendment modifies the Agreement amount to provide an additional $260,200 for additional services and materials to be provided in accordance with the terms of the Agreement with a revised aggregate not-to-exceed total of $1,301,003.

The Parties hereto agree, that except as specifically provided for by this Amendment, that all of the terms, covenants, conditions, agreements, rights, responsibilities, and obligations of the Parties, set forth in the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the City and the Contractor, have each executed this Amendment, by and through their respective duly authorized representatives and officers on this date_____.

Docusign Envelope ID: 376ED2AC-8C94-8143-826F-CCF314AD5C16

"CONTRACTOR"
OUR DAILY BREAD, INC.

By: Docusigned by: Wendy McGee 48ED49A85EA0447...
AUTHORIZED SIGNATURE, TITLE

"CITY"
CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: Signed by: Leah Bush 3A6254145BDA469...

ATTEST:

_____

By: _____

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by: Brenda Haney C3C63BE563154A1...
SIGNATURE

Brenda Haney
PRINTED NAME

Director
TITLE

Solid Waste
DEPARTMENT

Docusign Envelope ID: 376ED2AC-8C94-8143-826F-CCF314AD5C16

CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a) and by City of Denton Ethics Code, Ordinance 18-757.
By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

OUR DAILY BREAD, INC.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information in this section is being disclosed.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government officer. This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

☐ Yes ☐ No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 ☒ **I have no Conflict of Interest to disclose.**

5 DocuSigned by:
Wendy McGee
48ED49A85EA0447...
Signature of vendor doing business with the governmental entity

7/8/2026
Date

Docusign Envelope ID: 376ED2AC-8C94-8143-826F-CCF314AD5C16

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

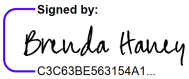
Envelope Id: 376ED2AC-8C94-8143-826F-CCF314AD5C16
Status: Sent
Subject: Please DocuSign: City Council Contract 7988 - Ready to Work Program, NTE Increase
Source Envelope:
Document Pages: 5
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Christa Christian
901B Texas Street
Denton, TX 76209
Christa.Christian@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
7/7/2026 8:32:08 AM
Holder: Christa Christian
Christa.Christian@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Christa Christian Christa.Christian@cityofdenton.com Purchasing Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.10	Sent: 7/7/2026 8:45:37 AM Viewed: 7/7/2026 8:45:45 AM Signed: 7/7/2026 8:45:59 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Initial LH Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/7/2026 8:46:01 AM Viewed: 7/7/2026 9:45:53 AM Signed: 7/7/2026 9:46:07 AM
Leah Bush leah.bush@cityofdenton.com Assistant City Attorney Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Signed by: Leah Bush 3A6254145BDA469... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 7/7/2026 9:46:09 AM Viewed: 7/7/2026 4:18:20 PM Signed: 7/7/2026 4:30:16 PM
Wendy McGee wendy.mcgee@ourdailybreaddenton.org Executive Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 4/4/2022 10:56:31 AM ID: 70345625-878e-479a-9906-95ae53aea870	DocuSigned by: Wendy McGee 48ED49A85EA0447... Signature Adoption: Pre-selected Style Using IP Address: 172.108.209.122	Sent: 7/7/2026 4:30:18 PM Resent: 7/7/2026 4:38:49 PM Viewed: 7/8/2026 11:38:44 AM Signed: 7/8/2026 11:43:37 AM

Signer Events	Signature	Timestamp
Brenda Haney Brenda.Haney@cityofdenton.com Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/8/2026 11:45:52 AM ID: 4501c913-54c8-446a-b46d-87923111d4b4	Signed by:  C3C63BE563154A1... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/8/2026 11:43:40 AM Viewed: 7/8/2026 11:45:52 AM Signed: 7/8/2026 11:46:20 AM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 7/8/2026 11:46:23 AM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Kristi Fogle kristi.fogle@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/1/2026 4:30:58 PM ID: eac1c89a-2412-4c7a-b2a2-55eb3f92b794		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/7/2026 8:46:01 AM

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/8/2026 11:46:24 AM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Arturo Garcia arturo.garcia@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 4/16/2026 8:34:23 AM ID: d4171875-555b-4321-8abc-b94ced2893df		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/7/2026 8:45:37 AM
Envelope Updated	Security Checked	7/7/2026 4:38:48 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a second amendment to a Professional Services Agreement between the City of Denton and Kimley-Horn and Associates, Inc., amending the contract approved by City Council on June 4, 2024, in the not-to-exceed amount of $1,259,400.00; amended by Amendment 1 approved by the City Manager; said second amendment to provide an extended scope including alignments study of branch sanitary sewer lines, easement acquisition for the added sewer line branches, and additional full plan set and services for the added branch lines for the Clear Creek Interceptor project for the Wastewater Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8213-001 – providing for an additional second amendment expenditure amount not-to-exceed $1,330,400.00, with the total contract amount not-to-exceed $4,180,600.00). The Public Utilities Board recommends approval (4 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The original contract was established for engineering services focused on the conceptual design and due diligence for "a major wastewater interceptor in the near future in the Clear Creek Basin." Per the City of Denton Wastewater Master Plan, the project involved designing approximately 7.5 miles of 27-inch to 42-inch sanitary sewer pipeline. This pipeline will begin at the future Clear Creek Water Reclamation Plant Site (located approximately 5,500 feet north of the Hartlee Field Road and Collins Street intersection), extend westward along Clear Creek to the Milam Creek confluence, and connect to the influent gravity piping at the Ganzer Road Lift Station (at the southeast corner of Ganzer Road and IH-35), which is currently under design.

The initial scope of services includes Design Management, Alignment Study, Topographic Survey, Nationwide Permitting, Archaeological Services, ESA Field Assessments, Tree Survey, Alignment Revisions, Easement Preparation, TxDOT RULIS, and Gas Pipeline Encroachments.

The first amendment addressed the high development interest within the Clear Creek Basin and the pressing need for expanded wastewater services to support the area's rapid growth. To meet this increased demand, the amendment provides for the continuation of comprehensive engineering design and easement acquisition services, positioning the city to move forward with constructing the Clear Creek Interceptor.

The revised scope adds essential tasks: Preliminary Design, Final Design, Bid Phase Services, and Easement Acquisition Services. These additions ensure all phases from planning through construction are covered, facilitating efficient progress on this critical infrastructure project.

This amendment to the scope of work addresses the high development interest and the ability to abandon up to six (6) existing lift stations with the additional sewer branch lines. These projects are identified on the City's wastewater master plan (WWMP) as project 27, 30, and 43, and comprise generally 6,100 feet, 6,120 feet, and 7,613 feet, respectively. This amendment also includes additional design and easements that have arisen on the original Clear Creek project and includes construction phase services. This amendment provides for the continuation of comprehensive engineering design and easement acquisition services, positioning the city to move forward with constructing the Clear Creek Interceptor. The revised scope adds essential tasks: Preliminary Design, Final Design, Bid Phase Services, and Easement Acquisition Services. These additions ensure all phases from planning through construction are covered, facilitating efficient progress on this critical infrastructure project.

Request for Qualifications for an engineering services list for various water and wastewater utilities projects for the Water Utilities Department was solicited using the City's formal solicitation process. City Council approved a pre-qualified list of professional service firms on March 5, 2024 (Ordinance 24-390).

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 5, 2024, City Council approved RFQ 8213 for a prequalified list of firms for engineering services for various water and wastewater utilities projects for the Water Utilities Department (Ordinance 24-390).

On June 4, 2024, City Council approved a contract with Kimley-Horn and Associates, Inc., in the not-to-exceed amount of $1,259,400 (Ordinance 24-1076).

On December 17, 2024, City Council approved Amendment No. 1 with Kimley-Horn and Associates, Inc., in the not-to-exceed amount of $1,590,800, for a total not-to-exceed amount of $2,850,200 (Ordinance 24-2410).

On August 10, 2026, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award Amendment No. 2 with Kimley-Horn and Associates, Inc., to provide an extended scope including alignments study of branch sanitary sewer lines, easement acquisition for the added sewer line branches, and additional full plan set and services for the added branch lines for the Clear Creek Interceptor project for the Wastewater Department, in a not-to-exceed amount of $1,330,400, for a total amended contract amount of $4,180,600.

PRINCIPAL PLACE OF BUSINESS

Kimley-Horn and Associates, Inc.
Fort Worth, TX

SUSTAINABILITY MEASURES

The contract will help the City of Denton in the full engineering design and easement acquisition necessary to permit the City to begin construction of the Clear Creek Interceptor. The new additional infrastructure

will increase wastewater capacity throughout the Northern part of the City. The facilities are essential to the safe treatment and discharge of effluent to the sensitive accepting streams.

ESTIMATED SCHEDULE OF PROJECT

This amendment will be started upon approval, with preliminary plans being submitted in October 2025, and final plans coming in October 2026.

FISCAL INFORMATION

These services will be funded from the 5-year Capital Improvement Program, account 640516545.1360.20100. Purchase Order #207401 will be revised to include the second amendment amount of $1,330,400. The total amount of this contract is $4,180,600.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Original Ordinance, Contract, Ordinance, and Amendment 1
Exhibit 3: Ordinance and Amendment 2

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Shawn Messick, 940-349-8390.

Legal point of contact: Leah Bush at 940-349-8333.

ORDINANCE NO. 24-1076

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC., FOR ENGINEERING SERVICES FOR THE CONCEPTUAL DESIGN AND DUE DILIGENCE ITEMS FOR THE CLEAR CREEK INTERCEPTOR PROJECT FOR THE WASTEWATER DEPARTMENT AS SET FORTH IN THE CONTRACT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 8213-001 - PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES AWARDED TO KIMLEY-HORN AND ASSOCIATES, INC., IN THE NOT-TO-EXCEED AMOUNT OF $1,259,400.00).

WHEREAS, on March 5, 2024, the City Council approved a pre-qualified engineer list for the Water and Wastewater Utilities Department (Ordinance 24-390), and the professional services provider (the "Provider") mentioned in this ordinance is being selected as the most highly qualified on the basis of its demonstrated competence and qualifications to perform the proposed professional services; and

WHEREAS, this procurement was undertaken as part of the City's governmental function [Water and sewer service]; and

WHEREAS, the fees under the proposed contract are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees published by the professional associations applicable to the Provider's profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager, or their designee, is hereby authorized to enter into an agreement with Kimley-Horn and Associates, Inc., for engineering services for the conceptual design and due diligence items for the Clear Creek Interceptor project for the Wastewater Department, a copy of which is attached hereto and incorporated by reference herein.

SECTION 2. The City Manager, or their designee, is authorized to expend funds as required by the attached contract.

SECTION 3. The City Council of the City of Denton, hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 4. The findings in the preamble of this ordinance are incorporated herein by reference.

SECTION 5. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by Brian Beck and seconded by Vicki Byrd. This ordinance was passed and approved by the following vote [6 - 0]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	✓			
Vicki Byrd, District 1:	✓			
Brian Beck, District 2:	✓			
Paul Meltzer, District 3:				✓
Joe Holland, District 4:	✓			
Brandon Chase McGee, At Large Place 5:	✓			
Jill Jester, At Large Place 6:	✓			

PASSED AND APPROVED this the 4th day of June, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: Lauren Thoden

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

Digitally signed by Marcella Lunn
DN: dc=com, dc=cityofdenton, dc=codad, ou=Department Users and Groups, ou=General Government, ou=Legal, cn=Marcella Lunn, email=Marcella.Lunn@cityofdenton.com
Date: 2024.05.03 13:23:43 -05'00'

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CITY OF DENTON

Docusign City Council Transmittal Coversheet

PSA	8213-001
File Name	Clear Creek Interceptor PSA
Purchasing Contact	Erica Garcia
City Council Target Date	June 4,. 2024
Piggy Back Option	Not Applicable
Contract Expiration	N/A
Ordinance	24-1076

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CITY OF DENTON, TEXAS

STANDARD AGREEMENT FOR ENGINEERING RELATED PROFESSIONAL SERVICES 8213-001

This AGREEMENT is between the City of Denton, a Texas home-rule municipality ("CITY"), and Kimley-Horn and Associates, Inc., with its corporate office at 801 Cherry Street, Suite 1300, Unit 11, Fort Worth, TX 76102, and authorized to do business in Texas, ("ENGINEER"), for a PROJECT generally described as: Clear Creek Interceptor (the "PROJECT").

SECTION 1
Scope of Services

A. The CITY hereby agrees to retain the ENGINEER, and the ENGINEER hereby agrees to perform, professional engineering services set forth in the Scope of Services attached hereto as Attachment A. These services shall be performed in connection with the PROJECT.

B. Additional services, if any, will be requested in writing by the CITY. CITY shall not pay for any work performed by ENGINEER or its consultants, subcontractors and/or suppliers that has not been ordered in advance and in writing. It is specifically agreed that ENGINEER shall not be compensated for any additional work resulting from oral orders of any person.

SECTION 2
Compensation and Term of Agreement

A. The ENGINEER shall be compensated for all services provided pursuant to this AGREEMENT in an amount not to exceed **$1,259,400** in the manner and in accordance with the fee schedule as set forth in Attachment B. Payment shall be considered full compensation for all labor, materials, supplies, and equipment necessary to complete the services described in Attachment A.

B. Unless otherwise terminated pursuant to Section 6. D. herein, this AGREEMENT shall be for a term beginning upon the effective date, as described below, and shall continue for a period which may reasonably be required for the completion of the PROJECT, until the expiration of the funds, or completion of the PROJECT and acceptance by the CITY, whichever occurs first. ENGINEER shall proceed diligently with the PROJECT to completion as described in the PROJECT schedule as set forth in Attachment A.

SECTION 3
Terms of Payment

Payments to the ENGINEER will be made as follows:

A. Invoice and Payment

(1) The Engineer shall provide the City sufficient documentation, including but not limited to meeting the requirements set forth in the PROJECT schedule as set forth in Attachment A to reasonably substantiate the invoices.

(2) The ENGINEER will issue monthly invoices for all work performed under this AGREEMENT. Invoices for the uncontested performance of the particular services are due and payable within 30 days of receipt by City.

(3) Upon completion of services enumerated in Section 1, the final payment of any balance for the uncontested performance of the services will be due within 30 days of receipt of the final invoice.

(4) In the event of a disputed or contested billing, only that portion so contested will be withheld from payment, and the undisputed portion will be paid. The CITY will exercise reasonableness in contesting any bill or portion thereof. No interest will accrue on any contested portion of the billing until mutually resolved.

(5) If the CITY fails to make payment in full to ENGINEER for billings contested in good faith within 60 days of the amount due, the ENGINEER may, after giving 7 days' written notice to CITY, suspend services under this AGREEMENT until paid in full. In the event of suspension of services, the ENGINEER shall have no liability to CITY for delays or damages caused the CITY because of such suspension of services.

SECTION 4
Obligations of the Engineer

A. General

The ENGINEER will serve as the CITY's professional engineering representative under this AGREEMENT, providing professional engineering consultation and advice and furnishing customary services incidental thereto.

B. Standard of Care

The ENGINEER shall perform its services:

(1) with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional license; and

(2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

C. Subsurface Investigations

(1) The ENGINEER shall advise the CITY with regard to the necessity for subcontract work such as special surveys, tests, test borings, or other subsurface investigations in connection with design and engineering work to be performed hereunder. The ENGINEER shall also advise the CITY concerning the results of same. Such surveys, tests, and investigations shall be furnished by the CITY, unless otherwise specified in Attachment A.

(2) In soils, foundation, groundwater, and other subsurface investigations, the actual characteristics may vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that could affect the total PROJECT cost and/or execution. These conditions and cost/execution effects are not the responsibility of the ENGINEER.

D. Preparation of Engineering Drawings

The ENGINEER will provide to the CITY the original drawings of all plans in ink on reproducible mylar sheets and electronic files in .pdf format, or as otherwise approved by CITY, which shall become the property of the CITY. CITY may use such drawings in any manner it desires; provided, however, that the ENGINEER shall not be liable for the use of such drawings for any project other than the PROJECT described herein.

E. Engineer's Personnel at Construction Site

(1) The presence or duties of the ENGINEER's personnel at a construction site, whether as on-site representatives or otherwise, do not make the ENGINEER or its personnel in any way responsible for those duties that belong to the CITY and/or the CITY's construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the AGREEMENT Documents and any health or safety precautions required by such construction work. The ENGINEER and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions.

(2) Except to the extent of specific site visits expressly detailed and set forth in Attachment A, the ENGINEER or its personnel shall have no obligation or responsibility to visit the construction site to become familiar with the progress or quality of the completed work on the PROJECT or to determine, in general, if the work on the PROJECT is being performed in a manner indicating that the

PROJECT, when completed, will be in accordance with the AGREEMENT Documents, nor shall anything in the AGREEMENT Documents or this AGREEMENT between CITY and ENGINEER be construed as requiring ENGINEER to make exhaustive or continuous on-site inspections to discover latent defects in the work or otherwise check the quality or quantity of the work on the PROJECT. If the ENGINEER makes on-site observation(s) of a deviation from the AGREEMENT Documents, the ENGINEER shall inform the CITY.

(3) When professional certification of performance or characteristics of materials, systems or equipment is reasonably required to perform the services set forth in the Scope of Services, the ENGINEER shall be entitled to rely upon such certification to establish materials, systems or equipment and performance criteria to be required in the AGREEMENT Documents.

F. Opinions of Probable Cost, Financial Considerations, and Schedules

(1) The ENGINEER shall provide opinions of probable costs based on the current available information at the time of preparation, in accordance with Attachment A.

(2) In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the PROJECT, the ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate PROJECT cost or schedule. Therefore, the ENGINEER makes no warranty that the CITY's actual PROJECT costs, financial aspects, economic feasibility, or schedules will not vary from the ENGINEER's opinions, analyses, projections, or estimates.

G. Construction Progress Payments

Recommendations by the ENGINEER to the CITY for periodic construction progress payments to the construction contractor will be based on the ENGINEER's knowledge, information, and belief from selective sampling and observation that the work has progressed to the point indicated. Such recommendations do not represent that continuous or detailed examinations have been made by the ENGINEER to ascertain that the construction contractor has completed the work in exact accordance with the AGREEMENT Documents; that the final work will be acceptable in all respects; that the ENGINEER has made an examination to ascertain how or for what purpose the construction contractor has used the moneys paid; that title to any of the work, materials, or equipment has passed to the CITY free and clear of liens, claims, security interests, or encumbrances; or that there are not other matters at issue between the CITY and the construction contractor that affect the amount that should be paid.

H. Record Drawings

Record drawings, if required, will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the PROJECT was finally constructed. The ENGINEER is not responsible for any errors or omissions in the information from others that is incorporated into the record drawings.

I. Right to Audit

(1) ENGINEER agrees that the CITY shall, until the expiration of five (5) years after final payment under this AGREEMENT, have access to and the right to examine and photocopy any directly pertinent books, documents, papers and records of the ENGINEER involving transactions relating to this AGREEMENT. ENGINEER agrees that the CITY shall have access during normal working hours to all necessary ENGINEER facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The CITY shall give ENGINEER reasonable advance notice of intended audits.

(2) ENGINEER further agrees to include in all its subconsultant agreements hereunder a provision to the effect that the subconsultant agrees that the CITY shall, until the expiration of five (5) years after final payment under the subcontract, have access to and the right to examine and photocopy any directly pertinent books, documents, papers and records of such subconsultant, involving transactions to the subcontract, and further, that the CITY shall have access during normal working hours to all subconsultant facilities, and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with the provisions of this section together with subsection (3) hereof. CITY shall give subconsultant reasonable advance notice of intended audits.

(3) ENGINEER and subconsultant agree to photocopy such documents as may be requested by the CITY. The CITY agrees to reimburse ENGINEER for the cost of copies at the rate published in the Texas Administrative Code in effect as of the time copying is performed.

J. INSURANCE

(1) ENGINEER'S INSURANCE

a. Commercial General Liability – the ENGINEER shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than $1,000,000.00 per each occurrence with a $2,000,000.00 aggregate. If such Commercial General Liability insurance contains a general aggregate limit, it shall apply separately to this PROJECT or location.

i. The CITY shall be included as an additional insured with all rights of defense under the CGL, using ISO additional insured endorsement or a substitute providing equivalent coverage, and under the commercial umbrella, if any. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to the CITY. The Commercial General Liability insurance policy shall have no exclusions or endorsements that would alter or nullify: premises/operations, products/completed operations, contractual, personal injury, or advertising injury, which are normally contained within the policy, unless the CITY specifically approves such exclusions in writing.

ii. ENGINEER waives all rights against the CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained in accordance with this AGREEMENT.

b. Business Auto – the ENGINEER shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit of not less than $1,000,000 each accident. Such insurance shall cover liability arising out of "any auto", including owned, hired, and non-owned autos, when said vehicle is used in the course of the PROJECT. If the engineer owns no vehicles, coverage for hired or non-owned is acceptable.

i. ENGINEER waives all rights against the CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the business auto liability or commercial umbrella liability insurance obtained by ENGINEER pursuant to this AGREEMENT or under any applicable auto physical damage coverage.

c. Workers' Compensation – ENGINEER shall maintain workers compensation and employers liability insurance and, if necessary,

commercial umbrella liability insurance with a limit of not less than $100,000.00 each accident for bodily injury by accident or $100,000.00 each employee for bodily injury by disease, with $500,000.00 policy limit.

i. ENGINEER waives all rights against the CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by workers compensation and employer's liability or commercial umbrella insurance obtained by ENGINEER pursuant to this AGREEMENT.

d. Professional Liability – ENGINEER shall maintain professional liability, a claims-made policy, with a minimum of $1,000,000.00 per claim and aggregate. The policy shall contain a retroactive date prior to the date of the AGREEMENT or the first date of services to be performed, whichever is earlier. Coverage shall be maintained for a period of 5 years following the completion of the AGREEMENT. An annual certificate of insurance specifically referencing this PROJECT shall be submitted to the CITY for each year following completion of the AGREEMENT.

(2) GENERAL INSURANCE REQUIREMENTS

a. Certificates of insurance evidencing that the ENGINEER has obtained all required insurance shall be attached to this AGREEMENT prior to its execution.

b. Applicable policies shall be endorsed to name the CITY an Additional Insured thereon, subject to any defense provided by the policy, as its interests may appear. The term CITY shall include its employees, officers, officials, agents, and volunteers as respects the contracted services.

c. Certificate(s) of insurance shall document that insurance coverage specified in this AGREEMENT are provided under applicable policies documented thereon.

d. Any failure on part of the CITY to attach the required insurance documentation hereto shall not constitute a waiver of the insurance requirements.

e. A minimum of thirty (30) days notice of cancellation or material change in coverage shall be provided to the CITY. A ten (10) days notice shall be acceptable in the event of non-payment of premium. Notice shall be sent to the respective Department Director (by name), City of Denton, 901 Texas Street, Denton, Texas 76209.

f. Insurers for all policies must be authorized to do business in the State of

Texas and have a minimum rating of A:V or greater, in the current A.M. Best Key Rating Guide or have reasonably equivalent financial strength and solvency to the satisfaction of Risk Management.

g. Any deductible or self insured retention in excess of $25,000.00 that would change or alter the requirements herein is subject to approval by the CITY in writing, if coverage is not provided on a first-dollar basis. The CITY, at it sole discretion, may consent to alternative coverage maintained through insurance pools or risk retention groups. Dedicated financial resources or letters of credit may also be acceptable to the CITY.

h. Applicable policies shall each be endorsed with a waiver of subrogation in favor of the CITY as respects the PROJECT.

i. The CITY shall be entitled, upon its request and without incurring expense, to review the ENGINEER's insurance policies including endorsements thereto and, at the CITY's discretion; the ENGINEER may be required to provide proof of insurance premium payments.

j. Lines of coverage, other than Professional Liability, underwritten on a claims-made basis, shall contain a retroactive date coincident with or prior to the date of the AGREEMENT. The certificate of insurance shall state both the retroactive date and that the coverage is claims-made.

k. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption nor restrictive modification or changes from date of commencement of the PROJECT until final payment and termination of any coverage required to be maintained after final payments.

l. The CITY shall not be responsible for the direct payment of any insurance premiums required by this AGREEMENT.

m. Sub consultants and subcontractors to/of the ENGINEER shall be required by the ENGINEER to maintain the same or reasonably equivalent insurance coverage as required for the ENGINEER. When sub consultants/subcontractors maintain insurance coverage, ENGINEER shall provide CITY with documentation thereof on a certificate of insurance.

K. Independent Consultant

The ENGINEER agrees to perform all services as an independent consultant and not as a subcontractor, agent, or employee of the CITY. The doctrine of *respondeat superior* shall not apply.

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L. Disclosure

The ENGINEER acknowledges to the CITY that it has made full disclosure in writing of any existing conflicts of interest or potential conflicts of interest, including personal financial interest, direct or indirect, in property abutting the proposed PROJECT and business relationships with abutting property cities. The ENGINEER further acknowledges that it will make disclosure in writing of any conflicts of interest that develop subsequent to the signing of this AGREEMENT and prior to final payment under the AGREEMENT.

M. Asbestos or Hazardous Substances

(1) If asbestos or hazardous substances in any form are encountered or suspected, the ENGINEER will stop its own work in the affected portions of the PROJECT to permit testing and evaluation.

(2) If asbestos or other hazardous substances are suspected, the CITY may request the ENGINEER to assist in obtaining the services of a qualified subcontractor to manage the remediation activities of the PROJECT.

N. Permitting Authorities - Design Changes

If permitting authorities require design changes so as to comply with published design criteria and/or current engineering practice standards which the ENGINEER should have been aware of at the time this AGREEMENT was executed, the ENGINEER shall revise plans and specifications, as required, at its own cost and expense. However, if design changes are required due to the changes in the permitting authorities' published design criteria and/or practice standards criteria which are published after the date of this AGREEMENT which the ENGINEER could not have been reasonably aware of, the ENGINEER shall notify the CITY of such changes and an adjustment in compensation will be made through an amendment to this AGREEMENT.

O. Schedule

ENGINEER shall manage the PROJECT in accordance with the schedule developed per Attachment A to this AGREEMENT.

P. Equal Opportunity

(1) **Equal Employment Opportunity:** ENGINEER and ENGINEER's agents shall engage in any discriminatory employment practice. No person shall, on the grounds of race, sex, sexual orientation, age, disability, creed, color, genetic testing, or national origin, be refused the benefits of, or be otherwise subjected to discrimination under any activities resulting from this AGREEMENT.

(2) **Americans with Disabilities Act (ADA) Compliance:** ENGINEER and

ENGINEER's agents shall not engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

SECTION 5
Obligations of the City

A. City-Furnished Data

ENGINEER may rely upon the accuracy, timeliness, and completeness of the information provided by the CITY.

B. Access to Facilities and Property

The CITY will make its facilities accessible to the ENGINEER as required for the ENGINEER's performance of its services. The CITY will perform, at no cost to the ENGINEER, such tests of equipment, machinery, pipelines, and other components of the CITY's facilities as may be required in connection with the ENGINEER's services. The CITY will be responsible for all acts of the CITY's personnel.

C. Advertisements, Permits, and Access

Unless otherwise agreed to in the Scope of Services, the CITY will obtain, arrange, and pay for all advertisements for bids; permits and licenses required by local, state, or federal authorities; and land, easements, rights-of-way, and access necessary for the ENGINEER's services or PROJECT construction.

D. Timely Review

The CITY will examine the ENGINEER's studies, reports, sketches, drawings, specifications, proposals, and other documents; obtain advice of an attorney, insurance counselor, accountant, auditor, bond and financial advisors, and other consultants as the CITY deems appropriate; and render in writing decisions required by the CITY in a timely manner in accordance with the PROJECT schedule prepared in accordance with Attachment A.

E. Prompt Notice

The CITY will give prompt written notice to the ENGINEER whenever CITY observes or becomes aware of any development that affects the scope or timing of the ENGINEER's services or of any defect in the work of the ENGINEER or construction contractors.

F. Asbestos or Hazardous Substances Release.

(1) CITY acknowledges ENGINEER will perform part of the work at CITY's

facilities that may contain hazardous materials, including asbestos containing materials, or conditions, and that ENGINEER had no prior role in the generation, treatment, storage, or disposition of such materials. In consideration of the associated risks that may give rise to claims by third parties or employees of City, City hereby releases ENGINEER from any damage or liability related to the presence of such materials.

(2) The release required above shall not apply in the event the discharge, release or escape of hazardous substances, contaminants, or asbestos is a result of ENGINEER's negligence or if ENGINEER brings such hazardous substance, contaminant or asbestos onto the PROJECT.

G. Contractor Indemnification and Claims

The CITY agrees to include in all construction contracts the provisions of Article IV.E. regarding the ENGINEER's Personnel at Construction Site, and provisions providing for contractor indemnification of the CITY and the ENGINEER for contractor's negligence.

H. Contractor Claims and Third-Party Beneficiaries

(1) The CITY agrees to include the following clause in all contracts with construction contractors and equipment or materials suppliers:

> "Contractors, subcontractors and equipment and materials suppliers on the PROJECT, or their sureties, shall maintain no direct action against the ENGINEER, its officers, employees, and subcontractors, for any claim arising out of, in connection with, or resulting from the engineering services performed. Only the CITY will be the beneficiary of any undertaking by the ENGINEER."

(2) This AGREEMENT gives no rights or benefits to anyone other than the CITY and the ENGINEER and there are no third-party beneficiaries.

(3) The CITY will include in each agreement it enters into with any other entity or person regarding the PROJECT a provision that such entity or person shall have no third-party beneficiary rights under this AGREEMENT.

(4) Nothing contained in this Section H. shall be construed as a waiver of any right the CITY has to bring a claim against ENGINEER.

I. CITY's Insurance

(1) The CITY may maintain property insurance on certain pre-existing structures associated with the PROJECT.

(2) The CITY may secure Builders Risk/Installation insurance at the replacement

cost value of the PROJECT. The CITY may provide ENGINEER a copy of the policy or documentation of such on a certificate of insurance.

J. Litigation Assistance

The Scope of Services does not include costs of the ENGINEER for required or requested assistance to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by the CITY. In the event CITY requests such services of the ENGINEER, this AGREEMENT shall be amended or a separate agreement will be negotiated between the parties.

K. Changes

The CITY may make or approve changes within the general Scope of Services in this AGREEMENT. If such changes affect the ENGINEER's cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this AGREEMENT with appropriate CITY approval.

SECTION 6
General Legal Provisions

A. Authorization to Proceed

ENGINEER shall be authorized to proceed with this AGREEMENT upon receipt of a written Notice to Proceed from the CITY.

B. Reuse of Project Documents

All designs, drawings, specifications, documents, and other work products of the ENGINEER, whether in hard copy or in electronic form, are instruments of service for this PROJECT, whether the PROJECT is completed or not. Reuse, change, or alteration by the CITY or by others acting through or on behalf of the CITY of any such instruments of service without the written permission of the ENGINEER will be at the CITY's sole risk. The CITY shall own the final designs, drawings, specifications and documents.

C. Force Majeure

The ENGINEER is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the ENGINEER that prevent ENGINEER's performance of its obligations hereunder.

D. Termination

(1) This AGREEMENT may be terminated:

a. by the City for its convenience upon 30 days' written notice to

ENGINEER.

b. by either the CITY or the ENGINEER for cause if either party fails substantially to perform through no fault of the other and the nonperforming party does not commence correction of such nonperformance within 5 days' written notice or thereafter fails to diligently complete the correction.

(2) If this AGREEMENT is terminated for the convenience of the City, the ENGINEER will be paid for termination expenses as follows:

a. Cost of reproduction of partial or complete studies, plans, specifications or other forms of ENGINEER'S work product;

b. Out-of-pocket expenses for purchasing electronic data files and other data storage supplies or services;

c. The time requirements for the ENGINEER'S personnel to document the work underway at the time of the CITY'S termination for convenience so that the work effort is suitable for long time storage.

(3) Prior to proceeding with termination services, the ENGINEER will submit to the CITY an itemized statement of all termination expenses. The CITY'S approval will be obtained in writing prior to proceeding with termination services.

E. Suspension, Delay, or Interruption to Work

The CITY may suspend, delay, or interrupt the services of the ENGINEER for the convenience of the CITY. In the event of such suspension, delay, or interruption, an equitable adjustment in the PROJECT's schedule, commitment and cost of the ENGINEER's personnel and subcontractors, and ENGINEER's compensation will be made.

F. Indemnification

IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE SECTION 271.904, THE ENGINEER SHALL INDEMNIFY OR HOLD HARMLESS THE CITY AGAINST LIABILITY FOR ANY DAMAGE COMMITTED BY THE ENGINEER OR ENGINEER'S AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH THE ENGINEER EXERCISES CONTROL TO THE EXTENT THAT THE DAMAGE IS CAUSED BY OR RESULTING FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER. CITY IS ENTITLED TO RECOVER ITS REASONABLE ATTORNEY'S FEES IN PROPORTION TO THE ENGINEER'S LIABILITY.

G. Assignment

Neither party shall assign all or any part of this AGREEMENT without the prior written consent of the other party.

H. Jurisdiction

The law of the State of Texas shall govern the validity of this AGREEMENT, its interpretation and performance, and any other claims related to it. The venue for any litigation related to this AGREEMENT shall be Denton County, Texas.

I. Severability and Survival

If any of the provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this AGREEMENT shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Sections 5.F., 6.B., 6.D., 6.F., 6.H., and 6.I. shall survive termination of this AGREEMENT for any cause.

J. Observe and Comply

ENGINEER shall at all times observe and comply with all federal and State laws and regulations and with all City ordinances and regulations which in any way affect this AGREEMENT and the work hereunder, and shall observe and comply with all orders, laws ordinances and regulations which may exist or may be enacted later by governing bodies having jurisdiction or authority for such enactment. No plea of misunderstanding or ignorance thereof shall be considered. **ENGINEER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS CITY AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS OR LIABILITY ARISING OUT OF THE VIOLATION OF ANY SUCH ORDER, LAW, ORDINANCE, OR REGULATION, WHETHER IT BE BY ITSELF OR ITS EMPLOYEES.**

K. Immigration Nationality Act

ENGINEER shall verify the identity and employment eligibility of its employees who perform work under this AGREEMENT, including completing the Employment Eligibility Verification Form (I-9). Upon request by CITY, ENGINEER shall provide CITY with copies of all I-9 forms and supporting eligibility documentation for each employee who performs work under this AGREEMENT. ENGINEER shall adhere to all Federal and State laws as well as establish appropriate procedures and controls so that no services will be performed by any ENGINEER employee who is not legally eligible to perform such services. **ENGINEER SHALL INDEMNIFY CITY AND HOLD CITY HARMLESS FROM ANY PENALTIES, LIABILITIES, OR LOSSES DUE TO VIOLATIONS OF THIS PARAGRAPH BY ENGINEER, ENGINEER'S EMPLOYEES, SUBCONTRACTORS, AGENTS, OR LICENSEES.** CITY, upon written notice to ENGINEER, shall have the right to immediately terminate this AGREEMENT for violations of this provision by

ENGINEER.

L. Prohibition on Contracts with Companies Boycotting Israel

Engineer acknowledges that in accordance with Chapter 2271 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this agreement, Engineer certifies that Engineer's signature provides written verification to the City that Engineer: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

M. Prohibition on Contracts with Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Sections 2252 and 2270 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this agreement, Engineer certifies that Engineer's signature provides written verification to the City that Engineer, pursuant to Chapters 2252 and 2270, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

N. Prohibition on Contracts with Companies Boycotting Certain Energy Companies

Engineer acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. ***By signing this agreement, Engineer certifies that Engineer's signature provides written verification to the City that Engineer: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

O. Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

Engineer acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. ***By signing this agreement, Engineer certifies that Engineer's signature provides written verification to the City that Engineer: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

P. Termination Right for Contracts with Companies Doing Business with Certain Foreign-Owned Companies

The City of Denton may terminate this Contract immediately without any further liability if the City of Denton determines, in its sole judgment, that this Contract meets the requirements under Chapter 2274, and Engineer is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or other designated country (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or other designated country, or (iii) is headquartered in China, Iran, North Korea, Russia, or other designated country.

Q. Prohibition Against Personal Interest in Contracts

No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation as defined in the City's Ethic Ordinance 23-1165 and in the City Charter chapter 2 article XI(Ethics). Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Contractor shall complete and submit the City's Conflict of Interest Questionnaire.

R. Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City

at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor shall:

1. Log onto the State Ethics Commission Website at : https://www.ethics.state.tx.us/filinginfo/1295/
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

S. Agreement Documents

This AGREEMENT, including its attachments and schedules, constitutes the entire AGREEMENT, which supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties. This AGREEMENT may be executed in one or more counterparts and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute but one and the same instrument. The following attachments and schedules are hereby made a part of this AGREEMENT:

Attachment A - Scope of Services
Attachment B - Compensation

These documents make up the AGREEMENT documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the AGREEMENT documents, the inconsistency or conflict shall be resolved by giving precedence first to the written AGREEMENT then to the AGREEMENT documents in the order in which they are listed above.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

Duly executed by each party's designated representative to be effective on 6/4/2024.

BY:
CITY OF DENTON, TEXAS

DocuSigned by:
Sara Hensley
5236DB296270423...
Sara Hensley, City Manager

BY:
ENGINEER
KIMLEY-HORN AND ASSOCIATES, INC

DocuSigned by:
John Atkins
25D7303EA77F421...
Authorized Agent, Title

Full Name: John Atkins

2024-1149688
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

ATTEST:
LAUREN THODEN, CITY SECRETARY

DocuSigned by:
BY: Lauren Thoden
D09D09CAD33D487...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

DocuSigned by:
Steven Gay
9EBFF5658E56492...
Signature

Director,
Title

Water Utilities
Department

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
BY: Marcella Lunn
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ATTACHMENT "A"

Scope for Engineering Design Related Services for:

CLEAR CREEK INTERCEPTOR

The ENGINEER will perform its services pursuant to the requirements delineated below. Services under this attachment include engineering services for the conceptual design and due diligence items for the CLEAR CREEK INTERCEPTOR project.

Project Understanding

The City of Denton water and wastewater utility has determined that a major wastewater interceptor will be necessary in the near future in the Clear Creek Basin. In accordance with the City of Denton Wastewater Master Plan approximately 7.5 miles of 27-inch through 42-inch sanitary sewer pipeline will be designed to be installed beginning at the future Clear Creek Water Reclamation Plant Site (~5,500 LF north of the Hartlee Field Road and Collins Street intersection) and extending to the west along the Clear Creek to the Milam Creek confluence, and connecting to the influent gravity piping at the Ganzer Road Lift State (at the southeast corner of Ganzer Road and IH-35) which is currently under design.

This scope of services includes conceptual design and due diligence items necessary to permit the City to begin purchasing easements necessary to construct the interceptor.

Final design is not included in this scope of services and is anticipated to be added by amendment in fiscal year 2025.

ENGINEER's scope of services is as follows:

- Task 1 – Design Management
- Task 2 – Alignment Study
- Task 3 – Topographic Survey
- Task 4 – Nationwide Permitting
- Task 5 – Archeological Services
- Task 6 – ESA Field Assessments and Tree Survey
- Task 7 – Alignment Revisions
- Task 8 – Easement Preparation
- Task 9 – TxDOT RULIS
- Task 10 – Gas Pipeline Encroachments

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Task 1 – DESIGN MANAGEMENT

A. Project Management

1. Develop project communication plan.
   a. Develop project contact list.
   b. Prepare and e-mail progress reports to the project team once a month to be included with invoices. 12 months is assumed.
   c. Prepare project schedule and provide schedule updates if the schedule changes.
2. Meetings
   a. Prepare for and attend kickoff meeting.
   b. Prepare meeting notes and distribute to the City.
3. Sub-consultant Agreement Preparation
   a. Prepare and execute up to two (2) subconsultant agreements.

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Task 2 – ALIGNMENT STUDY

This task is for considering alternative alignments of the proposed Clear Creek Interceptor and obtaining City concurrence of a single option for the proposed alignment prior to performing and preparing design surveys, special studies and permitting, construction plans, and easement documents. This task will also verify sizing for the interceptor based upon the existing City wastewater hydraulic model.

A. Preliminary Investigation

1. Data collection and record research
2. Site investigation
3. Hydraulic verification and sizing utilizing City provided wastewater model
4. Data review with City

B. Schematic property and right-of-way investigation

1. Obtain and organizing publicly available parcel, easement, and ownership data.
2. Import obtained data into CAD format for use in alignment determination.

C. Aquatic Resources Delineation

1. Delineation will be performed in general accordance with the U.S. Army Corps of Engineers (USACE) 1987 Wetlands Delineation Manual and appropriate USACE Regional Supplement (Great Plains Region) as detailed below:
    a. Locate readily available resource documents and perform a desktop review of site conditions.
    b. Perform one site visit to evaluate the existence and approximate locations of aquatic resources on the site.
    c. Prepare exhibits showing the boundaries (polygons) and acreage and/or linear footage (if applicable) of aquatic resources identified onsite during the site visit. Appropriate feature data, locations, and extents will be collected with a GPS with sub-meter accuracy as required by the USACE. This scope of work does not include flagging.
    d. Prepare a report for the project documenting the results of the aquatic resources delineation performed onsite providing recommendations pertaining to compliance with Section 404 of the Clean Water Act and/or Section 10 of the Rivers and Harbors Act.
2. Official authority to make a determination defining applicable jurisdictional limits rests with the EPA; however, authority has been delegated to the USACE. Jurisdictional determinations are made by the USACE, upon specific written request, on a case-by-case basis and may make use of certain information at its disposal (such as other permits in the local area) that may not be readily available to the public. The aquatic resources delineation should not be considered authoritative, and it may not wholly eliminate uncertainty regarding the USACE's jurisdictional limits.

D. Alternate Alignment Technical Memorandum

1. Easement requirements

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2. Pavement impacts
3. Environmentally sensitive area identification
4. Permitting requirements
5. Property ownership impacts
6. Field review of alignment alternatives
7. Opinion of Probable Construction Cost (OPCC)
8. Alternative alignments mapping
9. Draft memorandum, including presentation to City
10. Final memorandum, including alignment recommendations

The workflow anticipated will require certain investigations to commence after this task is underway or nearly complete, e.g., the archeological survey (by others). If the archeological survey findings or findings of other investigations dictate changes to the already established alignment and other work performed in this task, then the revisions will be performed as part of Task 7 – Alignment Revisions.

E. Deliverables

1. Digital .PDF copy of draft and final alignment study.

F. Meetings

1. Conduct up to six (6) status update and review meetings with City.

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Task 3 – TOPOGRAPHIC SURVEY

A. Design Survey

1. Utility and Property Owner Coordination
    a. Coordinate with DIG TESS and City of Denton to locate and mark existing franchise and public utilities prior to performing the field survey.
    b. Right-of-Entry coordination with property owners to obtain permission to access private property to perform the design survey.
2. Design Survey
    a. The limits of the topographic survey shall be approximately 100-feet wide and 7.5 miles long, centered on the final recommended alignment as dictated by Task 2 – Alignment Study.

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Task 4 – NATIONWIDE PERMITTING

This task will include either the preparation of a USACE Nationwide Permit (NWP) 58 Non-Notifying Memorandum or a USACE NWP 58 Pre-Construction Notification but not both, as follows:

A. USACE NWP 58 Non-Notifying Memorandum:

1. If it appears that the proposed project could be authorized by Nationwide Permit (NWP) 58 for Utility Line Activities for Water and Other Substances without notification to the USACE Fort Worth District, ENGINEER will add to the aquatic resources delineation report to document compliance with the applicable NWP. This scope assumes that formal USACE notification and authorization is not required; therefore, ENGINEER will document specific project information and details and how to use the perceived applicable NWP. The report will include regulatory language for the applicable NWP with discussion of selected noteworthy General Conditions. The report will include the following information:
    a. Brief project description of proposed impacts to aquatic features;
    b. NWP 58 permit language with General Conditions;
    c. State Water Quality Certifications and Conditions; and
    d. NWP Regional Conditions for Texas.
2. Though no coordination with the USACE is proposed as part of this Task, the use of the applicable NWP constitutes compliance with appropriate Federal regulations. All NWP General and Regional Conditions and NWP terms must be met by the Client.

B. USACE NWP 58 Pre-Construction Notification (PCN):

1. If it appears that the proposed project could be authorized by Nationwide Permit (NWP) 58 for Utility Line Activities for Water and Other Substances with notification to the USACE Fort Worth District, ENGINEER will prepare a pre-construction notification (PCN) package for the proposed project requiring the NWP authorization. Under this scenario, ENGINEER anticipates providing, at a minimum, the following information in the PCN document:
    a. Aquatic Resources Delineation Report (prepared as part of Task 2)
    b. Project Description
    c. Purpose and Need
    d. Plan, Profile, and other CAD Drawings
    e. Threatened and Endangered Species information from readily available databases
    f. Cultural Resources information from readily available databases.
2. Although not anticipated, the USACE may require species specific studies for threatened and endangered species and/or cultural resources.
3. This option is based on the ability to receive authorization under the current NWP Program (2021-2026); however, receiving authorization from the USACE is not guaranteed. This option is based on the assumption that compensatory mitigation will not be required; therefore, compensatory mitigation evaluation and assistance is

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not included in this scope of work. This option does not include pursuing authorization under an Individual Permit.

C. USACE Field Verification Site Visit:

1. It is anticipated, that the USACE may require a site visit to verify conditions in the field. ENGINEER will attend this site visit with the USACE. The USACE may modify the aquatic feature classifications or may request additional information about aquatic features. ENGINEER will update the NWP 58 PCN package based on this field site visit and provide the modifications to the USACE. This task includes one (1) site visit with the USACE and one (1) set of an additional information request from the USACE.

D. Deliverables

1. Non-notifying memorandum in digital PDF for City records; or
2. USACE Pre-construction notification packet in digital PDF.

E. Meetings

1. Attend up to two (2) meetings with the USACE and City to discuss the PCN packet and/or meet in the field for verification.

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Task 5 – ARCHEOLOGICAL SERVICES

A Phase I intensive pedestrian archeological survey of the proposed project limits to identify cultural resources in the project area and to make recommendations based upon their significance with regard to eligibility for listing on the National Register of Historic Places (NRHP) and designation as a Texas State Antiquities Landmark (SAL). In the event that a recommendation for NRHP or SAL eligibility cannot be made for a site found during the Phase I survey, Phase II testing may be recommended and subsequently required by the Texas Historical Commission (THC), if the stie cannot be avoided. This scope does not include any Phase II testing or Phase III mitigation tasks. The Phase I survey will include the following tasks:

A. Desktop Cultural Resources Evaluation:

1. Compile information from publicly available records/databases
2. Produce a letter report detailing the results of the records search and presents a review of the natural environment and cultural history of the project area, along with conclusions and recommendations of our findings.

B. Phase I Intensive Pedestrian Survey:

1. Perform shovel testing every 100m along the entire route.
2. In floodplain settings, excavate trenches a maximum of every 200 meters to test for deeply buried cultural resources.
3. Survey standards will meet the minimum requirements adopted by the THC (Council of Texas Archeologists 2020).
4. If archeological sites are found during the survey, they will be recorded.

C. Technical Report

1. Report will be prepared meeting the standards of the THC (Council of Texas Archeologists 2018) and presents a review of the natural environment and cultural history of the project area, research design and methodology, and the results of field investigations, as well as conclusions and recommendations of findings.

D. Curation

1. Records and collected artifacts must be curated in perpetuity with an approved curatorial facility, in order to fulfill requirements in the Texas Antiquities Permit (TAP). A representative of the City must sign the required curatorial paperwork. Though curation cannot be completed until the THC has approved the report, this task will not prevent the City from proceeding with construction of the project. If any artifacts are collected on private land, they will be returned to the landowner at their request.

E. Deliverables:

1. Desktop Cultural Resources Evaluation in digital .PDF format.
2. Cultural Resources THC Application in digital .PDF format.
3. Cultural Resources Technical Report in digital .PDF format.

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Task 6 – ESA Field Assessments and Tree Survey

In accordance with the Denton Development Code Sections 2.5.5 and 7.7.4, a field assessment will be performed along the entire alignment to determine the limits of existing or unknown Environmentally Sensitive Areas (ESAs), and to prepare a tree inventory within the proposed pipeline corridor.

A. ESA Field Assessments

1. Schedule and attend a pre-application conference with City staff.
2. Perform a field assessment to determine whether the official ESA map requires modifications based upon actual riparian buffer locations, water related habitat boundaries, or cross timbers upland habitat. Obtain field locations of ESA boundaries with a GPS data logger.
3. Complete applications for each parcel to refine ESA boundaries based upon field assessment and submit to City for review and comment. Prepare CAD and GIS shapefiles of proposed ESA boundaries for utilization in design drawings.
4. Respond to up to two rounds of comments from City.

B. Tree Survey

1. Compile previous tree inventories (if provided by City), aerial photos, and ROW limits for use in GPS data logger. Create a Data Dictionary for GPS data logger for data collection and print paper maps and CAD drawings for field work.
2. Utilize GPS to collect tree data along a 100' wide easement based upon the alignment established in Task 2. The data will be collected by a handheld GPS unit and will therefore be mapping grade, not survey grade. For each 6-inch and larger tree, measured in accordance with the City of Denton Tree Ordinance, the collected data will include:
   a. GPS coordinates (latitude and longitude in decimal degrees);
   b. Diameter of trunk – City of Denton standard for multiple stemmed trees;
   c. Species name (scientific and common);
   d. Tag number - Each tree with recorded data above will be physically tagged with a pre-numbered aluminum circular tag; and
   e. General health assessment (healthy, declining, or hazard).
3. Map and quantify existing trees in CAD drawings and shapefiles for incorporation in design drawings.
4. While Engineer will endeavor to tag and locate all trees, as described above, it may not be practicable to do so and some trees may be missed in areas of heavy tree coverage or limited access.

C. Deliverables

1. ESA exhibits and application.
2. Tree inventory spreadsheet, and exhibits.

D. Meetings

1. One (1) ESA Pre-application meeting.

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Task 7 – ALIGNMENT REVISIONS

Findings and data collected from Tasks 3, 4, 5, and 6 will be incorporated into the overall alignment to refine the proposed alignment.

A. Alignment Revisions

1. Incorporate findings and data collected from Tasks 3, 4, 5, and 6 into alignment exhibits created as part of Task 2.
2. Prepare Final alignment recommendation letter.
3. Prepare final alignment recommendation exhibits including proposed easement boundaries.

B. Deliverables

1. Final alignment recommendation letter and exhibits in digital .PDF format.

C. Meetings

1. One (1) meeting to review final alignment recommendation submittal.

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Task 8 – EASEMENT PREPARATION

A. Separate Instrument Easement Descriptions

1. Based on the final alignment recommendation and property research prepared and performed as part of Tasks 2 and 3, Engineer will prepare legal descriptions and accompanying exhibits to be attached to easement documents provided by the City for easements required to construct and maintain the proposed interceptor.
   a. Twenty-Five (25) extra wide (50 – 100 feet) permanent easements are assumed to accommodate the construction of the proposed facilities.
   b. Five (5) temporary construction and/or access easements are assumed to provide access or lay-down/storage areas to construct the proposed interceptor.

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Task 9 – TxDOT RULIS

A. TxDOT RULIS Application

1. Prepare plan and profile Drawings of proposed Texas Department of Transportation (TxDOT) right of way crossings for the following TxDOT facilities:
    a. FM 428 (E Sherman Drive)
    b. FM 2164 (N Locust Street)
2. Prepare TxDOT Right of Way Utility and Leasing Information System (RULIS) applications for proposed crossings.
3. Respond to up to two rounds of comments on application.

B. Deliverables

1. Submit RULIS applications to City or to TxDOT on behalf of the City.

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Task 10 – GAS PIPELINE ENCROACHMENTS

A. LONO Exhibits

1. Prepare plan and profile sheets indicating proposed gas pipeline crossings with proposed interceptor to obtain letters of no objection (LONOs) for up to six (6) gas pipeline crossings. The following crossings are assumed to be required:
   a. Atmos Energy (3 Crossings)
   b. Explorer Pipeline Company (1 Crossing)
   c. Enterprise Products (1 Crossing)
   d. Energy Transfer Company (1 Crossing)
2. Respond to up to two rounds of comments on submittals.

B. Deliverables

1. LONO drawings in digital .PDF format.

C. Meetings

1. Up to four (4) meetings/calls with pipeline owners.

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ADDITIONAL SERVICES NOT INCLUDED IN THE EXISTING SCOPE OF SERVICES

City and ENGINEER agree that the following services are beyond the Scope of Services described in the tasks above. However, ENGINEER can provide these services, if needed, upon the City's written request. Any additional amounts paid to ENGINEER as a result of any material change to the Scope of the Project shall be agreed upon in writing by both parties before the services are performed. These additional services include, but are not limited to the following:

- Geotechnical Investigations
- Subsurface Utility Engineering
- Right-of-Way Acquisition Services
- Final design services
- Bidding phase services
- Preparation of a conditional letter of map revision (CLOMR) and letter of map revision (LOMR) and associated submittals to the City and FEMA.
- Revisions associated with development services comments beyond those indicated in the Scope of Services.
- Redesign to reflect project scope changes requested by the CITY, required to address changed conditions or change in direction previously approved by the CITY, mandated by changing governmental laws, or necessitated by the CITY's acceptance of substitutions proposed by the contractor.
- Traffic Control Plan Details
- Traffic signal design
- Sidewalk design
- Preparation for and attendance at public meetings beyond those identified in the scope
- Construction management and resident project representative services.
- Performance of materials or specialty testing services.
- Performance of miscellaneous and supplemental services related to the project as requested by the CITY.
- Retaining wall design
- Traffic studies or reports
- Any services not listed in the Scope of Services

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ATTACHMENT "B"

Compensation for Engineering Design Related Services for:

CLEAR CREEK INTERCEPTOR

Total compensation for the ENGINEER contemplated under the terms of this agreement **shall be on a lump sum basis not-to-exceed $1,259,400** for all services including reimbursable expenses.

Progress payments for shall be paid monthly based on the actual work satisfactorily completed per month in each phase, with the following amounts of the total compensation for each phase of the Project:

• Task 1 – Design Management	$ 33,900
• Task 2 – Alignment Study	$336,000
• Task 3 – Topographic Survey	$319,200
• Task 4 – Nationwide Permitting	$ 40,100
• Task 5 – Archeological Services	$191,200
• Task 6 – ESA Field Assessments and Tree Survey	$ 99,800
• Task 7 – Alignment Revisions	$ 73,300
• Task 8 – Easement Preparation	$ 60,900
• Task 9 – TxDOT RULIS	$ 30,000
• Task 10 – Gas Pipeline Encroachments	$ 75,000
Grand Total	**$ 1,259,400**

ENGINEER will not exceed the total maximum fee shown without authorization from the CITY. Individual task amounts are provided for budgeting purposes only. ENGINEER reserves the right to reallocate amounts among tasks as necessary.

All permitting, application, and similar project fees will be paid directly by the CITY.

Payment will be due within 25 days of your receipt of the invoice and should include the invoice number and Kimley-Horn project number.

CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a) and by City of Denton Ethics Code, Ordinance 18-757.
By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

Kimley-Horn and Associates, Inc

2 [X] **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information in this section is being disclosed.**

John Atkins

Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government officer. This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

[ ] Yes [X] No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

[ ] Yes [X] No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

[ ] Yes [X] No

D. Describe each employment or business and family relationship with the local government officer named in this section.

N/A

4 [X] **I have no Conflict of Interest to disclose.**

5 DocuSigned by:

John Atkins

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Signature of vendor doing business with the governmental entity

4/30/2024

Date

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CONFLICT OF INTEREST QUESTIONNAIRE

For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

DocuSign

Certificate Of Completion

Envelope Id: 3B4B9F3B1EFE41A08B37A86322CA968B
Status: Completed
Subject: Please DocuSign: City Council Contract 8213-001 Clear Creek Interceptor PSA
Source Envelope:
Document Pages: 36 Signatures: 6
Certificate Pages: 6 Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Erica Garcia
901B Texas Street
Denton, TX 76209
erica.garcia@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
4/29/2024 8:31:03 AM
Holder: Erica Garcia
erica.garcia@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Erica Garcia erica.garcia@cityofdenton.com Senior Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**Completed** Using IP Address: 198.49.140.104	Sent: 4/29/2024 8:35:28 AM Viewed: 4/29/2024 8:35:48 AM Signed: 4/29/2024 8:36:53 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DS Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 4/29/2024 8:36:57 AM Viewed: 4/29/2024 9:54:29 AM Signed: 4/29/2024 9:55:26 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: 4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 4/29/2024 9:55:30 AM Viewed: 4/29/2024 1:19:08 PM Signed: 4/29/2024 1:27:18 PM
John Atkins john.atkins@kimley-horn.com Vice President Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 4/30/2024 7:45:35 AM ID: 38888f8d-9274-4adf-9271-abe59dc77708	DocuSigned by: 25D7303EA77F421... Signature Adoption: Pre-selected Style Using IP Address: 130.41.174.193	Sent: 4/29/2024 1:27:21 PM Viewed: 4/30/2024 7:45:35 AM Signed: 4/30/2024 7:46:41 AM

Signer Events	Signature	Timestamp
Steven Gay stephen.gay@cityofdenton.com Director, Water Utilities Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 4/30/2024 8:19:21 AM ID: 26e61aa8-81f3-4c6f-ada1-47a47cf5147e	DocuSigned by: Steven Gay 9EBFF5658E56492... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 4/30/2024 7:46:44 AM Viewed: 4/30/2024 8:19:21 AM Signed: 4/30/2024 8:40:40 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**Completed** Using IP Address: 198.49.140.10	Sent: 4/30/2024 8:40:43 AM Resent: 6/5/2024 8:51:10 AM Viewed: 6/5/2024 8:56:21 AM Signed: 6/5/2024 8:57:08 AM
Sara Hensley sara.hensley@cityofdenton.com City Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: Sara Hensley 5236DB296270423... Signature Adoption: Pre-selected Style Using IP Address: 47.190.47.120 Signed using mobile	Sent: 6/5/2024 8:57:11 AM Viewed: 6/5/2024 9:33:35 AM Signed: 6/5/2024 9:33:42 AM
Lauren Thoden lauren.thoden@cityofdenton.com City Secretary Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: Lauren Thoden D09D09CAD33D487... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 6/5/2024 9:33:46 AM Viewed: 6/5/2024 2:03:25 PM Signed: 6/5/2024 2:03:44 PM

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 4/29/2024 8:36:57 AM

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 4/30/2024 8:40:44 AM Viewed: 5/2/2024 10:51:24 AM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 6/5/2024 2:03:47 PM Viewed: 6/5/2024 2:46:52 PM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	4/29/2024 8:35:28 AM
Envelope Updated	Security Checked	6/5/2024 8:51:09 AM
Envelope Updated	Security Checked	6/5/2024 8:51:09 AM
Certified Delivered	Security Checked	6/5/2024 2:03:25 PM
Signing Complete	Security Checked	6/5/2024 2:03:44 PM
Completed	Security Checked	6/5/2024 2:03:47 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

Electronic Record and Signature Disclosure created on: 7/21/2017 3:59:03 PM
Parties agreed to: John Atkins, Steven Gay

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

ORDINANCE NO. 24-2410

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE APPROVAL OF A FIRST AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF DENTON AND KIMLEY-HORN AND ASSOCIATES, INC., AMENDING THE CONTRACT APPROVED BY CITY COUNCIL ON JUNE 4, 2024, IN THE NOT-TO-EXCEED AMOUNT OF $1,259,400.00, SAID FIRST AMENDMENT TO PROVIDE ENGINEERING DESIGN AND EASEMENT ACQUISITION SERVICES FOR THE CLEAR CREEK INTERCEPTOR PROJECT FOR THE WASTEWATER DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 8213-001 – PROVIDING FOR AN ADDITIONAL FIRST AMENDMENT EXPENDITURE AMOUNT NOT-TO-EXCEED $1,590,800.00, FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $2,850,200.00).

WHEREAS, on June 4, 2024, City Council awarded a contract to Kimley-Horn and Associates, Inc. in the amount of $1,259,400.00, for engineering services for the conceptual design and due diligence items for the Clear Creek Interceptor project for the Wastewater Department; and

WHEREAS, this procurement was undertaken as part of the City's governmental function [Water and sewer service]; and

WHEREAS, the additional fees under the proposed First Amendment are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees applicable to the Provider's profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The First Amendment, increasing the amount of the contract between the City and Kimley-Horn and Associates, Inc., which is on file in the office of the Purchasing Agent, in the amount of One Million Five Hundred Ninety Thousand Eight Hundred and 0/100 ($1,590,800.00) Dollars, is hereby approved, and the expenditure of funds therefor is hereby authorized in accordance with said amendment which shall be effective upon the execution of the amendment attached hereto. The total contract amount increases to $2,850,200.00.

SECTION 2. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by Brian Beck and seconded by Joe Holland. This ordinance was passed and approved by the following vote [7 - 0]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	X			
Vicki Byrd, District 1:	X			
Brian Beck, District 2:	X			
Paul Meltzer, District 3:	X			
Joe Holland, District 4:	X			
Brandon Chase McGee, At Large Place 5:	X			
Jill Jester, At Large Place 6:	X			

PASSED AND APPROVED this the 17th day of December, 2024.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: Lauren Thoden

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

Docusign Envelope ID: 8EEF73F8-5ABF-48FE-9FB9-8D3A6CEBF4DC

Docusign City Council Transmittal Coversheet

PSA	8213-001
File Name	Clear Creek Interceptor Amendment 1
Purchasing Contact	Erica Garcia
City Council Target Date	DECEMBER 17, 2024
Piggy Back Option	Not Applicable
Contract Expiration	N/A
Ordinance	24-2410

DS
LH

Docusign Envelope ID: 8EEF73F8-5ABF-48FE-9FB9-8D3A6CEBF4DC

FIRST AMENDMENT TO CONTRACT
BY AND BETWEEN THE CITY OF DENTON, TEXAS
AND KIMLEY-HORN AND ASSOCIATES INC.
PSA 8213-001

THE STATE OF TEXAS §

COUNTY OF DENTON §

THIS FIRST AMENDMENT TO CONTRACT 8213-001 ("Amendment") by and between the City of Denton, Texas ("City") and Kimley-Horn and Associates, Inc., ("Engineer"); to that certain contract executed on June 4, 2024, in the original not-to-exceed amount of $1,259,400 (the "Agreement"); for services related to Clear Creek Interceptor

WHEREAS, the City deems it necessary to further expand the services provided by Engineer to the City pursuant to the terms of the Agreement, and to provide an additional not-to-exceed amount $1,590,800 with this Amendment for an aggregate not-to-exceed amount of $2,850,200; and

FURTHERMORE, the City deems it necessary to further expand the goods/services provided by Engineer to the City;

NOW THEREFORE, the City and Engineer (hereafter collectively referred to as the "Parties"), in consideration of their mutual promises and covenants, as well as for other good and valuable considerations, do hereby AGREE to the following Amendment, which amends the following terms and conditions of the said Agreement, to wit:

1. The additional services described in Exhibit "A" of this Amendment, attached hereto and incorporated herein for all purposes, for professional services related to Clear Creek Interceptor Project, are hereby authorized to be performed by Engineer. For and in consideration of the additional services to be performed by Engineer, the City agrees to pay, based on the cost estimate detail attached as Exhibit "A", a total fee, including reimbursement for non-labor expenses an amount not to exceed $1,590,800.

2. This Amendment modifies the Agreement amount to provide an additional $1,590,800 for the additional services with a revised aggregate not to exceed total of $2,850,200

The Parties hereto agree, that except as specifically provided for by this Amendment, that all of the terms, covenants, conditions, agreements, rights, responsibilities, and obligations of the Parties, set forth in the Agreement remain in full force and effect.

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IN WITNESS WHEREOF, the City and the Engineer, have each executed this Amendment electronically, by and through their respective duly authorized representatives and officers on this date 12/17/2024.

"City"

CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: DocuSigned by: Sara Hensley 5236DB296270423... City Manager
AUTHORIZED SIGNOR, TITLE

ATTEST:
DocuSigned by: Lauren Thoden D09D09CAD33D487...
LAUREN THODEN, CITY SECRETARY

"Engineer"

KIMLEY-HORN AND ASSOCIATES, INC.

By: Signed by: John Atkins 25D7303EA77F421... Senior Vice President
AUTHORIZED SIGNOR, TITLE

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

Signed by: Stephen D. Gay FEB48BB9726E4A9... Stephen D. Gay
SIGNATURE PRINTED NAME

General Manager
TITLE

Water Utilities and Street Operations
DEPARTMENT

APPROVED AS TO FORM:
MACK REINWAND, CITY ATTORNEY

BY: DocuSigned by: Marcella Lunn 4B07083TB4AA438...

Docusign Envelope ID: 8EEF73F8-5ABF-48FE-9FB9-8D3A6CEBF4DC

AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT ADDITIONAL SERVICES

Professional Services Agreement:
CLEAR CREEK INTERCEPTOR
Amendment Scope of Services

This is Amendment Number 01 to the Professional Service Agreement (8213-001) between Kimley-Horn and Associates, Inc. (ENGINEER) and the City of Denton (City) executed on June 4 , 2024

Scope of Services

The Clear Creek Basin continues to see a high volume of development interest. In order to provide wastewater service to this growing area of the City, there is a need to continue with additional engineering design and easement acquisition services. The CITY has requested that the ENGINEER perform the following additional services:

Task 1 – DESIGN MANAGEMENT

A. Project Management

1. Develop project communication plan.
    a. Prepare and e-mail progress reports to the project team once a month to be included with invoices. 18 additional months is assumed.
    b. Prepare project schedule and provide schedule updates if the schedule changes.
2. Sub-consultant Agreement Preparation
    a. Prepare and execute up to three additional (3) subconsultant agreements.

Task 3 – TOPOGRAPHIC SURVEY

A. Design Survey

1. Design Survey
    a. Provide additional topographic survey for an additional 3,000 feet on the City owned property.

Task 11 – PRELIMINARY DESIGN

A. Preliminary Sewer Design

1. Geotechnical Engineering

a. Perform a geotechnical analysis of the alignment utilizing a qualified geotechnical laboratory to determine subsurface conditions and make

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recommendations regarding design parameters. The analysis shall include the following:

b. Subsurface exploration including up to twenty-six (26) sample bores varying 20 to 60 feet depending upon location.

c. Laboratory tests for classification purposes and strength characteristics.

d. Engineering services that address the following:

e. Soil and groundwater conditions

f. Comments on general excavatability of soils and shale encountered

g. Recommendations for pipe installation, including bedding and backfill

h. Recommendations for tunneling operations

i. Recommendations for vault and wet well foundation type and allowable loading (for BH-1)

j. Recommendations for lateral pressures for structural design (for BH-1)

k. A geotechnical report will be furnished by the geotechnical engineer to present the results of the field and laboratory data as well as analyses and recommendations. Three (3) copies of the report will be provided by the geotechnical engineer, with one (1) copy going to the City. The data contained in the geotechnical report will be made available to contractors during the bidding process for informational purposes.

l. Engineer will contract with a Geotechnical Engineer solely for the City's administrative convenience, and Engineer is not responsible for these services. This task compensates Engineer for the labor necessary to administer the Geotechnical Engineer's contract. Upon receipt of payment, Engineer will pay the Geotechnical Consultant on City's behalf. City acknowledges that Engineer will not be reviewing the work product of the Geotechnical Engineer and will not be liable for it in any way. If the City has any future claim related to these services, City will pursue the Geotechnical Engineer directly and not Engineer.

2. Subsurface Utility Engineering (SUE)

a. Level A investigation of existing water line connection point, and potential crossing utilities. The Level A investigation shall consist of performing up to thirteen (13) level A testholes or "locates" of existing utilities. The Level A investigation will be conducted in accordance with ASCE publication CI/ASCE 38-02 and include the location of said utility in three dimensions obtained through non-destructive geophysical methods.

b. Level B investigation to be performed for three (3) TxDOT/County road crossings.

c. Level C/D for the entire corridor.

3. Preliminary Sanitary Sewer Line Design

a. Visit the site to perform field verification of the survey.

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b. Preliminary plan and profile drawings preparation for approximately 43,300 linear feet of 27-inch through 42-inch gravity sanitary sewer line.

   a) Prepare (22"x34") plan and profile drawings at 1"=40' horizontal and 1"=4' vertical scale.

   b) Plan view of the base map shall have all above ground features shown and clearly labeled along with existing utilities based on field ties and record information.

   c) Plan view shall include design notes for stationing, size, slope, pipe material, embedment, length and construction method.

   d) Profile view shall include design notes for stationing, size, slope, flow-line of pipe, pipe material, embedment, length and construction method.

   e) Prepare preliminary water line details, including connection details.

   f) Coordinate phasing and connection details from Ganzer Lift Station and discharge location at the Clear Creek Water Reclamation Facility site.

   g) Coordinate pipe sizing with the latest version of the City's Wastewater Masterplan.

   h) Plan Profile/Section Views

   i) Design tunnels/bores including casing/tunnel liner plate minimum thickness and inside diameter, shafts, allowable methods, control of ground water, and appropriate tolerances with the chosen method.

   j) Perform one (1) site visit to verify preliminary design.

c. Preliminary Traffic Control and Detour Plan Preparation.

   a) City and TxDOT typical traffic control details will be included as required.

d. Franchise Utility Coordination

   a) Provide one set of drawings to each franchise utility encountered for their review. Request each franchise to mark up the drawings to show the size, type, and location of their utilities.

   b) Coordinate with franchise utilities if any relocations are required. Notify City if any relocations will be required.

e. Prepare preliminary general notes and details, including City Standard Details where applicable.

f. Prepare preliminary technical specifications utilizing City Standard Specifications, and any special specifications.

g. Compile and prepare an updated opinion of probable construction cost for the entire project using recent average unit bid prices which are representative of similar types of construction in the local area.

Docusign Envelope ID: 8EEF73F8-5ABF-48FE-9FB9-8D3A6CEBF4DC

a) The ENGINEER has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to ENGINEER at this time and represent only the ENGINEER's judgment as a design professional familiar with the construction industry. The ENGINEER cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

B. Deliverables

1. Preliminary design submittal (60%)
   a. Submit four (4) copies to City for review and comment.
   b. Submittal shall include the following:
      a) Preliminary design plans (22"x34")
      b) Preliminary technical specifications (table of contents)
      c) Geotech report
      d) Opinion of probable construction cost
   c. Submit to TCEQ for review
   d. Submit to Denton County for review

2. Meetings

   a. Attend one (1) meeting with City to kick-off preliminary design.
   b. Attend one (1) meeting with City to present and review the preliminary design submittal

Task 12 – FINAL DESIGN

A. Final Sanitary Sewer Design

1. Incorporate the preliminary design submittal review comments (one (1) round of comments is anticipated in proposed effort).
2. Prepare updated opinion of probable construction cost.
   a. The ENGINEER has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to ENGINEER at this time and represent only the ENGINEER's judgment as a design professional familiar with the construction industry. The ENGINEER cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.
3. Incorporate franchise utility investigation information
4. Incorporate details and technical specifications.

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5. Prepare surface repair sheets and details as necessary.
6. Prepare Project Manual using City Standard Construction Contract Documents.

B. Deliverables:

1. Final Design Submittal (95%)
    a. Submit four (4) copies to the City for review and comment.
    b. Submittal shall include the following:
        i. Final design drawings
        ii. Final design project manual
        iii. Opinion of probable construction cost

C. Meetings

1. One (1) meeting with City to review Final Design Submittal.

Task 13 – BID PHASE SERVICES

A. Bid Phase Services

1. Provide electronic bid documents to the City purchasing department for bidding.
2. Provide the Notice to Bidders to the City for publication. The City will be responsible for publication of the notice. The City will be responsible for distribution of the bidding documents to prospective contractors, suppliers and plan rooms.
3. The following assistance will be provided to the City during the bidding phase:
    a. Preparation of addenda and delivery to City for distribution to plans holders.
    b. Responses to questions submitted by plans holders.
    c. Attend bid opening facilitated by City.
    d. Preparation of bid tabulation.
    e. Preparation of recommendation of award letter.
4. Conformance plans and specifications
    a. Based on potential questions and addenda from the bidding phase, prepare conformance set of plans and specifications to be used during construction.
        i. Provide up to four (4) sets to City for execution.

Task 14 – EASEMENT ACQUISTION SERVICES

A. Easement Acquisition Services

ENGINEER will coordinate with the Real Estate Agent to aid in property acquisition services for up to twenty (20) hours per parcel.

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ENGINEER will perform the following services for this task:

1. ENGINEER's Real Estate Agent shall provide appraisals for proposed easements on up to eleven (11) parcels for the proposed lines. Appraisals will be approved by the City prior to beginning negotiations with property owners. The appraisals will be prepared by State Certified Appraisers in accordance with the Uniform Standards of Professional Appraisal Practice Act (USPAP). The appraisals will be suitable for use in condemnation proceedings, if necessary.
2. Provide property negotiation services for up to eleven (11) parcels for the proposed line as follows:
    a. The offer to purchase the properties will be based on the appraisals as indicated above. The City will establish the value to be used in negotiation and the range of negotiating authority to be given to the right-of-way agent. ENGINEER's Real Estate Agent will provide the services of qualified right-of-way agents to secure the required right-of-way for the project. The right-of-way agents will provide each property owner a copy of The Texas Landowner Bill of Rights, but will NOT be required to provide negotiation services under the Uniform Relocation and Acquisition Act (Uniform Act).
    b. ENGINEER's Real Estate Agent will negotiate on behalf of the City and utilize conveyance documents and other necessary forms as prescribed by the City. ENGINEER's Real Estate Agent will provide a good faith effort to acquire the rights-of-way through a negotiation process, which will generally consist of three (3) contacts with the property owner, or his authorized representative. A maximum of five (5) total contacts will be provided to reach an agreement with the property owner, or to determine that further negotiations will be non-productive and that eminent domain actions will be necessary to acquire the property. If absentee owners are involved, the negotiations may be conducted via telephone, fax, or by mail. If the schedule for acquisition of the right-of-way or other factors arise, which make it expedient, travel outside the project area to meet with the absentee owners may be desirable. If such events arise, the travel must be specifically authorized by the City. If such travel is authorized, the expenses involved, including the agent's services, will be considered additional services.
    c. The initial offer made to the property owner will be based on the value authorized by the City. All counter-offers by the property owner, along with ENGINEER's Real Estate Agent recommendations will be presented to the City for consideration. The City must establish and recommend such counter offers before ENGINEER's Real Estate Agent will be authorized to agree to the requested changes. All monetary offers made to the property owners will be within the limits authorized by the City in the various stages of the negotiation.
    d. After reaching an agreement with the landowner on the consideration and all other terms of the transaction, ENGINEER's Real Estate Agent will forward to the City a Memorandum of Agreement (M/A) executed by the property owner to be ratified by the City. This M/A sets forth the compensation and any other terms and conditions agreed upon. The City will be responsible for obtaining the City's ratification and for returning the ratified M/A to ENGINEER's Real Estate Agent. ENGINEER's Real Estate Agent will then inform the Title Company that the parcel is ready for closing.

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3. ENGINEER's Real Estate Agent will coordinate contacts with the CITY to deliver any payments to the Title Company prior to closing.
4. This Scope of Services assumes that costs for Title Commitments, Title Policies and recording fees will be purchased by the City through the assistance of the Real Estate Agent. The amount paid for the Title Policies will not exceed premium amounts set by the Texas Department of Insurance and agreed upon in advance between the City and the Title Company. Any additional Title Company services such as recording fees shall be agreed upon in advance between the City and the Title Company. ENGINEER's Real Estate Agent will review liens or other exceptions reported in the Title Commitment. ENGINEER will coordinate the location and the effect of any utility easements. ENGINEER will report the results of the Title Commitment to the City, recommending the disposition of the exceptions. The decision whether the reported exceptions are acceptable or must be eliminated will be the responsibility of the City. Any action required to clear title is not included in the Scope of Work for this project, and if required, will be considered Additional Services.
5. ENGINEER's Real Estate Agent will coordinate and attend all closings at the Title Company.
6. ENGINEER's Real Estate Agent will confirm that the Title Company records all documents at the Denton County Courthouse after closing.
7. ENGINEER's Real Estate Agent will confirm that the Title Company forwards copies of all recorded documents to the City.

Task 15– CONSTRUCTION PHASE SERVICES (TBD-Future Phase)

Task 16 – RECORD DRAWINGS (TBD-Future Phase)

SCHEDULE

At a mutually agreed upon date.

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Compensation

The additional services described above will be accommodated by increasing the lump sum contract amount by **$ $1,590,800**. The following table summarizes the revised contract amount:

Task	Original Contract	Amendment No. 1	Revised Contract
Task 1 – Design Management	$33,900	$66,000	$99,900
Task 2 – Alignment Study	$336,000	$0	$336,000
Task 3 – Topographic Survey	$319,200	$18,100	$337,300
Task 4 – Nationwide Permitting	$40,100	$0	$40,100
Task 5 – Archeological Services	$191,200	$0	$191,200
Task 6 – ESA Field Assessments and Tree Survey	$99,800	$0	$99,800
Task 7 – Alignment Revisions	$73,300	$0	$73,300
Task 8 – Easement Preparation	$60,900	$0	$60,900
Task 9 – TxDOT RULIS	$30,000	$0	$30,000
Task 10 – Easement Preparation	$75,000	$0	$75,000
Task 11 – Preliminary Design	$0	$860,500	$860,500
Task 12 – Final Design	$0	$374,400	$374,400
Task 13 – Bid Phase Services	$0	$46,100	$46,100
Task 14 – Easement Acquisition Services	$0	$225,700	$225,700
Task 15 – Construction Phase Services (TBD)	$0	$0	$0
Task 16 – Record Drawings (TBD)	$0	$0	$0

Totals:	**$1,259,400**	**$1,590,800**	**$2,850,200**

Duly executed by each party's designated representative to be effective on the date subscribed by the CITY.

BY:
CITY OF DENTON, TEXAS

DocuSigned by:
Sara Hensley
5236DB296270423...

Title: City Manager

Date: 12/17/2024

BY:
ENGINEER
Kimley-Horn and Associates, Inc

John R. Atkins, P.E.

Title: John Atkins, Senior Vice President

Date: 09/03/2024

Certificate Of Completion

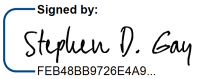
Envelope Id: 8EEF73F8-5ABF-48FE-9FB9-8D3A6CEBF4DC
Status: Completed
Subject: Please DocuSign: City Council Contract 8213-001 Clear Creek Amendment 1
Source Envelope:
Document Pages: 11
Signatures: 6
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Erica Garcia
901B Texas Street
Denton, TX 76209
erica.garcia@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
11/15/2024 8:44:06 AM
Holder: Erica Garcia
erica.garcia@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Erica Garcia erica.garcia@cityofdenton.com Senior Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**Completed** Using IP Address: 198.49.140.104	Sent: 11/15/2024 9:31:51 AM Viewed: 11/15/2024 9:31:57 AM Signed: 11/15/2024 9:32:22 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 11/15/2024 9:32:24 AM Viewed: 11/15/2024 11:49:46 AM Signed: 11/15/2024 11:50:16 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 11/15/2024 11:50:18 AM Viewed: 11/15/2024 1:43:55 PM Signed: 11/18/2024 9:02:13 AM
John Atkins john.atkins@kimley-horn.com Senior Vice President Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 11/18/2024 9:31:29 AM ID: 36e3dfa6-2c72-4e24-9b90-3bf8073a6483	 Signature Adoption: Pre-selected Style Using IP Address: 130.41.212.55	Sent: 11/18/2024 9:02:15 AM Viewed: 11/18/2024 9:31:29 AM Signed: 11/18/2024 9:32:30 AM

Signer Events	Signature	Timestamp
Stephen D. Gay stephen.gay@cityofdenton.com General Manager Water Utilities Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 11/20/2024 1:02:55 PM ID: 45b6b1c1-5627-42b7-95c5-7ec070fd02b4	Signed by:  FEB48BB9726E4A9... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 11/18/2024 9:32:32 AM Resent: 11/19/2024 7:32:21 AM Viewed: 11/20/2024 1:02:55 PM Signed: 11/20/2024 1:14:32 PM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**Completed** Using IP Address: 198.49.140.10	Sent: 11/20/2024 1:14:35 PM Viewed: 11/20/2024 3:40:18 PM Signed: 12/18/2024 9:44:57 AM
Sara Hensley sara.hensley@cityofdenton.com City Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: 5236DB296270423... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 12/18/2024 9:44:59 AM Viewed: 12/18/2024 10:12:08 AM Signed: 12/18/2024 10:12:17 AM
Lauren Thoden lauren.thoden@cityofdenton.com City Secretary Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: D09D09CAD33D487... Signature Adoption: Pre-selected Style Using IP Address: 166.205.54.27	Sent: 12/18/2024 10:12:20 AM Viewed: 12/18/2024 10:39:04 AM Signed: 12/18/2024 10:39:19 AM

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 11/15/2024 9:32:24 AM Viewed: 11/15/2024 11:42:08 AM

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 11/20/2024 1:14:35 PM Viewed: 11/20/2024 2:58:25 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 12/18/2024 10:39:21 AM
Nicholas Dampf nicholas.dampf@cityofdenton.com Water Wastewater Engineer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 12/13/2024 2:45:20 PM ID: b6f51fa1-8c56-4cdc-9e05-9a14b339b1d7	COPIED	Sent: 12/18/2024 10:39:22 AM Viewed: 12/18/2024 10:43:22 AM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	11/15/2024 9:31:51 AM
Certified Delivered	Security Checked	12/18/2024 10:39:04 AM
Signing Complete	Security Checked	12/18/2024 10:39:19 AM
Completed	Security Checked	12/18/2024 10:39:22 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE APPROVAL OF A SECOND AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF DENTON AND KIMLEY-HORN AND ASSOCIATES, INC., AMENDING THE CONTRACT APPROVED BY CITY COUNCIL ON JUNE 4, 2024, IN THE NOT-TO-EXCEED AMOUNT OF $1,259,400.00; AMENDED BY AMENDMENT 1 APPROVED BY THE CITY MANAGER; SAID SECOND AMENDMENT TO PROVIDE AN EXTENDED SCOPE INCLUDING ALIGNMENTS STUDY OF BRANCH SANITARY SEWER LINES, EASEMENT ACQUISITION FOR THE ADDED SEWER LINE BRANCHES, AND ADDITIONAL FULL PLAN SET AND SERVICES FOR THE ADDED BRANCH LINES FOR THE CLEAR CREEK INTERCEPTOR PROJECT FOR THE WASTEWATER DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 8213-001 – PROVIDING FOR AN ADDITIONAL SECOND AMENDMENT EXPENDITURE AMOUNT NOT-TO-EXCEED $1,330,400.00, WITH THE TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $4,180,600.00).

WHEREAS, on June 4, 2024, City Council awarded a contract to Kimley-Horn and Associates, Inc. in the amount of $1,259,400.00, for engineering services for the conceptual design and due diligence items for the Clear Creek Interceptor project for the Wastewater Department; and

WHEREAS, on December 17, 2024, City Council awarded a First Amendment to Kimley-Horn and Associates, Inc. in the amount of $1,590,800.00, to provide engineering design and easement acquisition services for the Clear Creek Interceptor project for the Wastewater Department; and

WHEREAS, this procurement was undertaken as part of the City's governmental function [Water and sewer service]; and

WHEREAS, the additional fees under the proposed Second Amendment are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees applicable to the Provider's profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The Second Amendment, increasing the amount of the contract between the City and Kimley-Horn and Associates, Inc., which is on file in the office of the Purchasing Agent, in the amount of One Million Three Hundred Thirty Thousand Four Hundred and 0/100 ($1,330,400.00) Dollars, is hereby approved, and the expenditure of funds therefor is hereby authorized in accordance with said amendment which shall be effective upon the execution of the amendment attached hereto. The total contract amount increases to $4,180,600.00.

SECTION 2. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

Docusign Envelope ID: 53826F97-E5AF-8836-80DA-5BA444549C82

Docusign City Council Transmittal Coversheet

FILE	8213-001
File Name	Clear Creek Interceptor Amendment 2
Purchasing Contact	Erica Garcia
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: 53826F97-E5AF-8836-80DA-5BA444549C82

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

SECOND AMENDMENT TO CONTRACT
BY AND BETWEEN THE CITY OF DENTON, TEXAS
AND KIMLEY-HORN AND ASSOCIATES INC.
PSA 8213-001

THIS SECOND AMENDMENT TO CONTRACT 8213-001 ("Amendment") by and between the City of Denton, Texas ("City") and Kimley-Horn and Associates, Inc. ("Engineer"); to that certain contract executed on June 4, 2024, in the original not-to-exceed amount of $1,259,400 (the "Original Agreement"); amended on December 17, 2024, in the additional amount of $1,590,800 aggregating a not-to-exceed amount of $2,850,200 (the "First Amendment"); (collectively, the Original Agreement, and the First Amendment are the "Agreement") for services related to Clear Creek Interceptor.

WHEREAS, the City deems it necessary to further expand the services provided by Engineer to the City pursuant to the terms of the Agreement, and to provide an additional not-to-exceed amount $1,330,400 with this Amendment for an aggregate not-to-exceed amount of $4,180,600; and

FURTHERMORE, the City deems it necessary to further expand the goods/services provided by Engineer to the City;

NOW THEREFORE, the City and Engineer (hereafter collectively referred to as the "Parties"), in consideration of their mutual promises and covenants, as well as for other good and valuable considerations, do hereby AGREE to the following Amendment, which amends the following terms and conditions of the said Agreement, to wit:

1. The additional services described in Exhibit "A" of this Amendment, attached hereto and incorporated herein for all purposes, for professional services related to the Clear Creek Interceptor, are hereby authorized to be performed by Engineer. For and in consideration of the additional services to be performed by Engineer, the City agrees to pay, based on the cost estimate detail attached as Exhibit "A" a total fee, including reimbursement for non-labor expenses an amount not to exceed $1,330,400.

2. This Amendment modifies the Agreement amount to provide an additional $1,330,400 for the additional services with a revised aggregate not to exceed total of $4,180,600.

The Parties hereto agree, that except as specifically provided for by this Amendment, that all of the terms, covenants, conditions, agreements, rights, responsibilities, and obligations of the Parties, set forth in the Agreement remain in full force and effect.

Docusign Envelope ID: 53826F97-E5AF-8836-80DA-5BA444549C82

IN WITNESS WHEREOF, the City and the Engineer, have each executed this Amendment electronically, by and through their respective duly authorized representatives and officers on this date _____.

"Engineer"

KIMLEY-HORN AND ASSOCIATES INC.

By: DocuSigned by: Chris Lego P.E. Associate
DA9ECDF1E329425...
AUTHORIZED SIGNATURE, TITLE

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: Signed by: Leah Bush
3A6254145BDA469...
_____

"CITY"

CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: _____

ATTEST:
, CITY SECRETARY

By:
_____

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by: Seth Garcia
A13701F6BC954FC...
SIGNATURE

Seth Garcia
PRINTED NAME

Director of Capital Projects
TITLE

Capital Projects
DEPARTMENT

Docusign Envelope ID: 53826F97-E5AF-8836-80DA-5BA444549C82

AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT ADDITIONAL SERVICES

Professional Services Agreement:
CLEAR CREEK INTERCEPTOR
Amendment Scope of Services

This is Amendment Number 02 to the Professional Service Agreement (8213-001) between Kimley-Horn and Associates, Inc. (ENGINEER) and the City of Denton (City) executed on June 5, 2024

Scope of Services

The Clear Creek Basin continues to see a high volume of development interest and there is now an ability to abandon up to six (6) existing lift stations with additional sewer branch lines. These projects are identified on the City's wastewater master plan (WWMP) as project 27, 30 and 43, and comprise of generally 6,100-feet 6,120-feet, 7,613-feet. This amendment also includes additional design and easements needs that have arisen on the original Clear Creek project, and also includes construction phase services. In order to provide wastewater service to this growing area of the City, there is a need to continue with additional engineering design, easement acquisition services. The CITY has requested that the ENGINEER perform the following additional services:

Task 1 – DESIGN MANAGEMENT

A. Project Management

1. Develop project communication plan.
    a. Prepare and e-mail progress reports to the project team once a month to be included with invoices. 12 additional months is assumed.
    b. Prepare project schedule and provide schedule updates if the schedule changes.
2. Sub-consultant Agreement Preparation
    a. Prepare and execute up to three additional (3) subconsultant amendments/ agreements.

Task 3 – TOPOGRAPHIC SURVEY

A. Design Survey

1. Design Survey
    a. Provide additional topographic survey for an additional 20,000 feet on the City owned property.

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Task 4 – NATIONWIDE PERMITTING

1. Perform additional services to delineate the watershed and provide a no-notifying USACE NWP 58 for the proposed additional alignments, and as per previous scoped items.

Task 5 – ARCHEOLOGICAL SERVICES

A Phase I intensive pedestrian archeological survey of the proposed project limits to identify cultural resources in the project area and to make recommendations based upon their significance with regard to eligibility for listing on the National Register of Historic Places (NRHP) and designation as a Texas State Antiquities Landmark (SAL). In the event that a recommendation for NRHP or SAL eligibility cannot be made for a site found during the Phase I survey, Phase II testing may be recommended and subsequently required by the Texas Historical Commission (THC), if the stie cannot be avoided.

This task includes the areas on Parcel 5, 6, and 7 that were not able to be accessed. These parcels may not be able t be accessed until the corridor is established,

This scope does not include any Phase II testing or Phase III mitigation tasks. The Phase I survey will include the following tasks:

A. Desktop Cultural Resources Evaluation:

1. Compile information from publicly available records/databases
2. Produce a letter report detailing the results of the records search and presents a review of the natural environment and cultural history of the project area, along with conclusions and recommendations of our findings.

B. Phase I Intensive Pedestrian Survey:

1. Perform shovel testing every 100 meters along the entire route.
2. In floodplain settings, excavate trenches a maximum of every 200 meters to test for deeply buried cultural resources.
3. Survey standards will meet the minimum requirements adopted by the THC (Council of Texas Archeologists 2020).
4. If archeological sites are found during the survey, they will be recorded.

C. Technical Report

1. Report will be prepared meeting the standards of the THC (Council of Texas Archeologists 2018) and presents a review of the natural environment and cultural history of the project area, research design and methodology, and the results of field investigations, as well as conclusions and recommendations of findings.

D. Curation

1. Records and collected artifacts must be curated in perpetuity with an approved curatorial facility, in order to fulfill requirements in the Texas Antiquities Permit (TAP). A representative of the City must sign the required curatorial paperwork. Though curation cannot be completed until the THC has approved the report, this task will not prevent the City from proceeding with construction of the project. If any

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artifacts are collected on private land, they will be returned to the landowner at their request.

E. Deliverables:

1. Desktop Cultural Resources Evaluation in digital .PDF format.
2. Cultural Resources THC Application in digital .PDF format.
3. Cultural Resources Technical Report in digital .PDF format.

Task 6 – ESA Field Assessments and Tree Survey

1. Perform additional ESA delineation for the selected alignments as per previous scoped items.

Task 8 – EASEMENT PREPARATION

A. Separate Instrument Easement Descriptions

a. Prepare an additional Twenty (30) permanent easement documents

b. Prepare and additional Thirty-Five (25) temporary construction and/or access easements are assumed to provide access or lay-down/storage areas to construct the proposed interceptor.

Task 10 – GAS PIPELINE ENCROACHMENTS

A. LONO Exhibits

1. Prepare plan and profile sheets indicating proposed gas pipeline crossings with proposed interceptor to obtain letters of no objection (LONOs) for up to three (3) gas pipeline crossings. The following crossings are assumed to be required:
   a. Atmos Energy (2 Crossings)
   b. Lone Star Gas (1 Crossing)
2. Respond to up to two rounds of comments on submittals.

B. Deliverables

1. LONO drawings in digital .PDF format.

C. Meetings

Up to four (4) meetings/calls with pipeline owners.

Task 11 – PRELIMINARY DESIGN

A. Preliminary Sewer Design

1. Geotechnical Engineering

a. Perform additional 10 geotechnical bores

2. Subsurface Utility Engineering (SUE)

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a. Level A investigation of existing water line connection point, and potential crossing utilities. The Level A investigation shall consist of performing up to five (5) level A testholes or "locates" of existing utilities. The Level A investigation will be conducted in accordance with ASCE publication CI/ASCE 38-02 and include the location of said utility in three dimensions obtained through non-destructive geophysical methods.

b. Level B investigation to be performed for existing developments

c. Level C/D for the entire corridor.

3. Preliminary Sanitary Sewer Line Design

a. Preliminary plan and profile drawings preparation for approximately 20,000 linear feet of 8-inch through 15-inch gravity sanitary sewer line.

B. Deliverables

1. Preliminary design submittal (60%)

a. Submit four (4) copies to City for review and comment.

b. Submittal shall include the following:

a) Preliminary design plans (22"x34")

b) Preliminary technical specifications (table of contents)

c) Geotech report

d) Opinion of probable construction cost

c. Submit to TCEQ for review

d. Submit to Denton County for review

2. Meetings

a. Attend one (1) meeting with City to kick-off preliminary design.

b. Attend one (1) meeting with City to present and review the preliminary design submittal

Task 12 – FINAL DESIGN

A. Final Sanitary Sewer Design

1. Incorporate the preliminary design submittal review comments (one (1) round of comments is anticipated in proposed effort).

2. Prepare updated opinion of probable construction cost.

a. The ENGINEER has no control over the cost of labor, materials, equipment, or over the Contractor's methods of determining prices or over competitive bidding or market conditions. Opinions of probable costs provided herein are based on the information known to ENGINEER at this time and represent only the ENGINEER's judgment as a design professional familiar with the construction industry. The ENGINEER

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cannot and does not guarantee that proposals, bids, or actual construction costs will not vary from its opinions of probable costs.

3. Incorporate franchise utility investigation information
4. Incorporate details and technical specifications.
5. Prepare surface repair sheets and details as necessary.
6. Prepare Project Manual using City Standard Construction Contract Documents.

B. Deliverables:

1. Final Design Submittal (95%)
    a. Submit four (4) copies to the City for review and comment.
    b. Submittal shall include the following:
        i. Final design drawings
        ii. Final design project manual
        iii. Opinion of probable construction cost

C. Meetings

1. One (1) meeting with City to review Final Design Submittal.

Task 13 – BID PHASE SERVICES

A. Bid Phase Services

1. Provide electronic bid documents to the City purchasing department for one separate additional bidding phase.
2. Provide the Notice to Bidders to the City for publication. The City will be responsible for publication of the notice. The City will be responsible for distribution of the bidding documents to prospective contractors, suppliers and plan rooms.
3. The following assistance will be provided to the City during the bidding phase:
    a. Preparation of addenda and delivery to City for distribution to plans holders.
    b. Responses to questions submitted by plans holders.
    c. Attend bid opening facilitated by City.
    d. Preparation of bid tabulation.
    e. Preparation of recommendation of award letter.
4. Conformance plans and specifications
    a. Based on potential questions and addenda from the bidding phase, prepare conformance set of plans and specifications to be used during construction.
        i. Provide up to four (4) sets to City for execution.

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Task 14 – EASEMENT ACQUISTION SERVICES

A. Easement Acquisition Services

1. ENGINEER's Real Estate Agent shall provide services previously authorized for up to nine (9) more parcels.

Task 15– CONSTRUCTION PHASE SERVICES

A. Construction Phase Services

1. Pre-Construction Conference
    a. Prepare for and attend a pre-construction conference prior to commencement of Work at the Site
2. Site Visits
    a. Visit the construction site up to twenty-four (24) times during construction to perform construction observation. 24 months construction time is assumed.
    b. Site Visits are not intended to be exhaustive or to extend to every aspect of Contractor's work in progress. Observations are to be limited to spot checking, selective measurement, and similar methods of general observation of the Work based on ENGINEER's exercise of professional judgement.
    c. Based on information obtained during site visits, ENGINEER will determine if Contractor's work is generally proceeding in accordance with the Contract Documents, and ENGINEER will keep CITY informed of the general progress of the work.
    d. Hold monthly meetings with the contractor, either on site or off site for up to twenty-four (24) meetings.
3. Recommendations with Respect to Defective Work
    a. Provide recommendations to City that Contractor's work be disapproved and rejected while it is in progress if, on the basis of site visit evaluations, ENGINEER believes such work will not produce a completed Project that conforms generally to Contract Documents or that it will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Notwithstanding the foregoing, the City reserves the right to disapprove or reject Contractor's work without a recommendation from the ENGINEER.
4. Clarifications and Interpretations
    a. Issue necessary clarifications and interpretations of the Contract Documents to City as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of the Contract Documents. Field orders

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authorizing variations from the requirements of the Contract Documents will be made by City.

5. Change Orders
    a. Recommend change orders to City, as appropriate.
    b. Review and make recommendations related to Change Orders submitted or proposed by the Contractor.
6. Shop Drawings and Samples
    a. Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs. Assumes up to thirty (30) shop drawings.
7. Substitutes and "or-equal"
    a. Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor in accordance with the Contract Documents, but subject to the provisions of applicable standards of state or local government entities.
    b. Provide recommendations to City
8. Inspections and Tests
    a. Review certificates of inspections and tests within ENGINEER's area of responsibility for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. ENGINER will be entitled to rely on the results of such tests and facts being certified. The scope of services assumes the pumps and motors will go through a non-witnessed factory test. Attending testing will be considered additional services.
9. Disagreements between City and Contractor
    a. As necessary, ENGINEER will, with reasonable promptness, render initial written decision on all claims of City and Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the progress of the Contractor's work. In rendering such decisions, ENGINEER will be fair and not show partiality to City or Contractor and will not be liable in connection with any decision rendered in good faith in such capacity. The initial decision of the ENGINEER shall be required as a condition precedent to mediation or litigation of any claim arising prior to the date final payment is due to the Contractor, unless thirty (30) days have passed after a claim has been referred to the ENGINEER with no decision having been rendered.

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10. Final Walkthrough and Punchlist Preparation
    a. Attend final walkthrough with Contractor and City to determine if the completed work of Contractor is generally in accordance with the Contract Documents.
        i. Limitation of Responsibilities: The ENGINEER will not be responsible for the acts or omissions of any Contractor, or of any of their subcontractors, suppliers, or of any other individual entity performing or furnishing the work. ENGINEER will not have the authority or responsibility to stop the work of any Contractor.
    b. Compile punch list from information gathered during final walkthrough with City and Contractor.

Task 16 – RECORD DRAWINGS

A. Record Drawings

1. Obtain and review comments and field changes on the construction plans from City and Contractor.
2. Prepare record drawings based on comments and field changes. The ENGINEER will not be providing resident engineering services and will not be observing on a full-time basis, and will therefore not seal the record drawings. The record drawings will be provided in the following format:
    a. (1) Mylar hardcopy full-size (22”x34”)
    b. PDF electronic copy

SCHEDULE

At a mutually agreed upon date.

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Compensation

The additional services described above will be accommodated by increasing the lump sum contract amount by **$1,330,400**. The following table summarizes the revised contract amount:

Task	Original Contract	Amendment No. 1	Amendment No. 2	Revised Contract
Task 1 – Design Management	$33,900	$66,000	$26,900	$126,800
Task 2 – Alignment Study	$336,000	$0	$0	$336,000
Task 3 – Topographic Survey	$319,200	$18,100	$146,100	$483,400
Task 4 – Nationwide Permitting	$40,100	$0	$23,000	$63,100
Task 5 – Archeological Services	$191,200	$0	$124,400	$315,600
Task 6 – ESA Field Assessments and Tree Survey	$99,800	$0	$50,000	$149,800
Task 7 – Alignment Revisions	$73,300	$0	$0	$73,300
Task 8 – Easement Preparation	$60,900	$0	$60,000	$120,900
Task 9 – TxDOT RULIS	$30,000	$0	$0	$30,000
Task 10 – Gas Line Encroachment	$75,000	$0	$15,000	$90,000
Task 11 – Preliminary Design	$0	$860,500	$326,100	$1,186,600
Task 12 – Final Design	$0	$374,400	$149,400	$523,800
Task 13 – Bid Phase Services	$0	$46,100	$25,100	$71,200
Task 14 – Easement Acquisition Services	$0	$225,700	$153,300	$379,000
Task 15 – Construction Phase Services	$0	$0	$209,900	$209,900
Task 16 – Record Drawings	$0	$0	$21,200	$21,200
Totals:	**$1,259,400**	**$1,590,800**	**$1,330,400**	**$4,180,600**

Duly executed by each party's designated representative to be effective on the date subscribed by the CITY.

BY:
CITY OF DENTON, TEXAS

_____

Title:_____

Date:_____

BY:
ENGINEER
Kimley-Horn and Associates, Inc

Chris Igo P.E.

Title: Chris Igo, Associate .

Date: 04/06/2026

Certificate Of Completion

Envelope Id: 53826F97-E5AF-8836-80DA-5BA444549C82
Status: Sent
Subject: Please DocuSign: City Council Contract 8213-001 Clear Creek Interceptor Amendment 2
Source Envelope:
Document Pages: 12
Signatures: 3
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Erica Garcia
901B Texas Street
Denton, TX 76209
erica.garcia@cityofdenton.com
IP Address: 198.49.140.104

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Status: Original
7/2/2026 8:32:18 AM
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erica.garcia@cityofdenton.com
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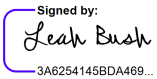
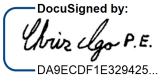
Signer Events	Signature	Timestamp
Erica Garcia erica.garcia@cityofdenton.com Senior Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.104	Sent: 7/2/2026 8:37:18 AM Viewed: 7/2/2026 8:37:26 AM Signed: 7/2/2026 8:37:55 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/2/2026 8:37:57 AM Viewed: 7/2/2026 10:46:59 AM Signed: 7/2/2026 10:47:23 AM
Leah Bush leah.bush@cityofdenton.com Assistant City Attorney Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/2/2026 10:47:25 AM Viewed: 7/6/2026 9:06:42 AM Signed: 7/6/2026 9:14:15 AM
Chris Igo chris.igo@kimley-horn.com Associate Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/16/2026 10:41:35 AM ID: 2e16de48-f239-4d3f-b026-7c72c97e843d	 Signature Adoption: Uploaded Signature Image Using IP Address: 141.193.204.164 Signed using mobile	Sent: 7/6/2026 9:14:17 AM Resent: 7/14/2026 9:33:29 AM Viewed: 7/16/2026 10:41:35 AM Signed: 7/16/2026 10:42:12 AM

Signer Events	Signature	Timestamp
Seth Garcia seth.garcia@cityofdenton.com Director of Capital Projects Security Level: Email, Account Authentication (None)	Signed by: A13701F6BC954FC...	Sent: 7/16/2026 10:42:14 AM Viewed: 7/16/2026 10:56:08 AM Signed: 7/16/2026 10:56:45 AM
	Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	
Electronic Record and Signature Disclosure: Accepted: 7/16/2026 10:56:08 AM ID: 0650c90e-2462-412b-8a2e-039b60b7979f		
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None)		Sent: 7/16/2026 10:56:48 AM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None)		
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Kristi Fogle kristi.fogle@cityofdenton.com Security Level: Email, Account Authentication (None)		
Electronic Record and Signature Disclosure: Accepted: 7/17/2026 10:04:02 AM ID: 4870ad15-76eb-46fd-ab65-c7c44f83773e		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 7/2/2026 8:37:57 AM
Electronic Record and Signature Disclosure: Not Offered via Docusign		

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/16/2026 10:56:47 AM Viewed: 7/20/2026 3:03:40 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Shawn Messick shawn.messick@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/7/2026 10:14:47 AM ID: 2e67a294-a713-4dd5-b5d6-cfb65d7025e8		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/2/2026 8:37:18 AM
Envelope Updated	Security Checked	7/14/2026 9:33:28 AM
Envelope Updated	Security Checked	7/14/2026 9:33:28 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

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To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with RDO Equipment Co., through the Buy Board Cooperative Network Contract No. 788-25, for the purchase, repair, and maintenance of heavy-duty John Deere construction equipment for the Fleet Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 9091 – awarded to RDO Equipment Co., for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $1,806,000.00). The Public Utilities Board recommends approval (4 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The City of Denton Fleet Services Department is renewing a contract for the purchase, repair, and maintenance of heavy-duty John Deere construction equipment with RDO Equipment Co. to be utilized by various departments supporting infrastructure maintenance, construction activities, and solid waste operations.

Active John Deere construction equipment assets owned by the City total six (6) units, with quantities subject to change based on replacement schedules, operational needs, and approved additions. This contract supports both existing assets and future acquisitions, ensuring continuity in equipment availability and performance.

Examples of equipment covered under this contract include, but are not limited to, articulated dump trucks, backhoes, compact track loaders, dozers, excavators, forklifts, skid steers, and wheel loaders. These assets are essential to maintaining City infrastructure and supporting daily operations. The proposed contract supports maintenance and repair of existing fleet assets and anticipated additions, allowing the City to meet current demands and accommodate growth. This contract enables scalable operations while maintaining high service standards and ensures public services remain efficient.

The contract value is calculated based on historical spending trends and anticipated growth in service and equipment acquisitions. This agreement supports operational efficiency and ensures the City can maintain a reliable and effective fleet.

Estimated Contract Expenses

Category	FY 26-27	FY 27-28	FY 28-29	FY 29-30	FY 30-31	Total
Asset Additions	$-	$-	$-	$220,000	$230,000	$450,000
Asset Replacements	100,000	110,000	220,000	110,000	120,000	660,000
Repair Services	10,000	150,000	150,000	150,000	150,000	610,000
Contingency	5,500	13,000	18,500	24,000	25,000	86,000
Total	**$115,500**	**$273,000**	**$388,500**	**$504,000**	**$525,000**	**$1,806,000**

Pricing obtained through the Buy Board Cooperative Purchasing Network has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 1, 2005, City Council approved the interlocal agreement with the Buy Board Cooperative Purchasing Network (Ordinance 2005-034).

On August 10, 2026, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award a contract with RDO Equipment Co. for the purchase, repair, and maintenance of heavy-duty John Deere construction equipment for the Fleet Services Department, in a one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $1,806,000.

PRINCIPAL PLACE OF BUSINESS

RDO Equipment Co.
Fargo, ND

ESTIMATED SCHEDULE OF PROJECT

This is an initial one (1) year contract with options to extend the contract for four (4) additional one (1) year periods, with all terms and conditions remaining the same. This Buy Board contract expires on November 30, 2028.

FISCAL INFORMATION

These assets and services will be funded through the using department's capital and operational budget on an as-needed basis. The estimated expenditures of acquisitions and services are routed through the City's annual collaborative budgeting process. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Cooperative Pricing
Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Tom Gramer, 940-349-7467.

Legal point of contact: Leah Bush at 940-349-8333.

2 **Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY**

Discount (%) off catalog/price list for **Articulated Trucks, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

PROPOSAL NOTE 2: A Vendor proposing shall be approved and authorized by the manufacturer to sell, install, and service the brand(s) of product(s) proposed. Proposers responding to this Proposal Invitation shall submit an approval letter from each manufacturer for each product line proposed. The requirement to provide an approval letter from the manufacturer applies to both seller and installers. Manufacturers responding directly to this Proposal Invitation, in lieu of an authorization letter, shall submit a written explanation that the company is the manufacturer of the product line(s) proposed. Dealer authorization agreements will not be accepted as a substitute for the manufacturer authorization letter.

The manufacturer authorization letters must include the following:
1. Composed on manufacturer letterhead (an email message is not a substitute for the letter),
2. Addressed to “The Local Government Purchasing Cooperative”,
3. Dated within the current calendar year,
4. List the regions in Texas and states that Vendor is authorized to sell, install, and service product(s) proposed, and
5. Name, Title, and Signature of Authorized Official from Manufacturer.

PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

3 **Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY**

Discount (%) off catalog/price list for **Asphalt Compactors, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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3. Dated within the current calendar year,
4. List the regions in Texas and states that Vendor is authorized to sell, install, and service product(s) proposed, and
5. Name, Title, and Signature of Authorized Official from Manufacturer.

PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Sakai 0-10%

8 **Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY**

Discount (%) off catalog/price list for **Backhoe/Loaders, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

PROPOSAL NOTE 2: A Vendor proposing shall be approved and authorized by the manufacturer to sell, install, and service the brand(s) of product(s) proposed. Proposers responding to this Proposal Invitation shall submit an approval letter from each manufacturer for each product line proposed. The requirement to provide an approval letter from the manufacturer applies to both seller and installers. Manufacturers responding directly to this Proposal Invitation, in lieu of an authorization letter, shall submit a written explanation that the company is the manufacturer of the product line(s) proposed. Dealer authorization agreements will not be accepted as a substitute for the manufacturer authorization letter.

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4. List the regions in Texas and states that Vendor is authorized to sell, install, and service product(s) proposed, and
5. Name, Title, and Signature of Authorized Official from Manufacturer.

PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

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Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Mini Excavators, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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5. Name, Title, and Signature of Authorized Official from Manufacturer.

PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

22

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Motor Graders, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

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Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Pneumatic Compactors and Rollers, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

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- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Sakai 0-10%

30

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Scrapers, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

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John Deere 0-10%

31

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Skid Steer Loaders, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

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Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Track Loaders, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

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4. List the regions in Texas and states that Vendor is authorized to sell, install, and service product(s) proposed, and
5. Name, Title, and Signature of Authorized Official from Manufacturer.

PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

35

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Track and Wheel Material Handlers, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

PROPOSAL NOTE 2: A Vendor proposing shall be approved and authorized by the manufacturer to sell, install, and service the brand(s) of product(s) proposed. Proposers responding to this Proposal Invitation shall submit an approval letter from each manufacturer for each product line proposed. The requirement to provide an approval letter from the manufacturer applies to both seller and installers. Manufacturers responding directly to this Proposal Invitation, in lieu of an authorization letter, shall submit a written explanation that the company is the manufacturer of the product line(s) proposed. Dealer authorization agreements will not be accepted as a substitute for the manufacturer authorization letter.

The manufacturer authorization letters must include the following:

1. Composed on manufacturer letterhead (an email message is not a substitute for the letter),
2. Addressed to “The Local Government Purchasing Cooperative”,
3. Dated within the current calendar year,
4. List the regions in Texas and states that Vendor is authorized to sell, install, and service product(s) proposed, and
5. Name, Title, and Signature of Authorized Official from Manufacturer.

PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

36

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Track-Type Tractors and Dozers, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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4. List the regions in Texas and states that Vendor is authorized to sell, install, and service product(s) proposed, and
5. Name, Title, and Signature of Authorized Official from Manufacturer.

PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

37

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Tracked Excavators, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

PROPOSAL NOTE 2: A Vendor proposing shall be approved and authorized by the manufacturer to sell, install, and service the brand(s) of product(s) proposed. Proposers responding to this Proposal Invitation shall submit an approval letter from each manufacturer for each product line proposed. The requirement to provide an approval letter from the manufacturer applies to both seller and installers. Manufacturers responding directly to this Proposal Invitation, in lieu of an authorization letter, shall submit a written explanation that the company is the manufacturer of the product line(s) proposed. Dealer authorization agreements will not be accepted as a substitute for the manufacturer authorization letter.

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Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

42

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Vibratory Soil Compactors and Rollers, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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4. List the regions in Texas and states that Vendor is authorized to sell, install, and service product(s) proposed, and
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PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Sakai 0-10%

48

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **All Other Construction, Road, Bridge, Other Equipment, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 7%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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3. Dated within the current calendar year,
4. List the regions in Texas and states that Vendor is authorized to sell, install, and service product(s) proposed, and
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PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Topcon 0-7%

Alternate 1

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY
Discount (%) off catalog/price list for **All Other Construction, Road, Bridge, Other Equipment, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 3%

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Vision Aerial 0-3%

Alternate 2

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY
Discount (%) off catalog/price list for **All Other Construction, Road, Bridge, Other Equipment, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 8%

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Wingtra 0-8%

Alternate 3

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY
Discount (%) off catalog/price list for **All Other Construction, Road, Bridge, Other Equipment, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 3%

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Geocue 0-4%

Alternate 4

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY
Discount (%) off catalog/price list for **All Other Construction, Road, Bridge, Other Equipment, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 3%

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Inspired Flight 0-3%

49

Section I: New Construction, Road, Bridge and Repair Equipment-PURCHASE ONLY

Discount (%) off catalog/price list for **Repair Parts on All Types of Construction, Road, Bridge, and Other Equipment.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 0%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

PROPOSAL NOTE 2: A Vendor proposing shall be approved and authorized by the manufacturer to sell, install, and service the brand(s) of product(s) proposed. Proposers responding to this Proposal Invitation shall submit an approval letter from each manufacturer for each product line proposed. The requirement to provide an approval letter from the manufacturer applies to both seller and installers. Manufacturers responding directly to this Proposal Invitation, in lieu of an authorization letter, shall submit a written explanation that the company is the manufacturer of the product line(s) proposed. Dealer authorization agreements will not be accepted as a substitute for the manufacturer authorization letter.

The manufacturer authorization letters must include the following:
1. Composed on manufacturer letterhead (an email message is not a substitute for the letter),
2. Addressed to “The Local Government Purchasing Cooperative”,
3. Dated within the current calendar year,
4. List the regions in Texas and states that Vendor is authorized to sell, install, and service product(s) proposed, and
5. Name, Title, and Signature of Authorized Official from Manufacturer.

PROPOSAL NOTE 3: **"Pre-Owned/Reconditioned/Retired Rental"** shall be defined as equipment having been checked and inspected by a manufacturer-authorized dealer prior to sale and shall be no older than sixty (60) months as of the date of delivery. Proposers responding to this Proposal Invitation for **"Pre-Owned/Reconditioned/Retired Rental"** equipment must also be approved by the manufacturer to sell pre-owned/reconditioned/retired rental equipment for the brand submitted and must submit an approval letter from each manufacturer with the Proposal. Manufacturer authorization letters must include the regions in which equipment can be sold. Equipment listed as **"Pre-Owned/Reconditioned/Retired Rental"** shall be in good and working condition and shall include a minimum warranty of one-hundred eighty (180) days against any defect from workmanship and parts and shall cover equipment repairs and/or component replacement. Total equipment usage hours as displayed on the service meter will have a maximum of one thousand (1,000) hours per year of age and a minimum of seventy-five percent (75%) of wear remaining for tires, track, and/or ground engagement tools.

Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere list price on parts

50 **Section II: Construction, Road, Bridge, and Repair Equipment-RENTAL ONLY** (Rental Rate Sheet must be submitted with Proposal or Proposal will not be considered).
Discount (%) off catalog/price list for **RENTAL of All Construction, Road, Bridge, Other Equipment, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere

Alternate 1

Section II: Construction, Road, Bridge, and Repair Equipment-RENTAL ONLY (Rental Rate Sheet must be submitted with Proposal or Proposal will not be considered).
Discount (%) off catalog/price list for **RENTAL of All Construction, Road, Bridge, Other Equipment, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Sakai

51

Section III: Construction, Road, Bridge, and Repair Equipment (Pre-Owned/Reconditioned/Retired Rental)- PURCHASE ONLY

Discount (%) off catalog/price list for **All Types of Pre-Owned/Reconditioned/Retired Rental Construction, Road, Bridge, Other Equipment, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Notes: **PROPOSAL NOTE 1:** Vendors shall submit catalog(s)/price list(s) with their Proposal response or the Proposal will not be considered. Vendors shall submit catalog(s)/price list(s) with the Proposal in a readily available and readable electronic format, with Excel or searchable PDF preferred. **No paper catalogs or manufacturer/vendor websites will be accepted.**

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5. Name, Title, and Signature of Authorized Official from Manufacturer.

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Vendors proposing multiple manufacturer product lines and/or catalog/price list per line item must submit the information as follows or proposal may not be considered:

- Select **"Add Alternate"** for each additional manufacturer product line and/or catalog/price list proposed
- Vendor’s must list one specific percentage discount for each manufacturer and/or catalog/price list listed

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

John Deere 0-10%

Alternate 1

Section III: Construction, Road, Bridge, and Repair Equipment (Pre-Owned/Reconditioned/Retired Rental)- PURCHASE ONLY

Discount (%) off catalog/price list for **All Types of Pre-Owned/Reconditioned/Retired Rental Construction, Road, Bridge, Other Equipment, Accessories and Attachments.** Catalog/Price list MUST be included or proposal will not be considered. Asphalt Distributors, Accessories and Attachments.

Total: 10%

Item Attributes

1. State Name of Manufacturer Catalog or Product Price list Proposed with Discount Percentage

NOTE: Do not reference SKU, Reference Numbers, Websites, and/or "See Attached/Enclosed".

Sakai 0-10%

67	**Section VIII: Installation and Repair Service** **Hourly Labor Rate for Installation/Repair Service on All Types of Construction, Road, Bridge and Other Equipment**- **Not to Exceed** hourly labor rate for Installation/Repair Service of Equipment and Products. Quantity: 1 UOM: Hourly Labor Rate Price: $250.00 Total: $250.00

68	**Section VIII: Installation and Repair Service** **Hourly Labor Rate for Installation/Repair Service on All Types of Street Sweepers, Sand/Salt Spreading, Snowplows, Deicing and Other Equipment**- **Not to Exceed** hourly labor rate for Installation/Repair Service of Equipment and Products. Quantity: 1 UOM: Hourly Labor Rate ***No Bid***

Response Total: $250.00

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH RDO EQUIPMENT CO., THROUGH THE BUY BOARD COOPERATIVE NETWORK CONTRACT NO. 788-25, FOR THE PURCHASE, REPAIR, AND MAINTENANCE OF HEAVY-DUTY JOHN DEERE CONSTRUCTION EQUIPMENT FOR THE FLEET SERVICES DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (FILE 9091 – AWARDED TO RDO EQUIPMENT CO., FOR ONE (1) YEAR, WITH THE OPTION FOR FOUR (4) ADDITIONAL ONE (1) YEAR EXTENSIONS, IN THE TOTAL FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $1,806,000.00).

WHEREAS, pursuant to Ordinance 2005-034, the Buy Board Cooperative Purchasing Network has solicited, received, and tabulated competitive bids for the purchase of necessary materials, equipment, supplies, or services in accordance with the procedures of state law and city ordinances; and

WHEREAS, the City Manager, or a designated employee, has reviewed and recommended that the herein described materials, equipment, supplies, or services can be purchased by the City through the Buy Board Cooperative Purchasing Network programs at less cost than the City would expend if bidding these items individually; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the City Council has provided in the City Budget for the appropriation of funds to be used for the purchase of the materials, equipment, supplies, or services approved and accepted herein; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The items shown in the "File Number" referenced herein and on file in the office of the Purchasing Agent, are hereby accepted and approved as being the lowest responsible bids for such items:

FILE NUMBER	VENDOR	AMOUNT
9091	RDO Equipment Co.	$1,806,000.00

SECTION 2. By the acceptance and approval of the items set forth in the referenced file number, the City accepts the offer of the persons submitting the bids to the Buy Board Cooperative Purchasing Network for such items and agrees to purchase the materials, equipment, supplies, or services in accordance with the terms, conditions, specifications, standards,

quantities, and for the specified sums contained in the bid documents and related documents filed with the Buy Board Cooperative Purchasing Network and the purchase orders issued by the City.

SECTION 3. Should the City and persons submitting approved and accepted items set forth in the referenced file number wish to enter into a formal written agreement as a result of the City's ratification of bids awarded by the Buy Board Cooperative Purchasing Network, the City Manager, or their designated representative, is hereby authorized to execute the written contract which shall be attached hereto; provided that the written contract is in accordance with the terms, conditions, specifications, and standards contained in the Proposal submitted to the Buy Board Cooperative Purchasing Network, and the quantities and specified sums contained in the City's purchase orders and related documents referenced herein are approved and accepted.

SECTION 4. The City Council of the City of Denton hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 5. By the acceptance and approval of the items set forth in the referenced file number, the City Council hereby authorizes the expenditure of funds therefor in the amount and in accordance with the approval of purchase orders or pursuant to a written contract made pursuant thereto as authorized herein.

SECTION 6. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

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Docusign City Council Transmittal Coversheet

COOP	9091
File Name	John Deere Construction Equipment
Purchasing Contact	Kayla Clark
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

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CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND RDO Equipment CO.
(File # 9091)

THIS CONTRACT is made and entered into this date _____, by and between RDO Equipment Co., a Delaware Corporation, whose address is PO BOX 7160 Fargo, ND 58106, hereinafter referred to as "Supplier," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their duly authorized designee.

For and in consideration of the covenants and agreements contained herein, and for the mutual benefits to be obtained hereby, the parties agree as follows:

SCOPE OF SERVICES

Supplier shall provide products and services in accordance with the Supplier's Buyboard Cooperative Purchasing Contract, #788-25, a copy of which is on file at the office of the Purchasing Agent as **Exhibit "B" ("Buyboard Contract")**. The Contract consists of this written agreement and the following items which are attached hereto, or on file, and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) Buyboard Cooperative Purchasing Contract #788-25 with RDO EQUIPMENT CO., **(Exhibit "B" on file at the office of the Purchasing Agent**);
(c) City of Denton Standard Terms and Conditions **(Exhibit "C");**
(d) Certificate of Interested Parties Electronic Filing **(Exhibit "D");**
(e) Insurance Requirements **(Exhibit "E");**
(f) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "F")**

These documents make up the Contract documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the Contract documents, the inconsistency or conflict shall be resolved by giving precedence first to the written agreement then to the contract documents in the order in which they are listed above. These documents shall be referred to collectively as "Contract Documents."

Prohibition on Contracts with Companies Boycotting Israel
Contractor acknowledges that in accordance with Chapter 2271 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Energy Companies
Contractor acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to***

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the City that Contractor: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

Contractor acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition On Contracts With Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Sections 2252 and 2270 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor, pursuant to Chapters 2252 and 2270, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Termination Right for Contracts with Companies Doing Business with Certain Foreign-Owned Companies

The City of Denton may terminate this Contract immediately without any further liability if the City of Denton determines, in its sole judgment, that this Contract meets the requirements under Chapter 2274, and Contractor is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or other designated country (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or other designated country, or (iii) is headquartered in China, Iran, North Korea, Russia, or other designated country.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

IN WITNESS WHEREOF, the parties of these presents have executed this agreement in the year and day first above written.

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BY:
SUPPLIER
RDO Equipment Co.

DocuSigned by:
Kyle Braswell
FCA72DAC878E418...
Authorized Signature

Printed Name: Kyle Braswell

Title: Sales Manager

Email Adress: KBraswell@rdoequipment.com

2026-1488251
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

BY:
CITY OF DENTON, TEXAS

Cassey Ogden, Interim City Manager

ATTEST:
Kristi Fogle, Interim CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
BY: Marcella Lunn
4B070831B4AA438...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

DocuSigned by:
Tom Gramer
ZB58DA8ECE5E49C...
SIGNATURE

Director
TITLE

Fleet
DEPARTMENT

File 9091

Docusign Envelope ID: 61C1B7F1-34D5-8BDD-8205-E0AFE7B0F613

Exhibit A
Special Terms and Conditions

1. Contract Term

The contract term will be one (1) year, effective from date of award. The City and the Supplier shall have the option to renew this contract for an additional four (4) one-year periods.

The contract shall commence upon the issuance of a Notice of Award by the City of Denton and shall automatically renew each year, from the date of award by City Council. At the sole option of the City of Denton, the contract may be further extended as needed, not to exceed a total of six (6) months.

2. Total Contract Amount

The contract total shall not exceed **$1,806,000.00**. Pricing shall be per Exhibit B n file at the office of the Purchasing Agent as may be updated by Supplier from time to time in accordance with the terms of the Buyboard Contract.

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Exhibit C
City of Denton
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Contractor . No Terms and Conditions contained in the seller's proposal response, invoice, or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the Contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, and 21 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, and 22 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation or Exhibit A, this Contract shall be effective as of the date this Contract is signed by the City and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Solicitation or Contractor's Offer, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address, purchase order or purchase release number, and the price agreement number, if applicable, (c) container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

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6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Solicitation or Contractor's Offer. Unless otherwise stated in the Contractor's Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth in the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract to perform but not afterward. If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

9. **PLACE AND CONDITION OF WORK**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The Contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE** This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way.

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A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
B. The Contractor, its employees, Subcontractors, and Subcontractor's employees may not (1) while engaged in, participating, or responding to a solicitation; or (2) while in the course and scope of delivering goods or services under a City of Denton contract; or (3) on the City's property.

i. use or possess a firearm, including a concealed handgun that is licensed under State law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs, or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs.

C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

IMMIGRATION: THE CONTRACTOR REPRESENTS AND WARRANTS THAT IT SHALL COMPLY WITH THE REQUIREMENTS OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 AND 1990 REGARDING EMPLOYMENT VERIFICATION AND RETENTION OF VERIFICATION FORMS FOR ANY INDIVIDUALS HIRED ON OR AFTER NOVEMBER 6, 1986, WHO WILL PERFORM ANY LABOR OR SERVICES UNDER THE CONTRACT AND THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996 ("IIRIRA) ENACTED ON SEPTEMBER 30, 1996, AND SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY ACTION ARISING RELATED THERETO.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules, and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. **THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, ACTIONS, JUDGMENTS, FINES, PENALTIES AND LIABILITY OF EVERY KIND ARISING FROM THE BREACH OF THE CONTRACTOR'S OBLIGATIONS UNDER THIS PARAGRAPH.**

Environmental Protection: The Contractor shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:
A. The Contractor shall submit separate invoices on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
B. **Proper Invoices must include a unique invoice number, invoice date, the purchase order number, and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if

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applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

F. Contractor must submit invoices no later than thirty (30) calendar days after termination or expiration of the Contract. Any invoices sent after that date will be considered noncompliant and will not be approved for payment.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable – accountspayable@cityofdenton.com. Approved invoices will be paid within thirty (30) calendar days of the invoice being received in Accounts Payable.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, including, but not limited to, those in Paragraph D , below, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches such shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due to the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials, or equipment;

iv. damage to the property of the City or the City's agents, employees, or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, all required attachments, and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given to any awarded firm who is in arrears to the City for delinquent taxes of any kind or otherwise indebted to the City that the City shall be entitled to counterclaim and/or offset against any such debt, claim, demand, or account owed to the City through payment withholding until the debt is paid in full, and no assignment of such debt, claim, demand, or

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account after the said taxes or debt are due shall affect the right of the City to offset the said taxes or debt against same.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.

G. The Contractor acknowledges and agrees that the awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this Contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City will not incur a debt or obligation to pay Contractor any amounts the City does not have the current funds available to pay. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty or liability to the City, nor removal fees, cancellation fees, or the like charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging, and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the Contract Documents. During the term of this Contract, the Contractor shall bill and the City shall reimburse Contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the Contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

15. **FINAL PAYMENT AND CLOSE-OUT**:

A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the fifteenth (15^{th}) calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.

B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Contractor's Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

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17. **RIGHT TO AUDIT**:

A. The Contractor agrees that the City shall, until the expiration of five (5) years after final payment under this Contract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, and computations pertaining to this Contract. If necessary, the City shall have the right to audit and make copies of the books, records, and computations pertaining to the Contract. The Contractor shall retain such books, records, documents, and other evidence pertaining to the Contract period and five (5) years thereafter, except if an audit is in progress or audit findings are yet unresolved, in which case records shall be kept until all audit tasks are completed and resolved. These books, records, documents, and other evidence shall be available, within ten (10) business days of written request. All books and records will be made available within a fifty (50) mile radius of the City of Denton if the vendor is not able to provide electronic access. The cost of the audit will be borne by the City unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the Contractor which must be payable within five (5) business days of receipt of an invoice.

B. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the Subcontractor, material supplier, or other payee agrees that the City shall, until the expiration of five (5) years after final payment under the subcontract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, documents, and other evidence of the Subcontractor, material supplier, or other payee involving transactions relating to the subcontract. If necessary, the City maintains the right to photocopy any physical books, documents, papers, and records of the subconsultant involving transactions relating to the subcontract. All books and records will be made available within a fifty (50) mile radius of the City of Denton. The cost of the audit will be borne by the City unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the Contractor which must be payable within five (5) business days of receipt of an invoice.

C. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City's sole discretion, grounds for termination thereof. Each of the terms "books", "records", "documents", and "other evidence", as used above, shall be construed to include drafts and electronic files, even if such drafts or electronic files are subsequently used to generate or prepare a final printed document.

18. **SUBCONTRACTORS**:

A. If the Contractor-identified subcontractors ("Subcontractor") in a DBE/MBE/WBE agreed-to plan (the "Plan"), the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract Documents, and shall contain provisions that:

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i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
V. REQUIRE THAT THE SUBCONTRACTOR INDEMNIFY AND HOLD THE CITY HARMLESS TO THE SAME EXTENT AS THE CONTRACTOR IS REQUIRED TO INDEMNIFY THE CITY.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:
A. The Contractor warrants the prices quoted in the Contractor's Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.
B. The Contractor certifies that the prices in the Contractor's Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
C. In the event Contractor breaches this warranty, in addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase, or in the alternative, the City may cancel this Contract without liability to Contractor for breach.

20. **WARRANTY – TITLE**: **THE CONTRACTOR WARRANTS THAT IT HAS GOOD AND INDEFEASIBLE TITLE TO ALL DELIVERABLES FURNISHED UNDER THE CONTRACT, AND THAT THE DELIVERABLES ARE FREE AND CLEAR OF ALL LIENS, CLAIMS, SECURITY INTERESTS, AND ENCUMBRANCES. THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL ADVERSE TITLE CLAIMS TO THE DELIVERABLES.**

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship, or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Contract Documents, to any samples furnished by the Contractor, to the terms, covenants, and conditions of the Contract, and to all applicable State, federal, or local laws, rules,

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and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned. In addition, Contractor warrants that the goods sold to City shall conform to the standards promulgated by the U.S. Department of Labor under the Occupational Safety and Health Act (OSHA). In the event the product does not conform to OSHA standards, City may return the product for correction or replacement at the Contractor's expense. In the event Contractor fails to make the appropriate correction within a reasonable time, correction made by City will be at Contractor's expense.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract or required by the Solicitation, the warranty period shall be at least one (1) year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

F. Contractor shall not limit, exclude, or disclaim any implied warranties, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided to the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable federal, State, and local laws, rules or regulations.

A. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one (1) year from the date of acceptance of the work. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor

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to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses, and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified (being a minimum of 5 days) after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**:

A. The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely, and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 25, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.

B. In the event the City terminates the awarded contract for default or any other reason, the Contractor shall not be relieved of liability to the City for damages sustained by the City by reason of any default of the contract by the Contractor or otherwise, and the City may withhold any payments to the Contractor for the purpose of an offset until such time as the amount of damages due the City from the Contractor can be determined.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such

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ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and/or any offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause and/or for convenience any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof, provided such payment amount is not disputed by City. The City reserves all rights, causes of action, and remedies available under law or in equity with respect to any dispute under this Contract and a termination under this provision does not waive such rights, causes of action, and remedies.

29. **FRAUD**: Fraudulent statements by the Contractor in any offer, Contract Document, or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:

A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in Paragraph 53. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in Contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **TIME OF COMPLETION AND LIQUIDATED DAMAGES**: Contractor agrees and acknowledges that completing the services and/or delivering the goods described in this Contract

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in a timely manner is very important to the City. Contractor agrees to perform all obligations within the timeframes required. As it is impracticable and extremely difficult to fix the actual damages, if any, that may proximately result from a failure by Contractor to provide the goods or perform the service, should Contractor fail to timely perform its obligations, Contractor agrees to pay to City, or have withheld and offset from monies due it, the amount stated in the Contract Documents as liquidated damages for each calendar day of delay or nonperformance. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by the City, estimated at the time of executing this Contract. Execution of the Contract shall constitute agreement by the City and Contractor that said amount is the minimum value of the costs and actual damage caused by the Contractor's failure to timely perform. Adjustments to the contract times can only be made as provided in the Contract Documents and any conditions or specifications referenced therein.

32. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments, and liability of every character, type, or description, including all reasonable costs and expenses of litigation, mediation, or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and Subcontractors; the officers, agents, and employees of such Subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's Subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

33. **LIMITATION OF LIABILITY**: This Contract does not, and shall not be interpreted to, contain an artificial limitation of liability (e.g. liability limited to contract price or liability capped at an amount actually paid in previous 3 months, etc.) or an artificial statute of limitations (e.g. any lawsuit must be commenced within one year of the event).

34. **INSURANCE**: The Contractor shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton outlined in the Insurance Exhibit attached hereto, if applicable. The insurance shall be written by a company licensed to do business in the State of

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Texas and satisfactory to the City of Denton. The City of Denton reserves the right to add insurance during the contract term.
B. Specific Coverage Requirements: Specific insurance requirements are contained in the Solicitation and the Insurance Exhibit.

35. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

36. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

37. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

38. **INDEMNIFICATION AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. Moreover, Contractor does not know of any valid basis for any such claims. **THE CONTRACTOR SHALL, AT ITS SOLE EXPENSE, DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL LIABILITY, DAMAGES, AND COSTS (INCLUDING COURT COSTS AND REASONABLE FEES OF ATTORNEYS AND OTHER PROFESSIONALS) ARISING OUT OF OR RESULTING FROM: (I) ANY CLAIM THAT THE CITY'S EXERCISE ANYWHERE IN THE WORLD OF THE RIGHTS ASSOCIATED WITH THE CITY'S' OWNERSHIP, AND IF APPLICABLE, LICENSE RIGHTS, AND ITS USE OF THE**

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DELIVERABLES INFRINGES THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY; OR (II) THE CONTRACTOR'S BREACH OF ANY OF CONTRACTOR'S REPRESENTATIONS OR WARRANTIES STATED IN THIS CONTRACT. IN THE EVENT OF ANY SUCH CLAIM, THE CITY SHALL HAVE THE RIGHT TO MONITOR SUCH CLAIM OR AT ITS OPTION ENGAGE ITS OWN SEPARATE COUNSEL TO ACT AS CO-COUNSEL ON THE CITY'S BEHALF. FURTHER, CONTRACTOR AGREES THAT THE CITY'S SPECIFICATIONS REGARDING THE DELIVERABLES SHALL IN NO WAY DIMINISH CONTRACTOR'S WARRANTIES OR OBLIGATIONS UNDER THIS PARAGRAPH AND THE CITY MAKES NO WARRANTY THAT THE PRODUCTION, DEVELOPMENT, OR DELIVERY OF SUCH DELIVERABLES WILL NOT IMPACT SUCH WARRANTIES OF CONTRACTOR. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

39. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

40. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 41 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-

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for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such deliverables to the City or at such other time as the City may request.

C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 41 A., B., and C. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 40 above.

41. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

42. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, State, or local government.

43. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

44. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

45. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: The Contractor agrees to comply with the conflict of interest provisions of the City of Denon Code of Ordinances

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and/or State law. No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation as defined in the City's Ethic Ordinance codified at Chapter 2, Article XI and in the City Charter Section 14.04, as amended. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Contractor shall complete and submit the City's Conflict of Interest Questionnaire. The Contractor agrees to maintain current, updated disclosure of information on file with the Procurement Department throughout the term of this Contract.

46. **NO SUBCONTRACTING BID AFTER AWARD**: Following the award of the Contract, no subcontracting except that specifically identified in the response to the Solicitation will be permitted without the express prior written consent of the City.

47. **NO GIFT OF PUBLIC PROPERTY**: The City will not agree to any terms or conditions that cause the City to lend its credit or grant public money or anything of value to the selected Contractor.

48. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or their designee under this Contract. The Contractor is expressly free to advertise and perform services for other parties while performing services for the City.

49. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.
The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

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50. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character. No delay, failure, or waiver of either party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy.

51. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document submitted to the City by Contractor shall have any force or effect to change the terms, covenants, and conditions of the Contract.

52. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

53. **DISPUTE RESOLUTION**:

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute, however any decision requiring approval of the City Council of the City will be required to be submitted to the City Council and the senior level person shall have authority to recommend approval of any resolution. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract

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interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
C. The parties shall not be required to submit to binding arbitration.

54. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

55. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

56. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or their authorized designee.

57. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose

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continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract for fifteen (15) years.

58. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

59. **EQUAL OPPORTUNITY** Contractor agrees that during the performance of its contract it will:
A. Treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or handicap.
B. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or request. The Contractor shall be advised of any complaints filed with the City alleging that Contractor is not an Equal Opportunity Employer. The City reserves the right to consider its reports from its human relations administrator in response to such complaints in determining whether or not to terminate any portion of this contract for which purchase orders or authorities to deliver have not been included, however, the Contractor is specifically advised that no Equal Opportunity Employment complaint will be the basis for cancellation of this contract for which a purchase order has been issued or authority to deliver granted.
C. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined
in the ADA.

60. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**
The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –
i. "Component" means an article, material, or supply incorporated directly into an end product.
ii. "Cost of components" means -
(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
iii. "Domestic end product" means-
(1) An unmanufactured end product mined or produced in the United States; or
(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency

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determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
v. "Foreign end product" means an end product other than a domestic end product.
vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Contractor shall submit documentation with their offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

61. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this Contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

62. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

63. **PREVAILING WAGE RATES:** The Contractor shall comply with prevailing wage rates as defined by the United States Department of Labor Davis-Bacon Wage Determination at http://www.dol.gov/whd/contracts/dbra.htm and at the Wage Determinations website www.wdol.gov for Denton County, Texas (WD-2509).

64. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The Contractor or supplier shall comply with all State, federal, and local laws and requirements. The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants; and (iii) Chapter 552 of the Texas Government Code, which outlines policy for public information. The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

65. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Contractor shall demonstrate on-site compliance with the provisions of federal law dealing with issuance of Form W-2's to common law employees. Contractor is responsible for both federal and State unemployment insurance coverage and standard Workers' Compensation insurance coverage. Contractor shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Contractor or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Contractor's omission or breach of this Section.

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66. **ATTORNEY'S FEES; LEGAL COSTS:** Contractor and City agree that the City will not be required to pay Contractor's attorney's fees or legal costs under any circumstances, unless expressly required by law.

67. **DRUG FREE WORKPLACE:** The Contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

68. **CONTRACTOR LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Contractor shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Contractor shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

69. **FORCE MAJEURE:** The City of Denton, any Customer, and the Contractor shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Contractor will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Contractor continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Contractor shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

70. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

71. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

72. **RECORDS RETENTION:** The Contractor shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Contractor shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit

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and litigation matters are resolved, whichever period is longer. The Contractor shall grant access to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract. In the event the value of this Contract is One Million ($1,000,000) Dollars or greater: (i) all contracting information related to this contract will be preserved for the duration of the Contact; (ii) the Contractor shall provide any contracting information in its possession promptly upon request by the City; and (iii) at the expiration of this Contract, the Contractor will either provide all contracting information in its possession to the City or preserve same as required by the record retention requirements of the State of Texas.

73. **PROCUREMENT LAWS**: The City will not agree to any terms or conditions that cause the City to violate any federal, State, or local procurement laws, including its own Charter or Procurement Policy and any such laws included in boilerplate terms, online terms or other terms provided by the Contractor are considered null and void.

74. **AUTHORITY**: Contractor represents and warrants to the other that (a) it has company authority to execute and perform this Contract; (b) executing this Contract does not constitute a material conflict with, breach, or default under any applicable law, its respective organizational documents, or any documents, agreements, contracts or instruments which are binding upon it; and (c) this Contract creates valid, legal, and binding obligation enforceable against it, subject to applicable insolvency and bankruptcy laws. Contractor recognizes and agrees that a violation of this provision constitutes a material breach under this Contract.

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Exhibit D
Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor shall:

1. Log onto the State Ethics Commission Website at : https://www.ethics.state.tx.us/filinginfo/1295/
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

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Exhibit E

INSURANCE REQUIREMENTS

Respondent's attention is directed to the insurance requirements below. It is highly recommended that respondents confer with their respective insurance carriers or brokers to determine in advance of Proposal/Bid submission the availability of insurance certificates and endorsements as prescribed and provided herein. If an apparent low respondent fails to comply strictly with the insurance requirements, that respondent may be disqualified from award of the contract. Upon contract award, all insurance requirements shall become contractual obligations, which the successful contractor shall have a duty to maintain throughout the course of this contract.

STANDARD PROVISIONS:

Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall provide and maintain until the contracted work has been completed and accepted by the City of Denton, Owner, the minimum insurance coverage as indicated hereinafter.

As soon as practicable after notification of contract award, Contractor shall file with the Purchasing Department satisfactory certificates of insurance including any applicable addendum or endorsements, containing the contract number and title of the project. Contractor may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Contractors are strongly advised to make such requests prior to proposal/bid opening, since the insurance requirements may not be modified or waived after proposal/bid opening unless a written exception has been submitted with the proposal/bid. Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Denton.

All insurance policies proposed or obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

- Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A- or better**.

- Any deductibles or self-insured retentions shall be declared in the proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officials, agents, employees and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- Liability policies shall be endorsed to provide the following:

    - Name as Additional Insured the City of Denton, its Officials, Agents,

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Employees and volunteers.

- That such insurance is primary to any other insurance available to the Additional Insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

- Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.

- ***Cancellation: City requires 30 day written notice should any of the policies described on the certificate be cancelled or materially changed before the expiration date.***

- Should any of the required insurance be provided under a claims made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.

- Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the Contractor shall either double the occurrence limits or obtain Owners and Contractors Protective Liability Insurance.

- Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this agreement effective on the date of the lapse.

SPECIFIC ADDITIONAL INSURANCE REQUIREMENTS:

All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:

A. <u>GARAGE LIABILITY</u>

Garage Liability Insurance including, but not limited to, Premises/Operations, Automobile, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of $1,000,000 other than Auto-

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each accident, $2,000,000 Other than Auto-aggregate, $1,000,000 Auto-each accident.

The policy shall include:

a) Garage Keepers on a direct primary basis to include coverage for Comprehensive and Collision for a limit equal to the Actual Cash Value of the CITY'S vehicle(s) in the CONTRACTOR'S care, custody, or control.

B. COMMERCIAL GENERAL LIABILITY INSURANCE

Commercial General Liability Insurance including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors, and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of $1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

C. WORKERS' COMPENSATION and EMPLOYERS LIABILITY INSURANCE

Workers' Compensation within the regulations of the Texas Workers' Compensation Act. The minimum policy limits for **Employers Liability** are:

Bodily Injury by Accident: $100,000.00 Each Accident
Bodily Injury by Disease: $100,000.00 Each Employee
Bodily Injury by Disease: $500,000.00 Policy Limit

NOTES:

a. If CONTRACTOR will not be providing services under the contract at a City facility, has no employees and/or is operating as a sole owner and single operator, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement.

b. If CONTRACTOR is a non-subscriber or is self-insured CONTRACTOR shall provide a copy of its Certificate of Authority to Self-Insure from the Texas Department of Insurance, Division of Workers' Compensation Self Insurance Regulation Program, evidence of alternative coverage and internal safety and injury coverage policies and procedures.

SUBCONTRACTING LIABILITY

(1) Without limiting any of the other obligations or liabilities of the CONTRACTOR, the CONTRACTOR shall require each Subcontractor performing work under the contract, at the Subcontractor's own expense, to maintain during the engagement with the CITY, types and limits of insurance that are appropriate for the

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services/work being performed, comply with all applicable laws and are consistent with industry standards. The Subcontractor's liability insurance shall name CONTRACTOR as an additional insured.

(2) CONTRACTOR shall obtain and monitor the certificates of insurance from each Subcontractor. CONTRACTOR must retain the certificates of insurance for the duration of the contract and shall have the responsibility of enforcing insurance requirements among its subcontractors. The CITY shall be entitled, upon request and without expense, to receive copies of these certificates.

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CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a) and by City of Denton Ethics Code, Ordinance 18-757.
By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

RDO Equipment Co.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information in this section is being disclosed.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government officer. This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

☐ Yes ☐ No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 ☒ **I have no Conflict of Interest to disclose.**

5 DocuSigned by:
Kyle Brasnell
FCA72DAC878E418...
Signature of vendor doing business with the governmental entity

7/20/2026
Date

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CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

Envelope Id: 61C1B7F1-34D5-8BDD-8205-E0AFE7B0F613
Status: Sent
Subject: Please DocuSign: City Council Contract 9091 - John Deere Construction Equipment
Source Envelope:
Document Pages: 33
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:
Kayla Clark
901B Texas Street
Denton, TX 76209
kayla.clark@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
7/14/2026 6:24:05 AM
Holder: Kayla Clark
kayla.clark@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Kayla Clark kayla.clark@cityofdenton.com Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.104	Sent: 7/14/2026 6:29:27 AM Viewed: 7/14/2026 6:29:36 AM Signed: 7/14/2026 6:29:49 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Initial LH Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/14/2026 6:29:51 AM Viewed: 7/14/2026 6:59:30 AM Signed: 7/14/2026 7:00:25 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Marcella Lunn 4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/14/2026 7:00:28 AM Resent: 7/14/2026 1:03:20 PM Resent: 7/17/2026 6:44:42 AM Viewed: 7/17/2026 12:18:11 PM Signed: 7/17/2026 12:19:49 PM
Kyle Braswell KBraswell@rdoequipment.com Sales Manager RDO Equipment Co. Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/20/2026 11:59:28 AM ID: 529fb4e8-fda6-42ec-9ebc-142f28c5504d	DocuSigned by: Kyle Braswell FCA72DAC878E418... Signature Adoption: Pre-selected Style Using IP Address: 72.48.164.130	Sent: 7/17/2026 12:19:52 PM Resent: 7/20/2026 8:39:28 AM Resent: 7/20/2026 11:43:48 AM Viewed: 7/20/2026 11:59:28 AM Signed: 7/20/2026 12:02:51 PM

Signer Events	Signature	Timestamp
Tom Gramer Tom.Gramer@cityofdenton.com Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: 7B58DA8FCE5F49C... Signature Adoption: Pre-selected Style Using IP Address: 2603:8080:f7f0:2f90:98fe:af9e:343f:415c Signed using mobile	Sent: 7/20/2026 12:02:54 PM Viewed: 7/20/2026 12:04:49 PM Signed: 7/20/2026 12:06:24 PM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 7/20/2026 12:06:27 PM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Kristi Fogle Kristi.fogle@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/17/2026 8:04:02 AM ID: 4870ad15-76eb-46fd-ab65-c7c44f83773e		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/14/2026 6:29:51 AM

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/20/2026 12:06:28 PM Viewed: 7/20/2026 1:02:20 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/14/2026 6:29:27 AM
Envelope Updated	Security Checked	7/14/2026 1:03:19 PM
Envelope Updated	Security Checked	7/14/2026 1:03:19 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a third amendment to the "Memorandum of Understanding – the Environment" between the City of Denton and the University of North Texas, amending the Memorandum of Understanding approved by City Council on May 13, 2003, in the not-to-exceed amount of $30,000.00 per project; said third amendment to the "Memorandum of Understanding – the Environment" will extend the effective date, which provides for extension of the terms of said agreement, until September 30, 2031; providing for the expenditure of funds therefor; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Promote Sustainability and the Environment.

INFORMATION/BACKGROUND

The City of Denton established a Memorandum of Understanding (MOU) with the University of North Texas ("UNT") in May 2003 to streamline the process of performing collaborative environmental projects. Prior projects have involved projects such as mosquito assessment/surveillance and tree planting survival. Said MOU has been amended twice before and extended several times. The current MOU expires on September 30, 2026, unless renewed.

Both the City of Denton and UNT see value in continuing the MOU. Individual projects under this MOU may not exceed $30,000 per project, and the total amount of research dollars may not exceed $100,000 per contract year. Each project under the MOU will have a Scope of Services agreed upon by both parties before commencement.

Amendment No. 3 to the MOU will extend the MOU through September 30, 2031, and increase the project amount from $25,000 to 30,000 to maintain the level of service with rising costs. This MOU itself does not authorize the expenditure of any funds, and any funds expended under the conditions of the MOU are required to go through standard approval processes of the City of Denton.

OPTIONS

1. Approve Amendment No. 3 further extending the Memorandum of Understanding.
2. Direct staff to draft changes to Amendment No. 3 to the Memorandum of Understanding. Any changes will need to be negotiated with UNT staff.

3. Decline further extension to the Memorandum of Understanding.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 13, 2003, City Council approved a Memorandum of Understanding – the Environment with the University of North Texas, in the not-to-exceed amount of $30,000.00 per project (Ordinance 2003-19).

On May 2, 2006, City Council approved Amendment No. 1 with the University of North Texas, extending the term (Ordinance 2006-111).

On April 16, 2013, City Council approved an extension with the University of North Texas (Ordinance 2013-105).

On April 26, 2016, City Council approved an extension with the University of North Texas (Ordinance 2016-128).

On January 11 2022, City Council approved Amendment No. 2 with the University of North Texas, extending the term (Ordinance 22-001).

RECOMMENDATION

Award Amendment No. 3 with the University of North Texas, extending the agreement until September 30, 2031.

PRINCIPAL PLACE OF BUSINESS

University of North Texas
Denton, TX

SUSTAINABILITY MEASURES

Focus Areas: Resiliency and Public Health, Land Use and Open/Natural Space, Water, and/or Air Quality and Greenhouse Gas Management.

ESTIMATED SCHEDULE OF PROJECT

October 1, 2026, through September 30, 2031.

FISCAL INFORMATION

Funds are budgeted by Environmental Services and Sustainability, Watershed Protection Division, from the operating budget for mosquito monitoring in accordance with the West Nile Virus Mosquito Surveillance and Response Plan. Other projects will be funded by the requesting department.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Original Ordinance, Memorandum of Understanding, and Amendments 1-2
Exhibit 3: Ordinance and Amendment 3

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: JoEtta Dailey, 940-349-7153.

Legal point of contact: Leah Bush at 940-349-8333.

ORDINANCE NO. 2003-119

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO APPROVE A MEMORANDUM OF UNDERSTANDING (MOU) WITH THE UNIVERSITY OF NORTH TEXAS TO AUTHORIZE PARTICIPATION IN VARIOUS RESEARCH PROJECTS ORIGINATED BY THE CITY OF DENTON; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFORE; AND DECLARING AN EFFECTIVE DATE (FILE 3024-MEMORANDUM OF UNDERSTANDING WITH THE UNIVERSITY OF NORTH TEXAS).

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. That the City Manager, or his designee, is hereby authorized to execute the attached Memorandum of Understanding and to make the expenditures provided for in the Memorandum of Understanding, a copy of which is attached hereto and incorporated by reference herein.

SECTION 2. That this ordinance shall become effective immediately upon its passage and approval.

PASSED AND APPROVED this the 13th day of May, 2003.

Euline Brock
EULINE BROCK, MAYOR

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

BY: Jennifer Walters

APPROVED AS TO LEGAL FORM:
HERBERT L. PROUTY, CITY ATTORNEY

BY: _____

2-ORD-File 3024

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("MOU") is made and entered into as of the effective date provided herein below, by and between the City of Denton, Texas, a Texas home rule municipal corporation (the "City") and The University of North Texas, a state university ("UNT") and UNT's Institute of Applied Sciences (IAS) acting herein, by and through their duly authorized representatives.

WHEREAS, the City and UNT have established an ongoing relationship whereby UNT IAS has performed valuable professional research services for the City; and

WHEREAS, the City and UNT IAS desire to memorialize this relationship in this Memorandum of Understanding to continue to provide for such research services;

Now, Therefore, in consideration of the covenants and agreements herein contained, the parties agree as follows:

Subject to the terms and conditions contained herein, the City will contract with UNT and UNT IAS will provide, as an independent contractor, research services as provided in this MOU and in subsequent statements of work as provided herein.

1. **Purpose.** The purpose of this MOU is to streamline the process for conducting collaborative research projects that are initiated by the City. This MOU formalizes ongoing collaborative research efforts that have existed between the City and UNT IAS for a number of years. Many of these efforts have involved relatively small (less than $25,000.00) research projects and have primarily involved the use of graduate students conducting research of use to the City and UNT IAS.

2. **Scope.** Any research project that meets the following criteria will be subject to this MOU:

   a. It is initiated by the City or jointly between the City and UNT IAS and

   b. The total project cost is $25,000.00 or less; and

   c. A scope of work will be determined prior to the initiation of each project and agreed upon by both parties.

3. **Statement of Work.** Before initiating a project the City will submit to UNT a request for a Statement of Work outlining the scope of work for the project. Within a reasonable time thereafter, UNT shall submit to the City a proposal for the Statement of Work. Such proposal shall be approved by the UNT Office of Research Services and shall set forth the Scope of Work, estimated time of completion and estimated cost. The cost of the project shall be on a cost-reimbursable basis and shall not exceed $25,000.00 (the "Project Cost"). UNT shall allocate five percent (5%) of the total Project Cost for overhead. The City, upon approval of UNT proposal shall notify UNT, per Section 11, of

the City's desire to proceed with each Statement of Work. Each Statement of Work shall specify the Project Cost and the Term.

4. **Performance.** UNT shall use all reasonable efforts to perform the services and deliver the reports and other deliverables specified in each Statement of Work within the stated time as agreed to between the parties.

5. **Key Personnel.** UNT shall provide a Project Director for each Statement of Work. Should the Project Director be removed from employment at UNT for any reason, the parties shall mutually agree to his/her replacement by other UNT personnel.

6. **Terms and Termination.** This MOU shall commence on the effective date hereof and shall continue in full force and effect for a period of three (3) years. Either party may terminate the agreement at any time by giving not less than thirty (30) days advance written notice to the other party. Termination or cancellation shall not affect the rights and obligations of the parties accrued prior to termination. The City shall be liable for all expenses incurred and all non-cancelable commitments made prior to UNT's receipt of the notice of termination and shall pay UNT for same within thirty (30) days of final invoice. On receipt of payment in full for work performed, UNT shall deliver the results of all previously unreported work in such form as it exists.

7. **Payment.** For the services for projects including counsel, reports, and other items delivered hereunder, City shall pay UNT on a cost-reimbursable basis in an amount not to exceed $25,000 per Statement of Work not to exceed a total of $100,000 per year. In the performance of work under this MOU, UNT agrees to expend funds in accordance with the budget established for each specific Statement of Work issued under this MOU.

UNT shall submit monthly invoices to the City within thirty (30) days for costs incurred during the preceding period for each Statement of Work. All invoices shall be sent to:

City of Denton/Accounts Payable
215 E McKinney St
Denton, Texas 76201

The City agrees to reimburse UNT for the costs billed within thirty (30) days of receipt of invoice. All payments shall be sent to:

Office of Grant Accounting
University of North Texas
P.O. Box 311128
Denton, TX 76203

8. Equipment. Ownership of all permanent and expendable equipment purchased by UNT under this Agreement shall become the sole property of UNT at the time of purchase, and title thereto shall vest solely in UNT.

9. Rights in Data, Copyrights and Publication. Data (which is herein defined as including, but not limited to, software, writings, sound recordings, pictorial reproductions, drawings or other graphical representations, reports, blueprints and works of any similar nature, whether or not copyrighted or copyrightable) first produced or composed by UNT employees in the performance of work under this MOU and any applicable Statement of Work shall be the property of the City, provided however, that the City shall grant to UNT a royalty-free, non-exclusive license to reproduce, modify and use all such data for its own purposes.

UNT shall be free to publish the results of work under this MOU and any applicable Statement of Work. Title to and the right to determine the disposition of any copyrights on publications relating to the performance of the work hereunder shall remain with UNT, who shall have the sole right to determine the disposition of those copyrights.

10. Inventions and Patent Rights. Title to any invention or discovery made or conceived in the performance of research by UNT under this MOU and any applicable Statement of Work shall remain with UNT, which shall have the sole right to determine the disposition of any patents or other rights resulting there from, provided however that upon issue of any patent on any such invention or discovery, the City shall have a sixty (60) day option for an exclusive license to practice the invention for a period of time and at a royalty rate to be negotiated.

11. Notices. All notices under this Agreement given by either party to the other shall be in writing and shall be sent by and addressed to the following individuals:

For UNT:
Reata Busby
Associate Vice Provost for Research
Office of Research Services
University of North Texas
P.O. Box 305250
Denton, Texas 76203-5250
rbusby@unt.edu
940.565.3940 (voice)
940.565.4277 (fax)

By Courier:
Reata Busby
Avenue C @ Chestnut
Administration Bldg.
Room 160
Denton, TX 76203
940.565.3940

For City:
City Manager, City of Denton
City Hall
215 E. McKinney
Denton, TX 76201
Fax No. 940.349.8596

12. **Independent Contractor.** UNT is an independent contractor and shall be free to exercise its discretion and independent judgment as to the method and means of performance of the services contracted for by the City. UNT employees shall in no sense be considered employees of the City and neither UNT nor City personnel will, by virtue of this MOU or any Statement of Work, be entitled or eligible, by reason of the contractual relationship hereby created, to participate in any benefits or privileges given or extended by either party to its employees. This agreement is not an agreement of joint venture, joint enterprise, partnership or employment.

13. **Non-Indemnification.** Unless otherwise required by law, neither party shall by reason of this MOU, or any applicable Statement of Work, be obligated to defend, assume the cost of defense, hold harmless, or indemnify the other from any liability to third parties for loss of or damage to property, death, or bodily injury arising out of or connected with the work under this MOU or any applicable Statement of Work.

14. **Governing Law and Venue.** This MOU and any applicable Statement of Work are fully performable in Denton County, Texas and shall be governed by and construed in accordance with the laws of the State of Texas.

15. **Publicity.** Neither party to this MOU or any applicable Statement of Work may use the name of the other in news releases, publicity, advertising, or product promotion without the prior written consent of the other, except that UNT may include the City's name in reports as required by state and federal mandates.

16. **Assignment.** Neither party may assign their rights and/or duties hereunder without the written permission of the other party.

17. **Amendments.** This MOU may be extended, renewed, or otherwise amended at any time by the mutual written consent of the parties. No modification of this MOU or waiver of the terms or conditions hereof shall be binding upon either party hereto unless approved in writing by an authorized representative, or shall be effected by the acknowledgement or acceptance of purchase order forms containing other or different terms and conditions whether or not signed by an authorized representative of the party.

18. **Successors and Assigns.** This MOU shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and, except as otherwise provided in this MOU, their assigns.

19. **Captions.** The captions to the various provisions of this MOU are for informational purposes only and shall not alter the substance of the terms and conditions of this MOU.

20. Alternative Dispute Resolution. Chapter 2260 of the Texas Government Code establishes a dispute resolution process for contracts involving goods, services and certain types of projects. If Chapter 2260 applies to this Agreement, the parties must use the statutory dispute resolution process to attempt to resolve disputes arising under this Agreement.

Signed to be effective this the 1st day of May, 2003.

UNIVERSITY OF NORTH TEXAS

By _____
Phillip C. Diebel
Vice President for
Finance & Business Affairs

Date 5/1/03

ATTEST:

_____

APPROVED AS TO FORM:

_____

CITY OF DENTON, TEXAS

BY: _____
Michael A. Conduff

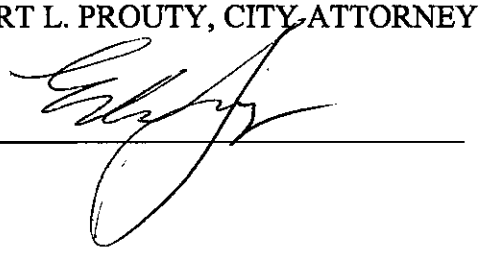
ATTEST:

JENNIFER WALTERS, CITY SECRETARY

BY Jennifer Walters

APPROVED AS TO FORM:

HERBERT L. PROUTY, CITY ATTORNEY

BY: 

UNIVERSITY OF NORTH TEXAS
Denton, Texas

MEMORANDUM OF UNDERSTANDING
THE ENVIRONMENT

THIS AGREEMENT is entered into effective the 1st day of May, 2009, by and between the **University of North Texas**, a state institution of higher education, with business offices located at 1501 Chestnut Street, Denton, Texas, 76203 (hereinafter "UNT") and **City of Denton**, a Texas home rule municipal corporation, with business offices located at 215 East McKinney Street, Denton, Texas 76201 (hereinafter "City"). UNT and City are hereinafter referred to collectively as the "Parties" or individually as a "Party."

Background

The City of Denton and University of North Texas have an established, long-standing relationship of collaboration on research projects of mutual interest and benefit. The City of Denton is, among other interests and activities, committed to serving as a good steward of environmental resources through the development of innovative approaches, programs and initiatives to improve, protect and preserve the environment and provide environmental education to its citizens. The University of North Texas, a recognized student-centered public research university, has the skilled personnel and facilities available to undertake and facilitate such research and education. The City of Denton and UNT desire to continue this relationship and combine their respective capabilities and interests to successfully undertake future research projects.

Purpose and Vision

The purpose of this Agreement is to set-forth the process for conducting collaborative Research Projects. The terms of this Agreement shall apply to small, short-term research projects that are approved by City and performed primarily by UNT graduate students under the direct supervision of a UNT Project Director. Specifically, the Research Projects must meet the following criteria:

a. The Research Project is initiated by City or jointly initiated by City and UNT, and
b. The total project cost is Twenty-Five Thousand Dollars (**$25,000.00**) or less, and
c. The Research Project may be completed within twelve (12) months; and
d. The Research Project advances student education and training; and
e. The City and UNT agree that the Research Project is subject to the terms of this Agreement.

Research Projects

The City may identify and initiate Research Projects by issuing a Request for Proposal (RFP) or otherwise soliciting proposals from UNT. UNT shall prepare proposals which set-forth the project title, period of performance, project director, key personnel, compensation, budget, description of the work to be performed and any reports or deliverables due during the term of the Research Project. Proposals will be reviewed by the UNT Office of Research Services and submitted for consideration by City. Proposals shall be approved in writing and accepted for funding by an authorized representative of City. The City shall notify UNT of City's desire to proceed with Research Projects. UNT shall then make available information, resources, and technical expertise necessary for successful completion of Research Projects. UNT shall use all reasonable efforts to perform the services and deliver the reports and other items specified in the proposals.

Key Personnel

UNT shall provide a Project Director for each Research Project under this Agreement. If the Project Director or any of the key personnel are removed from employment at UNT for any reason during the term of the Research Project, the Parties shall mutually agree as to the individuals' replacement by other UNT personnel.

Period of Performance and Termination

The term of this Agreement is specified as **May 1, 2009** through **September 30, 2013** unless sooner terminated in accordance with the terms herein. Either Party hereto may terminate this Agreement or performance of Research Projects at any time by giving not less than thirty (30) days advance written notice to the other Party. Termination or cancellation shall not affect the rights and obligations of the Parties accrued prior to termination. City shall be liable for all expenses incurred and all non-cancelable commitments made prior to UNT's receipt of the notice of termination and shall pay UNT for same on receipt of a final invoice. On receipt of payment in full for work performed, UNT shall deliver the results of all previously unreported work in such form as it exists.

Cost and Payment

In consideration for performance of a Research Project by UNT, the City shall pay UNT on a cost-reimbursable basis an amount not to exceed Twenty Five Thousand Dollars (**$25,000.00**) for expenses and other related costs. Annual compensation under this Agreement shall not exceed One Hundred Thousand Dollars (**$100,000.00**). In the performance of work under this Agreement, UNT agrees to expend funds primarily in accordance with the budget detailed in the proposal. Administrative or Indirect Costs shall not exceed fifteen percent (15%) of the budget.

UNT shall submit monthly invoices to the City within thirty (30) days for costs incurred during the preceding period for each Research Project. All invoices shall be sent to:

City of Denton
Attn: Kenneth Banks
901-A Texas Street
Denton, Texas 76209

The City agrees to reimburse UNT for the costs billed within thirty (30) days of receipt of invoice. All payments shall be sent to:

Office of Research Services
University of North Texas
1155 Union Circle 305250
Denton, Texas 76203-5017

Equipment

City funds shall not be used to purchase permanent equipment. Ownership of expendable equipment purchased by UNT under this Agreement shall become the sole property of UNT at the time of purchase, and title thereto shall vest solely in UNT.

Rights in Data, Copyrights and Publication

Title to data (which is herein defined as including, but not limited to, software, writings, sound recordings, pictorial reproductions, drawings or other graphical representations, reports, blueprints and works of any similar nature, whether or not copyrighted or copyrightable) first produced or composed by UNT employees in the performance of work under this Agreement shall be the sole and exclusive property of UNT, who shall have the sole right to determine the disposition of copyrights or other rights resulting there from, provided, however, that UNT shall grant to the City a royalty-free, non-exclusive license to reproduce, modify and use all such data for its own purposes.

UNT shall be free to publish the results of work under this Agreement. Title to and the right to determine the disposition of any copyrights on publications relating to the performance of the work hereunder shall remain with UNT, who shall have the sole right to determine the disposition of those copyrights.

Inventions and Patent Rights

Title to all inventions and discoveries made solely by UNT inventors resulting from Research Projects under this Agreement shall reside with UNT; title to all inventions and discoveries made solely by City inventors resulting from the Research Projects shall reside with

City; title to all inventions and discoveries made jointly by UNT and City inventors resulting from the Research Projects shall reside jointly with UNT and City.

Use and Disclosure of Proprietary Information

The Parties anticipate that under this Agreement it may be necessary for to exchange information of a proprietary nature.

Proprietary Information is defined as technical data and other information (including but not limited to products, substances, organisms, technology, research results or plans, processes, know-how, reports, descriptions, drawings, compositions, strategies, trade secrets, business and financial information, and computer software) in whatever form, which is related to the Research Projects, and is disclosed or delivered by one Party to the other, whether by means of written or oral disclosures or otherwise, and has been labeled as "Confidential" or "Proprietary" by the disclosing Party. In the event of oral disclosure of Proprietary Information, the disclosing Party agrees to promptly notify the receiving Party of such oral disclosure, and reduce to writing labeled "Confidential" or "Proprietary" the information within thirty (30) days of such oral disclosure, and referencing the place and date of such oral disclosure and the names of the employees of the receiving Party to whom such oral disclosure was made, and including therein a brief description of the information disclosed.

Proprietary Information shall not be copied or reproduced by the receiving Party without the express written permission of the disclosing Party, except for such copies as may be reasonably required for accomplishment of the purpose stated above. Proprietary Information shall be disclosed only to the director or employees of the receiving Party who have a "need to know" in connection with the purpose stated above. Proprietary Information shall not be disclosed by receiving Party to any third party without the prior written consent of the disclosing Party.

Notwithstanding anything to the contrary in this Agreement, the following information shall constitute non-proprietary information:

1. Information that was in the public domain at the time of disclosure or thereafter enters the public domain through no breach of this Agreement by the receiving Party;
2. Information that was disclosed by disclosing Party to a third party without a duty of confidentiality on the third party;
3. Information that was, at the time of receipt, otherwise known to the receiving Party without restriction as to use or disclosure;
4. Information that becomes known to the receiving Party from a source other than the disclosing Party without a breach of this Agreement by the receiving Party;
5. Information that is developed independently by the receiving Party without the use of Proprietary Information disclosed to it hereunder;
6. Information disclosed by the receiving Party pursuant to judicial order, governmental regulation or statutory requirement, provided the receiving Party notifies the disclosing

Party as soon as possible (and in any event prior to such disclosure) and cooperates with the disclosing Party in the event the disclosing Party elects to contest and avoid such disclosure; or

7. Information that is disclosed more than three (3) years after it is first received hereunder.

All written data delivered by the disclosing Party pursuant to this Agreement shall be and remain the property of the disclosing Party, and all such written data, and any copies thereof, shall be promptly returned to the disclosing Party upon written request, or destroyed at the disclosing Party's option.

No license or conveyance of any rights to any discoveries, inventions, patents, trade secrets, copyrights, or other form of intellectual property is granted or implied by the exchange of Proprietary Information.

Governing Law

The Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Amendments

This Agreement may be extended, renewed, or otherwise amended at any time by the mutual written consent of the Parties. No modification of this Agreement or waiver of the terms or conditions hereof shall be binding upon either Party unless approved in writing by an authorized representative, or shall be effected by the acknowledgement or acceptance of purchase order forms containing other or different terms and conditions whether or not signed by an authorized representative of the Party.

Assignment

The Parties may not assign their rights and/or duties hereunder without the written permission of the other Party.

Compliance with Laws

UNT shall comply with all applicable federal, state and local laws, codes, regulations, rules and orders in the performance of research projects.

Independent Contractor

UNT is an independent contractor and shall be free to exercise its discretion and independent judgment as to the method and means of performance of the services contracted for by City. UNT employees shall in no sense be considered employees of City and neither UNT nor

City personnel will, by virtue of this Agreement, be entitled or eligible, by reason of the contractual relationship hereby created, to participate in any benefits or privileges given or extended by either Party to its employees.

Interpretation

The captions to the various articles of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

The Parties agree that in the event that any provision of this Agreement is found to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity of the remaining provisions shall not in any way be affected or impaired and shall continue in effect for the term of this Agreement.

Non-Indemnification

Unless otherwise required by law, neither Party shall by reason of this Agreement be obligated to defend, assume the cost of defense, hold harmless, or indemnify the other from any liability to third parties for loss of or damage to property, death, or bodily injury arising out of or connected with the work under this Agreement.

Notices

All notices or other communications required or permitted under this Agreement given by either Party to the other shall be in writing and shall be considered properly given if sent by U.S. Postal Service, Certified Mail, Return Receipt Requested, postage prepaid or by an overnight courier service with written verification of receipt, and addressed to the following individuals:

For UNT:
Kristi Lemmon
Director of Sponsored Projects
Office of Research Services
University of North Texas
1155 Union Circle 305250
Denton, Texas 76203-5017
Telephone: 940-565-3940
Fax: 940-565-4277
Email: Kristi.lemmon@unt.edu

For City:
City Manager
City of Denton
City Hall
215 East McKinney
Denton, Texas 76201

Telephone: 940-349-8307
Fax: 940-349-8596

Publicity

Neither Party to this Agreement may use the name of the other in news releases, publicity, advertising, or product promotion without the prior written consent of the other, except that UNT may include City's name, project title, and total contract value in internal and external reports.

Successors and Assignees

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, executors, administrators, successors and, except as otherwise provided in this Agreement, their assignees.

Entire Agreement

This Agreement constitutes the entire agreement between the parties and supersedes all previous agreements and understandings relating to the work to be performed.

(Signatures begin on the following page.)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective date written above.

CITY OF DENTON

By: _____
George C. Campbell
City Manager

ATTEST:

By: _____
Jennifer Walters
City Secretary

APPROVED AS TO LEGAL FORM:

By: _____
Anita Burgess
City Attorney

UNIVERSITY OF NORTH TEXAS

By: _____
Andrew M. Harris
Vice President for Finance and Administration

Briefing

This Memorandum of Understanding (MOU) represents an extension of the MOU that has been in place between the University of North Texas and the City of Denton since May 2003. Previous MOUs have been set up for 3 year intervals, resulting in a previously renewed agreement in 2006 and the attached agreement. The original MOU was approved by the Public Utility Board and City Council in 2003. The 2009 renewal was reviewed and approved by Legal, and was then presented as an ACM update to the Public Utility Board on May 18, 2009. The PUB recommended proceeding with renewal.

The City Manager and City Secretary need to sign the three copies where indicated.

If any information is needed, contact Ken Banks at 940-349-7165

MEMORANDUM OF UNDERSTANDING

Amendment No. 1

The Memorandum of Understanding ("MOU") made and entered into on May 1, 2003 by and between the City of Denton, Texas, a Texas home rule municipal corporation (the "City") and the University of North Texas, a state university ("UNT") is hereby amended by the mutual agreement of the parties as follows:

The preamble and Agreement are changed to delete all references to UNT's Institute of Applied Sciences (IAS) and to replace with UNT.

Paragraph 6 is hereby amended to extend the term of this agreement for an additional three years and shall read:

6. Terms and Termination. This MOU shall commence on the effective date hereof (May 1, 2003) and shall continue in full force and effect for a period of six (6) years. Either party may terminate the agreement at any time by giving not less than thirty (30) days advance written notice to the other party. Termination or cancellation shall not affect the rights and obligations of the parties accrued prior to termination. The City shall be liable for all expenses incurred and all non-cancelable commitments made prior to UNT's receipt of the notice of termination and shall pay UNT for same within thirty (30) days of final invoice. On receipt of payment in full for work performed, UNT shall deliver the results of all previously unreported work in such form as it exists.

Paragraph 7 is hereby amended to correct the UNT and City of Denton mailing addresses, and shall read:

7. Payment. For the services for projects including counsel, reports, and other items delivered hereunder, City shall pay UNT on a cost-reimbursable basis in an amount not to exceed $25,000 per Statement of Work, not to exceed a total of $100,000 per year. In the performance of work under this MOU, UNT agrees to expend funds in accordance with the budget established for each specific Statement of Work issued under this MOU.

UNT shall submit monthly invoices to the City within thirty (30) days for costs incurred during the preceding period for each Statement of Work. All invoices shall be sent to:

City of Denton/ Attention Ken Banks
901-A Texas Street
Denton, Texas 76209

The City agrees to reimburse UNT for the costs billed within thirty (30) days of receipt of invoice. All payments shall be sent to:

Office of Research Services
University of North Texas
P.O. Box 305250
Denton, Texas 76203-5250

Paragraph 11 is hereby amended to read:

11. Notices. All notices or other communications required or permitted under this Agreement given by either party to the other shall be in writing and shall be sent by and addressed to the following individuals:

For UNT: Kristi Lemmon
Director of Sponsored Projects
Office of Research Services
University of North Texas
P.O. Box 305250
Denton, Texas 76203
lemmon@unt.edu
940.565.3940 (voice)
940.565.4277 (fax)

For City: City Manager, City of Denton
City Hall
601 E. McKinney
Denton, Texas 76201
940.349.8596 (fax)

All other provisions remain unchanged and in effect.

IN WITNESS WHEREOF, the parties have executed this modification to be effective this the 1st day of May, 2006.

UNIVERSITY OF NORTH TEXAS

By: Richard Kafer for Phillip Diebel
Phillip C. Diebel
Vice President for Finance
and Business Affairs

Date: 4/28/06

CITY OF DENTON, TEXAS

By: _____
Howard Martin, Interim City Manager

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:
EDWIN M. SNYDER, CITY ATTORNEY

By: _____

ORDINANCE NO. 22-001

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO EXECUTE THE AMENDMENT NO. 2 TO THE "MEMORANDUM OF UNDERSTANDING – THE ENVIRONMENT" BETWEEN THE CITY OF DENTON AND THE UNIVERSITY OF NORTH TEXAS WHICH PROVIDES FOR THE EXTENSION OF THE TERMS OF SAID AGREEMENT UNTIL SEPTEMBER 30, 2026; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFECTIVE DATE.

WHEREAS, the Public Utilities Boards approved a "Memorandum of Understanding – The Environment" ("MOU") prior to the May 13, 2003 City Council meeting, and at such meeting the City Council approved the MOU by and between the City and the University of North Texas, by Ordinance 2003-119, which authorized participation in various research projects originated by the City of Denton, and which MOU was for a term of three (3) years from and after May 1, 2003; and

WHEREAS, on May 2, 2006, the City Council then approved a three-year extension of the above-referenced MOU entitled "Amendment No. 1 to the Memorandum of Understanding," by Ordinance No. 2006-111; and

WHEREAS, on May 18, 2009, a further extension of the MOU was approved by the Legal Department, was then presented and approved by the Public Utilities Board; and thereafter, the City Manager duly executed said extension of said MOU for the period running from May 1, 2009 through September 30, 2013; and

WHEREAS, thereafter, on April 16, 2013, the City Council approved a three-year extension of the above-referenced MOU through Ordinance 2013-105; and

WHEREAS, thereafter, on April 26, 2016, the City Council approved a five-year extension of the above-referenced MOU through Ordinance 2016-128; and

WHEREAS, both City Staff and The University of North Texas presently desire to continue the existence of the MOU for another extension term of five years, ending on September 30, 2026, as the relationship fostered by this MOU by and between the City and the University is mutually beneficial to the residents of the City of Denton, Texas and

WHEREAS, Council is of the opinion that a further extension of the MOU is in the public interest; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals in the preamble of this ordinance are incorporated into the body of this ordinance as if set out fully herein.

SECTION 2. The Interim City Manager, or her designee, is hereby authorized to execute the "Amendment No. 2 Memorandum of Understanding – The Environment" ("Amendment No. 2") by and between the City of Denton and The University of North Texas, providing for the extension of the terms of said MOU through September 30, 2026; and is authorized to make the expenditures provided for in said MOU; a copy of said Amendment No. 2 is attached hereto as Exhibit "A" and is incorporated by reference.

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by Brian Beck and seconded by Vick Byrd, the ordinance was passed and approved by the following vote [4 - 0]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	✓			
Vicki Bird, District 1:	✓			
Brian Beck, District 2:	✓			
Jesse Davis, District 3:			✓	
Alison Maguire, District 4:			✓	
Deb Armintor, At Large Place 5:			✓	
Paul Meltzer, At Large Place 6:	✓			

PASSED AND APPROVED this the 11th day of January, 2022.

GERARD HUDSPETH, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

By:

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: III

CITY OF DENTON
DENTON, TEXAS

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UNIVERSITY OF NORTH TEXAS
Denton, Texas

AMENDMENT NO. 2
MEMORANDUM OF UNDERSTANDING
THE ENVIRONMENT

Effective September 30, 2016 the University of North Texas, a state institution of higher education, with business offices located at 1155 Union Circle #305250, Denton, Texas (hereinafter "UNT") and City of Denton, a Texas home-rule municipal corporation, with business offices located at 215 East McKinney Street, Denton, Texas 76201 (hereinafter "City"), hereby agree to "Amendment No. 2 to the Memorandum of Understanding – The Environment," dated October 1, 2021, as follows:

Period of Performance and Termination is hereby amended to extend the period of performance to September 30, 2026 and shall read:

The term of this Agreement is specified as October 1, 2021 through September 30, 2026 unless sooner terminated in accordance with the terms herein. Either Party hereto may terminate this Agreement or performance of Research Projects at any time by giving not less than thirty (30) days advance written notice to the other Party. Termination or cancellation shall not affect the rights or obligations of the Parties accrued prior to termination. City shall be liable for all expenses incurred and all non-cancelable commitments made prior to UNT's receipt of the notice of termination and shall pay UNT for same on receipt of final invoice. On receipt of payment in full for work performed, UNT shall deliver the results of all previously unreported work in such form as it exists.

Notices is hereby amended as follows:

For UNT: Michael Rondelli
AVP, Research Commercial Agreements
1155 Union Circle #305250
Denton, Texas 76203-5017
940-565-4459
researchcontracts@unt.edu

All other terms and conditions remain unchanged and in effect.

(Signatures begin on the following page.)

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of January 14, 2022.

CITY OF DENTON
A Texas Municipal Corporation

By: _____
Sara Hensley
Interim City Manager

THE UNIVERSITY OF NORTH TEXAS

By: DocuSigned by: Mike Rondelli 1/14/2022
05B0C2A2A047498...
Michael Rondelli
AVP, Research Commercial Agreements

ATTEST:
ROSA RIOS, CITY SECRETARY

By: _____

CITY OF DENTON
DENTON, TEXAS

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

_____
Signature
Director
Title
Env. Svcs. & Sustainability
Department
Date Signed: 12/13/2021

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE APPROVAL OF A THIRD AMENDMENT TO THE "MEMORANDUM OF UNDERSTANDING – THE ENVIRONMENT" BETWEEN THE CITY OF DENTON AND THE UNIVERSITY OF NORTH TEXAS, AMENDING THE MEMORANDUM OF UNDERSTANDING APPROVED BY CITY COUNCIL ON MAY 13, 2003, IN THE NOT-TO-EXCEED AMOUNT OF $30,000.00 PER PROJECT; SAID THIRD AMENDMENT TO THE "MEMORANDUM OF UNDERSTANDING – THE ENVIRONMENT" WILL EXTEND THE EFFECTIVE DATE, WHICH PROVIDES FOR EXTENSION OF THE TERMS OF SAID AGREEMENT, UNTIL SEPTEMBER 30, 2031; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Public Utilities Board approved a "Memorandum of Understanding – The Environment" ("MOU") prior to the May 13, 2003 City Council meeting, and at such meeting the City Council approved the MOU by and between the City and the University of North Texas, by Ordinance 2003-119, which authorized participation in various research projects originated by the City of Denton, and which MOU was for a term of three (3) years from and after May 1, 2003; and

WHEREAS, on May 2, 2006, the City Council then approved a three-year extension of the above-referenced MOU entitled "Amendment No. 1 to the Memorandum of Understanding," by Ordinance No. 2006-111; and

WHEREAS, on May 18, 2009, a further extension of the MOU was approved by the Legal Department, was then presented and approved by the Public Utilities Board; and thereafter, the City Manager duly executed said extension of said MOU for the period running from May 1, 2009, through September 30, 2013; and

WHEREAS, thereafter, on April 16, 2013, the City Council approved a three-year extension of the above-referenced MOU through Ordinance 2013-105; and

WHEREAS, thereafter, on April 26, 2016, the City Council approved a five-year extension of the above-referenced MOU through Ordinance 2016-128; and

WHEREAS, thereafter, on January 11, 2022, the City Council approved a five-year extension of the above-referenced MOU entitled "Amendment No. 2 Memorandum of Understanding The Environment" through Ordinance 22-001; and

WHEREAS, both City Staff and The University of North Texas presently desire to continue the existence of the MOU for another extension term of five years, ending on September 30, 2031, as the relationship fostered by this MOU by and between the City and the University is mutually beneficial to the residents of the City of Denton, Texas; and

WHEREAS, Council is of the opinion that a further extension of the MOU is in the public interest; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals in the preamble of this ordinance are incorporated into the body of this ordinance as if set out fully herein.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the "Memorandum of Understanding- The Environment" by and between the City of Denton and The University of North Texas, providing for the extension of the terms of said MOU through September 30, 2031; and is authorized to make the expenditures provided for in said MOU; a copy of said Extension of MOU is attached hereto as Exhibit "A" and is incorporated herein by reference.

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

Docusign Envelope ID: 62815238-EDFF-8BA6-8031-BE3DF0624CB7

Docusign City Council Transmittal Coversheet

FILE	3024
File Name	UNT MOU - Amendment 3
Purchasing Contact	Christina Dormady
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: 62815238-EDFF-8BA6-8031-BE3DF0624CB7

UNIVERSITY OF NORTH TEXAS
AMENDMENT NO. 3
MEMORANDUM OF UNDERSTANDING
THE ENVIRONMENT

Effective October 1, 2026 the University of North Texas, a state institution of higher education, with business offices located at 1155 Union Circle # 305250, Denton, Texas (hereinafter " UNT") and City of Denton, a Texas home -rule municipal corporation, with business offices located at 215 East McKinney Street, Denton, Texas 76201 (hereinafter " City"), hereby agree to " Amendment No. 3 to the Memorandum of Understanding — The Environment," as follows:

6. Period of Performance and Termination is hereby amended to extend the period of performance to September 30, 2031, and shall read:

The term of this Agreement is specified as October 1, 2026 through September 30, 2031 unless sooner terminated in accordance with the terms herein. Either Party hereto may terminate this Agreement or performance of Research Projects at any time by giving not less than thirty (30) days advance written notice to the other Party. Termination or cancellation shall not affect the rights or obligations of the Parties accrued prior to termination. City shall be liable for all expenses incurred and all non -cancelable commitments made prior to UNT' s receipt of the notice of termination and shall pay UNT for same on receipt of final invoice. On receipt of payment in full for work performed, UNT shall deliver the results of all previously unreported work in such form as it exists.

7. Payment is hereby amended to increase the project amount to maintain level of service with rising costs, and shall read:

For the services for projects including counsel, reports, and other items delivered hereunder, City shall pay UNT on a cost-reimbursable basis in an amount not to exceed $30,000 per Statement of Work, not to exceed a total of $100,000 per year. In the performance of work under this MOU, UNT agrees to expend funds in accordance with the budget established for each specific Statement of Work issued under this MOU.

11. Notices is hereby amended for UNT:

For UNT: Janis Miller
Director, Research Contracting, Grants & Contracts Administration
1155 Union Circle, Box 305250
Denton, TX 76203
(940) 369-7793

Docusign Envelope ID: 62815238-EDFF-8BA6-8031-BE3DF0624CB7

Janis.Miller@unt.edu

All other provisions remain unchanged and in effect.

IN WITNESS WHEREOF, the parties have executed this modification to be effective this the 1st day of October 2026.

UNIVERSITY OF NORTH TEXAS

Signed by:
By: Janis Miller
930E8854F45344D...
Janis Miller, Director, Research Contracting

Date: 7/15/2026

CITY OF DENTON, TEXAS

By: _____
Cassie Ogden, Interim City Manager

Date: _____

ATTEST:

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Signed by:
BY: Leah Bush
3A6254145BDA469...

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THIS AGREEMENT HAS BEEN

BOTH REVIEWED AND APPROVED

as to financial and operational obligations and business terms.

Signed by:
Michael Gange
BBFD333DB5A946A...

SIGNATURE

Michael Gange

PRINTED NAME

Director of Environmental Services & Sustainability

TITLE

Environmental Services & Sustainability

DEPARTMENT

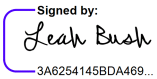
Certificate Of Completion

Envelope Id: 62815238-EDFF-8BA6-8031-BE3DF0624CB7
Status: Sent
Subject: Please DocuSign: City Council Contract 3024 - UNT MOU - Amendment 3
Source Envelope:
Document Pages: 4
Signatures: 3
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Christina Dormady
901B Texas Street
Denton, TX 76209
christina.dormady@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
7/1/2026 8:41:58 AM
Holder: Christina Dormady
christina.dormady@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Christina Dormady christina.dormady@cityofdenton.com Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.10	Sent: 7/1/2026 8:48:20 AM Viewed: 7/1/2026 8:48:28 AM Signed: 7/1/2026 8:49:05 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/1/2026 8:49:06 AM Viewed: 7/1/2026 12:37:50 PM Signed: 7/1/2026 12:38:00 PM
Leah Bush leah.bush@cityofdenton.com Assistant City Attorney Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/1/2026 12:38:02 PM Resent: 7/2/2026 12:22:12 PM Viewed: 7/6/2026 9:14:44 AM Signed: 7/6/2026 9:19:26 AM
Janis Miller Janis.Miller@unt.edu Director, Research Contracting, GCA Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/7/2026 1:23:51 PM ID: 13f4b6e5-a19f-4e3d-97f3-28947c182c0f	 Signature Adoption: Pre-selected Style Using IP Address: 173.230.68.141	Sent: 7/6/2026 9:19:28 AM Resent: 7/15/2026 1:47:46 PM Viewed: 7/15/2026 2:36:30 PM Signed: 7/15/2026 2:36:46 PM

Signer Events	Signature	Timestamp
Michael Gange michael.gange@cityofdenton.com Director of Environmental Services & Sustainability Security Level: Email, Account Authentication (None)	Signed by: BBFD333DB5A946A... Signature Adoption: Pre-selected Style Using IP Address: 47.185.184.127	Sent: 7/15/2026 2:36:48 PM Resent: 7/17/2026 3:19:18 PM Resent: 7/20/2026 3:00:42 PM Viewed: 7/20/2026 3:14:25 PM Signed: 7/20/2026 3:16:39 PM
Electronic Record and Signature Disclosure: Accepted: 7/20/2026 3:14:25 PM ID: b98035fe-8145-499c-921e-cb555ce6fccb		
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 7/20/2026 3:16:42 PM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Kristi Fogle Kristi.Fogle@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/17/2026 10:04:02 AM ID: 4870ad15-76eb-46fd-ab65-c7c44f83773e		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/1/2026 8:49:06 AM

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/20/2026 3:16:41 PM Viewed: 7/20/2026 3:40:39 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Joetta Dailey Joetta.dailey@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/27/2026 11:03:04 AM ID: ed129611-c20d-472b-a08f-b19685cba97b		
Jordan Wilson Jordan.wilson@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 10/22/2025 8:46:07 AM ID: dbb9e65d-4728-4398-afa4-bb772ee519ed		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/1/2026 8:48:20 AM
Envelope Updated	Security Checked	7/20/2026 3:22:27 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

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- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Kelmar and Associates, Inc., for pre-employment and post-offer background checks for the Human Resources Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 9029 – awarded to Kelmar and Associates, Inc., for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $921,500.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Pursue Organizational Excellence and Collaborative and Respectful Leadership.

INFORMATION/BACKGROUND

Human Resources conducts approximately 1,900 pre-employment and post-offer background checks annually as defined in Policy 102.00 Eligibility for Employment. Multiple pre-employment and post-offer screenings are required to complete the hiring process for full-time, part-time, and seasonal employees to ensure the City is hiring the best candidates to serve the community; therefore, total screenings exceed the number of annual new hires. Since 2021, Human Resources has experienced an increase of 400 screenings annually and an increase in employment history verification to third-party vendors, resulting in additional costs.

Additionally, the City welcomes the services of approximately 1,700 volunteers, an increase of 400 individuals annually since 2021, in the Parks, Library, other departments, and at city-wide special events. Per Policy 409.07 Volunteer Procedures, volunteers over the age of 18 must pass a criminal history background check as administered by the Human Resources Department.

The evaluation committee identified Kelmar and Associates, Inc. as the best-value supplier to the city. Based on supplier rates, providing reasonable delivery, project schedule, compliance with specifications, and rated the highest in probable performance. Kelmar and Associates, Inc. offers account setup within 24 hours, and they provide 24/7 support. They are a licensed private investigation company, and they have extensive experience working with government entities, including other Texas-based municipalities

Upon execution of the contract, Human Resources will begin working with the new vendor for pre-employment and post-offer background checks as well as background checks for volunteers serving in various capacities in the City.

Proposed Contract Total for Five (5) Years

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Pre-Employment, Post-Offer, and Volunteer Background Check Services	$66,800	$66,800	$66,800	$66,800	$66,800	$334,000
Employment and Educational Checks	90,425	90,425	90,425	90,425	90,425	452,125
Certification/License Checks	8,075	8,075	8,075	8,075	8,075	40,375
Reference Checks	15,000	15,000	15,000	15,000	15,000	75,000
Contingency	4,000	4,000	4,000	4,000	4,000	20,000
Total	**$184,300**	**$184,300**	**$184,300**	**$184,300**	**$184,300**	**$921,500**

Request for Proposals was sent to 609 prospective suppliers, including 52 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Eleven (11) proposals were received, with ten (10) meeting specifications. References were checked, and proposals were evaluated based upon published criteria, including price, schedule, compliance with specifications, and probable performance. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, Kelmar and Associates, Inc. was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	961 - (Service Only) - Miscellaneous Services, No. 1 (Not Otherwise Classified)
Notifications sent for Solicitation sent in IonWave:	609
Number of Suppliers that viewed Solicitation in IonWave:	51
HUB-Historically Underutilized Business Invitations sent out:	83
SBE-Small Business Enterprise Invitations sent out:	246
Responses from Solicitation:	11
Responses Meeting Specifications:	10

RECOMMENDATION

Award a contract with Kelmar and Associates, Inc., for pre-employment and post-offer background checks for the Human Resources Department, in a one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $921,500.

PRINCIPAL PLACE OF BUSINESS

Kelmar and Associates, Inc
San Antonio, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial one (1) year contract with options to extend the contract for four (4) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

These services will be funded from Human Resources account 150001.7888. Requisition #176494 has been entered into the Purchasing software system in the amount of $67,743.50. The estimated annual expenditure for a fiscal year is $184,300 and is included in the adopted budget. The remaining will be budgeted in future fiscal years to align with the contract terms and expenditures. These products and services will be utilized on an as-needed basis. The City will only pay for items purchased and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Pricing Evaluation
Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Charla Warren, 940-349-8070.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2
RFP 9029 - Pricing Evaluation for Background Check Services

	Respondent's Business Name:			**Kelmar and Associates, Inc.**		Hire Honest (Welliver & Associates)		Background Connect Services LLC		KENTECH Consulting Inc.		Castle Branch, Inc.		National Screening Bureau LLC		Command Investigations, LLC		GroupOne Background Screening / Dallas Fort Worth Hospital Council		Sterling Infosystems Inc.	
	Principal Place of Business (City and State):			**San Antonio, TX**		Heber City, UT		Houston, TX		Chicago, IL		Wilmington, DE		Wichita, KS		Lake Mary, FL		Irving, TX		Atlanta, GA	
Line #	**Description**	**QTY**	**UOM**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**
1	**Background Check Services**																				
2	Post-Offer/Pre-Employment Background Checks to include: State of Texas and Federal criminal history background check, SSN Verification, compete address history, criminal history, national sex offender registry, county level searches (be specific on number of counties included), and the terrorist database.Estimated annual usage: 216	216	EA	**$17.50**	**$3,780.00**	$5.95	$1,285.20	$38.00	$8,208.00	$48.64	$10,506.24	$28.00	$6,048.00	$24.00	$5,184.00	$43.23	$9,337.68	$29.75	$6,426.00	$36.05	$7,786.80
3	Post-Offer/Pre-Employment Background Checks with Motor Vehicle to include: State of Texas and Federal criminal history background check, Texas motor vehicle report and/or other requested states, SSN Verification, compete address history, criminal history, national sex offender registry, county level searches (be specific on number of counties included), and the terrorist database.Estimate annual usage: 408	408	EA	**$21.50**	**$8,772.00**	$6.95	$2,835.60	$50.00	$20,400.00	$56.14	$22,905.12	$30.75	$12,546.00	$27.25	$11,118.00	$47.77	$19,490.16	$34.75	$14,178.00	$38.15	$15,565.20
4	Volunteer Background Checks to include: State of Texas and Federal criminal history background check, SSN Verification, compete address history, criminal history, national sex offender registry, county level searches (be specific on number of counties included), and the terrorist database.Estimated annual usage: 1,700-1,900	1700	EA	**$17.50**	**$29,750.00**	$5.49	$9,333.00	$38.00	$64,600.00	$48.64	$82,688.00	$28.00	$47,600.00	$24.00	$40,800.00	$43.23	$73,491.00	$29.75	$50,575.00	$36.05	$61,285.00
5	**Verification Services**																				
6	Employment Verification (indicate if there are any additional fees associated with this check that are added on such as third party vendor company fee)Estimate annual usage: 975	975	EA	**$9.00**	**$8,775.00**	$5.95	$5,801.25	$15.00	$14,625.00	$11.95	$11,651.25	$7.00	$6,825.00	$4.80	$4,680.00	$12.55	$12,236.25	$10.00	$9,750.00	$11.00	$10,725.00
7	Educational Background Verification (indicate if there are any additional fees associated with this check that are added on such as third part vendor checks or fees)Estimate annual usage: 325	325	EA	**$9.00**	**$2,925.00**	$5.95	$1,933.75	$15.00	$4,875.00	$11.95	$3,883.75	$7.00	$2,275.00	$4.80	$1,560.00	$12.55	$4,078.75	$10.00	$3,250.00	$10.75	$3,493.75
8	License and Certification Verification (indicate if there are any additional fees associated with this check that are added on such as third part vendor checks or fees)Estimated annual usage: 174	174	EA	**$8.50**	**$1,479.00**	$5.95	$1,035.30	$15.00	$2,610.00	$11.95	$2,079.30	$7.00	$1,218.00	$4.00	$696.00	$12.55	$2,183.70	$10.00	$1,740.00	$11.30	$1,966.20
9	Professional References (indicate if there are any additional fees associated with this check that are added on such as third part vendor checks or fees).Estimated annual usage: 975	975	EA	**$8.50**	**$8,287.50**	$6.99	$6,815.25	$15.00	$14,625.00	$11.95	$11,651.25	$7.00	$6,825.00	$4.80	$4,680.00	$12.55	$12,236.25	$21.00	$20,475.00	$9.65	$9,408.75
10	**Additional Services**																				
11	Other pre-employment/post-offer services (a la carte). Provide a listing of each individual background check, credit reports, validations, verifications, and other services (not including drug testing) your company provides and their cost.	1	EA		**$15.00**	$3.50		$0.00		$0.00		$0.00		$1.00		$0.00		$10.00		$2,500.00	
11 ALT3	National sex offender search	1	EA			$1.50															
11 ALT4	National security watch list (OFAC)	1	EA			$1.65															
11 ALT2	Motor vehicle report	1	EA			$1.98															
11 ALT1	Nationwide criminal database	1	EA			$2.45															
11 ALT1	Biometric Identification (VID): Optional identity verification using applicant-submitted government-issued ID (e.g., driver's license) combined with biometric validation. Reduces data entry errors and improves processing efficiency; recommended for use with MVR searches.	1	EA														$4.00				
12	Indicate any additional costs not indicated above such as pass thru costs (includes: out of state fee, other fees etc…)	1	EA		**$0.00**	$0.00		$0.00		$0.00		$0.00		$1.00		$0.00		$15.00		$0.00	
			Total:		**$63,768.50**	$29,039.35		$129,943.00		$145,364.91		$83,337.00		$68,718.00		$133,053.79		$106,394.00		$110,230.70	

Evaluation

Item #	**Standard Criteria**	**Kelmar and Associates, Inc.**	Hire Honest (Welliver & Associates)	Background Connect Services LLC	KENTECH Consulting Inc.	Castle Branch, Inc.	National Screening Bureau LLC	Command Investigations, LLC	GroupOne Background Screening / Dallas Fort Worth Hospital Council	Sterling Infosystems Inc.
1	Delivery/Project Schedule - 10%	**8.00**	8.00	10.00	10.00	6.67	9.33	8.00	8.00	8.00
2	Compliance with Specifications - 25%	**23.33**	20.00	23.33	23.33	20.00	20.00	20.00	20.00	20.00
3	Probable Performance - 40%	**40.00**	24.00	37.33	32.00	34.67	29.33	34.67	32.00	32.00
4	Price, Total Cost of Ownership - 25%	**11.38**	25.00	5.59	4.99	8.71	10.56	5.46	6.82	6.59
	Total Score:	**82.71**	77.00	76.26	70.32	70.04	69.23	68.13	66.82	66.59

Exhibit 2
RFP 9029 - Pricing Evaluation for Background Check Services

				Accurate C&S Services Inc		ScreenID LLC (Inquiries Acquisition LLC)	
	Respondent's Business Name:						
	Principal Place of Business (City and State):			Oakland, CA		Easton, MD	
Line #	**Description**	**QTY**	**UOM**	**Unit**	**Extended**	**Unit**	**Extended**
1	**Background Check Services**						
2	Post-Offer/Pre-Employment Background Checks to include: State of Texas and Federal criminal history background check, SSN Verification, compete address history, criminal history, national sex offender registry, county level searches (be specific on number of counties included), and the terrorist database.Estimated annual usage: 216	216	EA	$45.00	$9,720.00	$54.95	$11,869.20
3	Post-Offer/Pre-Employment Background Checks with Motor Vehicle to include: State of Texas and Federal criminal history background check, Texas motor vehicle report and/or other requested states, SSN Verification, compete address history, criminal history, national sex offender registry, county level searches (be specific on number of counties included), and the terrorist database.Estimate annual usage: 408	408	EA	$53.00	$21,624.00	$57.00	$23,256.00
4	Volunteer Background Checks to include: State of Texas and Federal criminal history background check, SSN Verification, compete address history, criminal history, national sex offender registry, county level searches (be specific on number of counties included), and the terrorist database.Estimated annual usage: 1,700-1,900	1700	EA	$45.00	$76,500.00	$54.95	$93,415.00
5	**Verification Services**						
6	Employment Verification (indicate if there are any additional fees associated with this check that are added on such as third party vendor company fee)Estimate annual usage: 975	975	EA	$8.00	$7,800.00	$9.65	$9,408.75
7	Educational Background Verification (indicate if there are any additional fees associated with this check that are added on such as third part vendor checks or fees)Estimate annual usage: 325	325	EA	$8.00	$2,600.00	$9.65	$3,136.25
8	License and Certification Verification (indicate if there are any additional fees associated with this check that are added on such as third part vendor checks or fees)Estimated annual usage: 174	174	EA	$8.00	$1,392.00	$9.90	$1,722.60
9	Professional References (indicate if there are any additional fees associated with this check that are added on such as third part vendor checks or fees).Estimated annual usage: 975	975	EA	$9.00	$8,775.00	$11.55	$11,261.25
10	**Additional Services**						
11	Other pre-employment/post-offer services (a la carte). Provide a listing of each individual background check, credit reports, validations, verifications, and other services (not including drug testing) your company provides and their cost.	1	EA	$0.00		$0.00	
11 ALT3	National sex offender search	1	EA				
11 ALT4	National security watch list (OFAC)	1	EA				
11 ALT2	Motor vehicle report	1	EA				
11 ALT1	Nationwide criminal database	1	EA				
11 ALT1	Biometric Identification (VID): Optional identity verification using applicant-submitted government-issued ID (e.g., driver's license) combined with biometric validation. Reduces data entry errors and improves processing efficiency; recommended for use with MVR searches.	1	EA				
12	Indicate any additional costs not indicated above such as pass thru costs (includes: out of state fee, other fees etc…)	1	EA	$0.00		$0.00	
			Total:	$128,411.00		$154,069.05	

Evaluation

Item #	**Standard Criteria**	Accurate C&S Services Inc	ScreenID LLC (Inquiries Acquisition LLC)
1	Delivery/Project Schedule - 10%	8.67	8.00
2	Compliance with Specifications - 25%	20.00	20.00
3	Probable Performance - 40%	32.00	32.00
4	Price, Total Cost of Ownership - 25%	5.65	4.71
	Total Score:	66.32	64.71

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH KELMAR AND ASSOCIATES, INC., FOR PRE-EMPLOYMENT AND POST-OFFER BACKGROUND CHECKS FOR THE HUMAN RESOURCES DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 9029 – AWARDED TO KELMAR AND ASSOCIATES, INC., FOR ONE (1) YEAR, WITH THE OPTION FOR FOUR (4) ADDITIONAL ONE (1) YEAR EXTENSIONS, IN THE TOTAL FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $921,500.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for pre-employment and post-offer background checks for the Human Resources Department; and

WHEREAS, the City Manager, or a designated employee, has received, reviewed, and recommended that the herein described proposals are the most advantageous to the City considering the relative importance of price and the other evaluation factors included in the request for proposals; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the City Council has provided in the City Budget for the appropriation of funds to be used for the purchase of the materials, equipment, supplies, or services approved and accepted herein; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The items in the following numbered request for proposal for materials, equipment, supplies, or services shown in the "Request Proposals" on file in the office of the Purchasing Agent, are hereby accepted and approved as being the most advantageous to the City considering the relative importance of price and the other evaluation factors included in the request for proposals.

RFP NUMBER	CONTRACTOR	AMOUNT
9029	Kelmar and Associates, Inc.	$921,500.00

SECTION 2. That by the acceptance and approval of the above numbered items of the submitted proposals, the City accepts the offer of the persons submitting the proposals for such items and agrees to purchase the materials, equipment, supplies, or services in accordance with the terms, specifications, standards, quantities, and for the specified sums contained in the Proposal Invitations, Proposals, and related documents.

SECTION 3. That should the City and person submitting approved and accepted items wish to enter into a formal written agreement as a result of the acceptance, approval, and awarding of the proposals, the City Manager, or their designated representative, is hereby authorized to execute the written contract which shall be attached hereto; provided that the written contract is in accordance with the terms, conditions, specifications, standards, quantities, and specified sums contained in the Proposal and related documents herein approved and accepted.

SECTION 4. The City Council of the City of Denton hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 5. By the acceptance and approval of the above enumerated bids, the City Council hereby authorizes the expenditure of funds therefor in the amount and in accordance with the approved bids.

SECTION 6. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

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Docusign City Council Transmittal Coversheet

RFP	9029
File Name	Background Check Services
Purchasing Contact	Christina Dormady
City Council Target Date	
Piggy Back Option	Yes
Contract Expiration	
Ordinance	

Initial
LH

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CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND KELMAR AND ASSOCIATES, INC.
(Contract #9029)

THIS CONTRACT is made and entered into this date _____, by and between KELMAR AND ASSOCIATES, INC. a Texas corporation, whose address 23119 W Interstate 10, BLDG 6, San Antonio, TX 78257, hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their duly authorized designee.

For and in consideration of the covenants and agreements contained herein, and for the mutual benefits to be obtained hereby, the parties agree as follows:

SCOPE OF SERVICES

Contractor shall provide services in accordance with the City's RFP# 9029 – Background Check Services, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. The Contract consists of this written agreement and the following items, which are attached hereto, or on file, and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton's RFP 9029 (the "Solicitation") **(Exhibit "B" on file at the office of the Purchasing Agent**);
(c) City of Denton Standard Terms and Conditions **(Exhibit "C");**
(d) Certificate of Interested Parties Electronic Filing **(Exhibit "D");**
(e) Insurance Requirements **(Exhibit "E");**
(f) Contractor's Proposal ("Contractor's Offer") **(Exhibit "F")**;
(g) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "G")**

These documents make up the Contract documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the Contract documents, the inconsistency or conflict shall be resolved by giving precedence first to the written agreement then to the contract documents in the order in which they are listed above. These documents shall be referred to collectively as "Contract Documents."

Prohibition on Contracts with Companies Boycotting Israel
Contractor acknowledges that in accordance with Chapter 2271 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this Contract, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Energy Companies
Contractor acknowledges that in accordance with Chapter 2276 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains

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written verification from the company that it (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

Contractor acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. ***By signing this Contract, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of this Contract against a firearm entity or firearm trade association.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition On Contracts with Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Section 2252 of the Texas Government Code restricts City from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this Contract, Contractor certifies that Contractor's signature provides written verification to the City that Contractor, pursuant to Chapter 2252, is not ineligible to enter into this Contract and will not become ineligible to receive payments under this Contract by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Termination Right for Contracts with Companies Doing Business with Certain Foreign-Owned Companies

The City of Denton may terminate this Contract immediately without any further liability if the City of Denton determines, in its sole judgment, that this Contract meets the requirements under Chapter 2275, and Contractor is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or other designated country (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or other designated country, or (iii) is headquartered in China, Iran, North Korea, Russia, or other designated country.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

IN WITNESS WHEREOF, the parties of these presents have executed this Contract in the year and day first above written.

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BY:
CONTRACTOR
KELMAR AND ASSOCIATES, INC.

DocuSigned by:
Kelly E. Riddle
D4227082413F498...
Authorized Signature

Printed Name: Kelly E. Riddle

Title: President

Email Adress: kelly@kelmarglobal.com

2026-1491271
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

BY:
CITY OF DENTON, TEXAS

Cassey Ogden, Interim City Manager

ATTEST:

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
Marcella Lunn
4B070831B4AA438...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by:
Megan Gilbreath
66BE10A57DF34F7...
SIGNATURE

HR Director
TITLE

Human Resources
DEPARTMENT

Contract 9029

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Exhibit A
Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed $921,500. Pricing shall be per Exhibit F attached.

2. The Quantities

The quantities indicated on Exhibit F are estimates based upon the best available information. The City reserves the right to increase or decrease the quantities to meet its actual needs without any adjustments in the bid price. Individual purchase orders will be issued on an as-needed basis.

3. Contract Terms

The contract term will be one (1) year, effective from the date of award. The City and the Supplier shall have the option to renew this contract for an additional four (4) one-year periods.

The Contract shall commence upon the issuance of a Notice of Award by the City of Denton and shall automatically renew each year, from the date of award by City Council. The Supplier's request to not renew the contract must be submitted in writing to the Purchasing Manager at least 60 days prior to the contract renewal date for each year. At the sole option of the City of Denton, the Contract may be further extended as needed, not to exceed a total of six (6) months.

4. Price Escalation and De-escalation

On Supplier's request in the form stated herein, the City will implement an escalation/de-escalation price adjustment annually based on these special terms. Any request for price adjustment must be based on the, U.S Department of Labor, Bureau of Labor Statistics, Producer Price Index (PPI) or the manufacturer published pricing list. The maximum escalation will not exceed +/- 8% for any individual year. The escalation will be determined annually at the renewal date. The price will be increased or decreased based upon the annual percentage change in the PPI or the percentage change in the manufacturer's price list. Should the PPI or manufacturer price list change exceed a minimum threshold value of +/-1%, then the stated eligible bid prices shall be adjusted in accordance with the percent change not to exceed the 8% limit per year. The supplier should provide documentation as percentage of each cost associated with the unit prices quoted for consideration.

Request must be submitted in writing with supporting evidence for need of such increase to the Purchasing Manager at least 60 days prior to contract expiration of each year. Respondent must also provide supporting documentation as justification for the request. If no request is made, then it will be assumed that the current contract price will be in effect.

Upon receipt of such request, the City of Denton reserves the right to either: accept the escalation as competitive with the general market price at the time, and become effective upon the renewal date of the contract award or reject the increases within 30 calendar days after receipt of a

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properly submitted request. If a properly submitted increase is rejected, the Contractor may request cancellation of such items from the Contract by giving the City of Denton written notice. Cancellation will not go into effect for 15 calendar days after a determination has been issued. Pre-price increase prices must be honored on orders dated up to the official date of the City of Denton approval and/or cancellation.

The request can be sent by e-mail to: purchasing@cityofdenton.com noting the solicitation number.

The City of Denton reserves the right to accept, reject, or negotiate the proposed price changes.

5. Performance Liquidated Damages

The Contractor shall incur contractual payment losses, as initiated by the City for performance that falls short of specified performance standards as outlined below:

- Delivery beyond contracted lead times
- Performance below contracted levels (services only)

The Contractor shall be assessed a one (1%) percent fee each month when any one of the performance standards outlined above are not met in full. The Contractor shall be assessed a two (2%) percent profit fee each month when any two (2) or more performance standards outlined above are not met in full. At the end of each month, the City will review the monthly reports and determine the percentage of penalty to be assessed to the Contractor's monthly profit margin.

6. Cooperative Purchasing

It is the intent of the City that any contract resulting from this solicitation be made available for use by other governmental entities, to the maximum extent permitted under applicable federal, state, and local laws, including, but not limited to, the *Texas Government Code Chapter 791*. The Contractor agrees to make the same pricing, terms, and conditions available to any eligible public agency, political subdivision, or governmental entity that elects to purchase under this Contract, provided that such entity issues its own purchase order or agreement referencing the City's contract. Each such participating entity shall be responsible solely for its own obligations, including issuance of purchase orders, receipt of goods or services, and payment of invoices. The City shall not be responsible for the performance or payment of any obligations incurred by such participating entities.

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Exhibit B
City of Denton's RFP 9029 File

On File at the Office of the Purchasing Agent

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Exhibit C
City of Denton
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Contractor . No Terms and Conditions contained in the seller's proposal response, invoice, or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the Contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, and 21 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, and 22 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation or Exhibit A, this Contract shall be effective as of the date this Contract is signed by the City and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Solicitation or Contractor's Offer, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address, purchase order or purchase release number, and the price agreement number, if applicable, (c) container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

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6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Solicitation or Contractor's Offer. Unless otherwise stated in the Contractor's Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth in the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract to perform but not afterward. If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

9. **PLACE AND CONDITION OF WORK**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The Contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE** This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way.

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A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
B. The Contractor, its employees, Subcontractors, and Subcontractor's employees may not (1) while engaged in, participating, or responding to a solicitation; or (2) while in the course and scope of delivering goods or services under a City of Denton contract; or (3) on the City's property.

i. use or possess a firearm, including a concealed handgun that is licensed under State law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs, or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs.

C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

IMMIGRATION: THE CONTRACTOR REPRESENTS AND WARRANTS THAT IT SHALL COMPLY WITH THE REQUIREMENTS OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 AND 1990 REGARDING EMPLOYMENT VERIFICATION AND RETENTION OF VERIFICATION FORMS FOR ANY INDIVIDUALS HIRED ON OR AFTER NOVEMBER 6, 1986, WHO WILL PERFORM ANY LABOR OR SERVICES UNDER THE CONTRACT AND THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996 ("IIRIRA) ENACTED ON SEPTEMBER 30, 1996, AND SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY ACTION ARISING RELATED THERETO.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules, and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. **THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, ACTIONS, JUDGMENTS, FINES, PENALTIES AND LIABILITY OF EVERY KIND ARISING FROM THE BREACH OF THE CONTRACTOR'S OBLIGATIONS UNDER THIS PARAGRAPH.**

Environmental Protection: The Contractor shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:
A. The Contractor shall submit separate invoices on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
B. **Proper Invoices must include a unique invoice number, invoice date, the purchase order number, and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if

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applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

F. Contractor must submit invoices no later than thirty (30) calendar days after termination or expiration of the Contract. Any invoices sent after that date will be considered noncompliant and will not be approved for payment.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable – accountspayable@cityofdenton.com. Approved invoices will be paid within thirty (30) calendar days of the invoice being received in Accounts Payable.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, including, but not limited to, those in Paragraph D , below, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches such shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due to the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials, or equipment;

iv. damage to the property of the City or the City's agents, employees, or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, all required attachments, and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given to any awarded firm who is in arrears to the City for delinquent taxes of any kind or otherwise indebted to the City that the City shall be entitled to counterclaim and/or offset against any such debt, claim, demand, or account owed to the City through payment withholding until the debt is paid in full, and no assignment of such debt, claim, demand, or

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account after the said taxes or debt are due shall affect the right of the City to offset the said taxes or debt against same.
F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
G. The Contractor acknowledges and agrees that the awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this Contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City will not incur a debt or obligation to pay Contractor any amounts the City does not have the current funds available to pay. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty or liability to the City, nor removal fees, cancellation fees, or the like charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging, and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the Contract Documents. During the term of this Contract, the Contractor shall bill and the City shall reimburse Contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the Contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

15. **FINAL PAYMENT AND CLOSE-OUT**:
A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the fifteenth (15^{th}) calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.
B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Contractor's Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

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17. **RIGHT TO AUDIT**:

A. The Contractor agrees that the City shall, until the expiration of five (5) years after final payment under this Contract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, and computations pertaining to this Contract. If necessary, the City shall have the right to audit and make copies of the books, records, and computations pertaining to the Contract. The Contractor shall retain such books, records, documents, and other evidence pertaining to the Contract period and five (5) years thereafter, except if an audit is in progress or audit findings are yet unresolved, in which case records shall be kept until all audit tasks are completed and resolved. These books, records, documents, and other evidence shall be available, within ten (10) business days of written request. All books and records will be made available within a fifty (50) mile radius of the City of Denton if the vendor is not able to provide electronic access. The cost of the audit will be borne by the City unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the Contractor which must be payable within five (5) business days of receipt of an invoice.

B. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the Subcontractor, material supplier, or other payee agrees that the City shall, until the expiration of five (5) years after final payment under the subcontract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, documents, and other evidence of the Subcontractor, material supplier, or other payee involving transactions relating to the subcontract. If necessary, the City maintains the right to photocopy any physical books, documents, papers, and records of the subconsultant involving transactions relating to the subcontract. All books and records will be made available within a fifty (50) mile radius of the City of Denton. The cost of the audit will be borne by the City unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the Contractor which must be payable within five (5) business days of receipt of an invoice.

C. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City's sole discretion, grounds for termination thereof. Each of the terms "books", "records", "documents", and "other evidence", as used above, shall be construed to include drafts and electronic files, even if such drafts or electronic files are subsequently used to generate or prepare a final printed document.

18. **SUBCONTRACTORS**:

A. If the Contractor-identified subcontractors ("Subcontractor") in a DBE/MBE/WBE agreed-to plan (the "Plan"), the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract Documents, and shall contain provisions that:

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i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:
A. The Contractor warrants the prices quoted in the Contractor's Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.
B. The Contractor certifies that the prices in the Contractor's Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
C. In the event Contractor breaches this warranty, in addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase, or in the alternative, the City may cancel this Contract without liability to Contractor for breach.

20. **WARRANTY – TITLE**: **The Contractor warrants that it has good and indefeasible title to all deliverables furnished under the Contract, and that the deliverables are free and clear of all liens, claims, security interests, and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the deliverables.**

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship, or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Contract Documents, to any samples furnished by the Contractor, to the terms, covenants, and conditions of the Contract, and to all applicable State, federal, or local laws, rules,

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and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned. In addition, Contractor warrants that the goods sold to City shall conform to the standards promulgated by the U.S. Department of Labor under the Occupational Safety and Health Act (OSHA). In the event the product does not conform to OSHA standards, City may return the product for correction or replacement at the Contractor's expense. In the event Contractor fails to make the appropriate correction within a reasonable time, correction made by City will be at Contractor's expense.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract or required by the Solicitation, the warranty period shall be at least one (1) year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

F. Contractor shall not limit, exclude, or disclaim any implied warranties, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided to the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable federal, State, and local laws, rules or regulations.

A. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one (1) year from the date of acceptance of the work. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor

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to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses, and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified (being a minimum of 5 days) after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**:

A. The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely, and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 25, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.

B. In the event the City terminates the awarded contract for default or any other reason, the Contractor shall not be relieved of liability to the City for damages sustained by the City by reason of any default of the contract by the Contractor or otherwise, and the City may withhold any payments to the Contractor for the purpose of an offset until such time as the amount of damages due the City from the Contractor can be determined.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such

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ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and/or any offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause and/or for convenience any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof, provided such payment amount is not disputed by City. The City reserves all rights, causes of action, and remedies available under law or in equity with respect to any dispute under this Contract and a termination under this provision does not waive such rights, causes of action, and remedies.

29. **FRAUD**: Fraudulent statements by the Contractor in any offer, Contract Document, or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:

A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in Paragraph 53. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in Contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **TIME OF COMPLETION AND LIQUIDATED DAMAGES**: Contractor agrees and acknowledges that completing the services and/or delivering the goods described in this Contract

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in a timely manner is very important to the City. Contractor agrees to perform all obligations within the timeframes required. As it is impracticable and extremely difficult to fix the actual damages, if any, that may proximately result from a failure by Contractor to provide the goods or perform the service, should Contractor fail to timely perform its obligations, Contractor agrees to pay to City, or have withheld and offset from monies due it, the amount stated in the Contract Documents as liquidated damages for each calendar day of delay or nonperformance. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by the City, estimated at the time of executing this Contract. Execution of the Contract shall constitute agreement by the City and Contractor that said amount is the minimum value of the costs and actual damage caused by the Contractor's failure to timely perform. Adjustments to the contract times can only be made as provided in the Contract Documents and any conditions or specifications referenced therein.

32. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments, and liability of every character, type, or description, including all reasonable costs and expenses of litigation, mediation, or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and Subcontractors; the officers, agents, and employees of such Subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's Subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

33. **LIMITATION OF LIABILITY**: This Contract does not, and shall not be interpreted to, contain an artificial limitation of liability (e.g. liability limited to contract price or liability capped at an amount actually paid in previous 3 months, etc.) or an artificial statute of limitations (e.g. any lawsuit must be commenced within one year of the event).

34. **INSURANCE**: The Contractor shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton outlined in the Insurance Exhibit attached hereto, if applicable. The insurance shall be written by a company licensed to do business in the State of

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Texas and satisfactory to the City of Denton. The City of Denton reserves the right to add insurance during the contract term.
B. Specific Coverage Requirements: Specific insurance requirements are contained in the Solicitation and the Insurance Exhibit.

35. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

36. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

37. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

38. **INDEMNIFICATION AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. Moreover, Contractor does not know of any valid basis for any such claims. **THE CONTRACTOR SHALL, AT ITS SOLE EXPENSE, DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL LIABILITY, DAMAGES, AND COSTS (INCLUDING COURT COSTS AND REASONABLE FEES OF ATTORNEYS AND OTHER PROFESSIONALS) ARISING OUT OF OR RESULTING FROM: (I) ANY CLAIM THAT THE CITY'S EXERCISE ANYWHERE IN THE WORLD OF THE RIGHTS ASSOCIATED WITH THE CITY'S' OWNERSHIP, AND IF APPLICABLE, LICENSE RIGHTS, AND ITS USE OF THE**

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DELIVERABLES INFRINGES THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY; OR (II) THE CONTRACTOR'S BREACH OF ANY OF CONTRACTOR'S REPRESENTATIONS OR WARRANTIES STATED IN THIS CONTRACT. IN THE EVENT OF ANY SUCH CLAIM, THE CITY SHALL HAVE THE RIGHT TO MONITOR SUCH CLAIM OR AT ITS OPTION ENGAGE ITS OWN SEPARATE COUNSEL TO ACT AS CO-COUNSEL ON THE CITY'S BEHALF. FURTHER, CONTRACTOR AGREES THAT THE CITY'S SPECIFICATIONS REGARDING THE DELIVERABLES SHALL IN NO WAY DIMINISH CONTRACTOR'S WARRANTIES OR OBLIGATIONS UNDER THIS PARAGRAPH AND THE CITY MAKES NO WARRANTY THAT THE PRODUCTION, DEVELOPMENT, OR DELIVERY OF SUCH DELIVERABLES WILL NOT IMPACT SUCH WARRANTIES OF CONTRACTOR. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

39. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

40. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 41 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-

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for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such deliverables to the City or at such other time as the City may request.

C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 41 A., B., and C. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 40 above.

41. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

42. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, State, or local government.

43. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

44. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

45. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: The Contractor agrees to comply with the conflict of interest provisions of the City of Denton Code of Ordinances

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and/or State law. No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation as defined in the City's Ethic Ordinance codified at Chapter 2, Article XI and in the City Charter Section 14.04, as amended. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Contractor shall complete and submit the City's Conflict of Interest Questionnaire. The Contractor agrees to maintain current, updated disclosure of information on file with the Procurement Department throughout the term of this Contract.

46. **NO SUBCONTRACTING BID AFTER AWARD**: Following the award of the Contract, no subcontracting except that specifically identified in the response to the Solicitation will be permitted without the express prior written consent of the City.

47. **NO GIFT OF PUBLIC PROPERTY**: The City will not agree to any terms or conditions that cause the City to lend its credit or grant public money or anything of value to the selected Contractor.

48. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or their designee under this Contract. The Contractor is expressly free to advertise and perform services for other parties while performing services for the City.

49. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.
The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

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50. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character. No delay, failure, or waiver of either party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy.

51. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document submitted to the City by Contractor shall have any force or effect to change the terms, covenants, and conditions of the Contract.

52. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

53. **DISPUTE RESOLUTION**:

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute, however any decision requiring approval of the City Council of the City will be required to be submitted to the City Council and the senior level person shall have authority to recommend approval of any resolution. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract

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interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
C. The parties shall not be required to submit to binding arbitration.

54. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

55. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

56. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or their authorized designee.

57. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose

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continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract for fifteen (15) years.

58. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

59. **EQUAL OPPORTUNITY** Contractor agrees that during the performance of its contract it will:
A. Treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or handicap.
B. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or request. The Contractor shall be advised of any complaints filed with the City alleging that Contractor is not an Equal Opportunity Employer. The City reserves the right to consider its reports from its human relations administrator in response to such complaints in determining whether or not to terminate any portion of this contract for which purchase orders or authorities to deliver have not been included, however, the Contractor is specifically advised that no Equal Opportunity Employment complaint will be the basis for cancellation of this contract for which a purchase order has been issued or authority to deliver granted.
C. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined
in the ADA.

60. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**
The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –
i. "Component" means an article, material, or supply incorporated directly into an end product.
ii. "Cost of components" means -
(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
iii. "Domestic end product" means-
(1) An unmanufactured end product mined or produced in the United States; or
(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency

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determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
v. "Foreign end product" means an end product other than a domestic end product.
vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Contractor shall submit documentation with their offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

61. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this Contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

62. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

63. **PREVAILING WAGE RATES:** The Contractor shall comply with prevailing wage rates as defined by the United States Department of Labor Davis-Bacon Wage Determination at http://www.dol.gov/whd/contracts/dbra.htm and at the Wage Determinations website www.wdol.gov for Denton County, Texas (WD-2509).

64. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The Contractor or supplier shall comply with all State, federal, and local laws and requirements. The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants; and (iii) Chapter 552 of the Texas Government Code, which outlines policy for public information. The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

65. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Contractor shall demonstrate on-site compliance with the provisions of federal law dealing with issuance of Form W-2's to common law employees. Contractor is responsible for both federal and State unemployment insurance coverage and standard Workers' Compensation insurance coverage. Contractor shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Contractor or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Contractor's omission or breach of this Section.

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66. **ATTORNEY'S FEES; LEGAL COSTS:** Contractor and City agree that the City will not be required to pay Contractor's attorney's fees or legal costs under any circumstances, unless expressly required by law.

67. **DRUG FREE WORKPLACE:** The Contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

68. **CONTRACTOR LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Contractor shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Contractor shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

69. **FORCE MAJEURE:** The City of Denton, any Customer, and the Contractor shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Contractor will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Contractor continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Contractor shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

70. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

71. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

72. **RECORDS RETENTION:** The Contractor shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Contractor shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit

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and litigation matters are resolved, whichever period is longer. The Contractor shall grant access to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract. In the event the value of this Contract is One Million ($1,000,000) Dollars or greater: (i) all contracting information related to this contract will be preserved for the duration of the Contact; (ii) the Contractor shall provide any contracting information in its possession promptly upon request by the City; and (iii) at the expiration of this Contract, the Contractor will either provide all contracting information in its possession to the City or preserve same as required by the record retention requirements of the State of Texas.

73. **PROCUREMENT LAWS**: The City will not agree to any terms or conditions that cause the City to violate any federal, State, or local procurement laws, including its own Charter or Procurement Policy and any such laws included in boilerplate terms, online terms or other terms provided by the Contractor are considered null and void.

74. **AUTHORITY**: Contractor represents and warrants to the other that (a) it has company authority to execute and perform this Contract; (b) executing this Contract does not constitute a material conflict with, breach, or default under any applicable law, its respective organizational documents, or any documents, agreements, contracts or instruments which are binding upon it; and (c) this Contract creates valid, legal, and binding obligation enforceable against it, subject to applicable insolvency and bankruptcy laws. Contractor recognizes and agrees that a violation of this provision constitutes a material breach under this Contract.

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Exhibit D
Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish a Certificate of Interest Parties before the Contract is awarded, in accordance with Government Code 2252.908.

The Contractor shall:

1. Log onto the State Ethics Commission Website at :https://www.ethics.state.tx.us/filinginfo/1295/
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

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Exhibit E

INSURANCE REQUIREMENTS

Respondent's attention is directed to the insurance requirements below. It is highly recommended that respondents confer with their respective insurance carriers or brokers to determine in advance of Proposal/Bid submission the availability of insurance certificates and endorsements as prescribed and provided herein. If an apparent low respondent fails to comply strictly with the insurance requirements, that respondent may be disqualified from award of the contract. Upon contract award, all insurance requirements shall become contractual obligations, which the successful contractor shall have a duty to maintain throughout the course of this contract.

STANDARD PROVISIONS:

Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall provide and maintain until the contracted work has been completed and accepted by the City of Denton, Owner, the minimum insurance coverage as indicated hereinafter.

As soon as practicable after notification of contract award, Contractor shall file with the Purchasing Department satisfactory certificates of insurance including any applicable addendum or endorsements, containing the contract number and title of the project. Contractor may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Contractors are strongly advised to make such requests prior to proposal/bid opening, since the insurance requirements may not be modified or waived after proposal/bid opening unless a written exception has been submitted with the proposal/bid. Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Denton.

All insurance policies proposed or obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

- Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A- or better**.

- Any deductibles or self-insured retentions shall be declared in the proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officials, agents, employees and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

- Liability policies shall be endorsed to provide the following:

    - Name as Additional Insured the City of Denton, its Officials, Agents,

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Employees and volunteers.

- That such insurance is primary to any other insurance available to the Additional Insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

- Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.

- ***Cancellation: City requires 30 day written notice should any of the policies described on the certificate be cancelled or materially changed before the expiration date.***

- Should any of the required insurance be provided under a claims made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.

- Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the Contractor shall either double the occurrence limits or obtain Owners and Contractors Protective Liability Insurance.

- Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this agreement effective on the date of the lapse.

SPECIFIC ADDITIONAL INSURANCE REQUIREMENTS:

All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:

A. <u>COMMERCIAL GENERAL LIABILITY INSURANCE</u>

Commercial General Liability Insurance including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors, and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of

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$1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

SUBCONTRACTING LIABILITY

(1) Without limiting any of the other obligations or liabilities of the CONTRACTOR, the CONTRACTOR shall require each Subcontractor performing work under the contract, at the Subcontractor's own expense, to maintain during the engagement with the CITY, types and limits of insurance that are appropriate for the services/work being performed, comply with all applicable laws and are consistent with industry standards. The Subcontractor's liability insurance shall name CONTRACTOR as an additional insured.

(2) CONTRACTOR shall obtain and monitor the certificates of insurance from each Subcontractor. CONTRACTOR must retain the certificates of insurance for the duration of the contract and shall have the responsibility of enforcing insurance requirements among its subcontractors. The CITY shall be entitled, upon request and without expense, to receive copies of these certificates.

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Exhibit F				Kelmar and Associates, Inc. San Antonio, TX
Line #	**Description**	**QTY**	**UOM**	**Unit**
1	Background Check Services			
2	Post-Offer/Pre-Employment Background Checks to include: State of Texas and Federal criminal history background check, SSN Verification, compete address history, criminal history, national sex offender registry, county level searches (be specific on number of counties included), and the terrorist database. *Includes all on-line counties*	216	EA	$17.50
3	Post-Offer/Pre-Employment Background Checks with Motor Vehicle to include: State of Texas and Federal criminal history background check, Texas motor vehicle report and/or other requested states, SSN Verification, compete address history, criminal history, national sex offender registry, county level searches (be specific on number of counties included), and the terrorist database. *Includes all on-line counties. State MVR fees additional at actual cost*	408	EA	$21.50
4	Volunteer Background Checks to include: State of Texas and Federal criminal history background check, SSN Verification, compete address history, criminal history, national sex offender registry, county level searches (be specific on number of counties included), and the terrorist database. *Includes all on-line counties*	1700	EA	$17.50
5	Verification Services			
6	Employment Verification (indicate if there are any additional fees associated with this check that are added on such as third party vendor company fee) *Work number or similar additional - at cost*	975	EA	$9.00

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7	Educational Background Verification (indicate if there are any additional fees associated with this check that are added on such as third part vendor checks or fees)Estimate annual usage: 325	325	EA	$9.00
8	License and Certification Verification (indicate if there are any additional fees associated with this check that are added on, such as third-party vendor checks or fees) *Access fees or similar fees additional - at cost*	174	EA	$8.50
9	Professional References (indicate if there are any additional fees associated with this check that are added on, such as third-party vendor checks or fees). *Access fees or similar fees additional - at cost*	975	EA	$8.50
10	Additional Services			
11	Other pre-employment/post-offer services (a la carte). Provide a listing of each individual background check, credit reports, validations, verifications, and other services (not including drug testing) your company provides and their cost.	1	EA	$15.00
11 ALT3	National sex offender search	1	EA	
11 ALT4	National security watch list (OFAC)	1	EA	
11 ALT2	Motor vehicle report	1	EA	
11 ALT1	Nationwide criminal database	1	EA	
11 ALT1	Biometric Identification (VID): Optional identity verification using applicant-submitted government-issued ID (e.g., driver's license) combined with biometric validation. Reduces data entry errors and improves processing efficiency; recommended for use with MVR searches.	1	EA	
12	Indicate any additional costs not indicated above such as pass thru costs (includes: out of state fee, other fees etc…)	1	EA	$0.00

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Exhibit G

CONFLICT OF INTEREST QUESTIONNAIRE

CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

Kelmar and Associates, Inc.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information in this section is being disclosed.**

_____

Name of Officer

This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

☐ Yes ☐ No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 ☒ **I have no Conflict of Interest to disclose.**

5 Kelly E Kelmar 3/30/26

Signature of vendor doing business with the governmental entity — Date

Certificate Of Completion

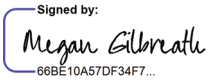
Envelope Id: 66812DB3-5D9B-8EE1-82E0-34F20A292C70
Status: Sent
Subject: Please DocuSign: City Council Contract 9029 Background Check Services
Source Envelope:
Document Pages: 35
Signatures: 3
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Christina Dormady
901B Texas Street
Denton, TX 76209
christina.dormady@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
7/16/2026 8:57:59 AM
Holder: Christina Dormady
christina.dormady@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Christina Dormady christina.dormady@cityofdenton.com Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.10	Sent: 7/16/2026 9:03:08 AM Viewed: 7/16/2026 9:03:21 AM Signed: 7/16/2026 9:04:09 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Initial LH Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 7/16/2026 9:04:11 AM Viewed: 7/16/2026 12:55:36 PM Signed: 7/16/2026 12:56:55 PM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Marcella Lunn 4B070831B4AA438... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/16/2026 12:56:58 PM Viewed: 7/17/2026 2:20:05 PM Signed: 7/17/2026 2:22:12 PM
Kelly E. Riddle kelly@kelmarglobal.com President Kelmar and Associates, Inc Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/20/2026 5:12:31 PM ID: 467b1bd2-0e39-44fb-9ebd-50ac7f859842	DocuSigned by: Kelly E. Riddle D4227082413F498... Signature Adoption: Pre-selected Style Using IP Address: 2605:59c8:453f:7910:209c:93a3:b74c:a47c	Sent: 7/17/2026 2:22:14 PM Viewed: 7/20/2026 5:12:31 PM Signed: 7/20/2026 5:20:42 PM

Signer Events	Signature	Timestamp
Megan Gilbreath Megan.gilbreath@cityofdenton.com HR Director City of Denton - Human Resources Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Signed by:  66BE10A57DF34F7... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/20/2026 5:20:44 PM Viewed: 7/21/2026 1:23:10 PM Signed: 7/21/2026 1:24:18 PM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 7/21/2026 1:24:21 PM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Kristi Fogle Kristi.Fogle@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/17/2026 10:04:02 AM ID: 4870ad15-76eb-46fd-ab65-c7c44f83773e		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/16/2026 9:04:12 AM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 7/21/2026 1:24:20 PM Viewed: 7/21/2026 2:23:16 PM

Carbon Copy Events	Status	Timestamp
Electronic Record and Signature Disclosure: Not Offered via Docusign		
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Charla Warren charla.warren@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Kelly E. Riddle kelly@kelmarglobal.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/20/2026 5:12:31 PM ID: 467b1bd2-0e39-44fb-9ebd-50ac7f859842		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/16/2026 9:03:08 AM
Envelope Updated	Security Checked	7/16/2026 9:06:22 AM
Envelope Updated	Security Checked	7/16/2026 9:06:22 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Texas Electric Cooperatives, Inc., to supply polymer insulators for Denton Municipal Electric Substations to be stocked in the City of Denton Warehouse; providing for the expenditure of funds therefor; and providing an effective date (IFB 9059 – awarded to Texas Electric Cooperatives, Inc., for one (1) year, with the option of four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $850,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

Polymer insulators are used to isolate electrical conductors from ground potential. 138kV and 69kV polymer insulators of several different types are required. Polymer insulators are constructed with a fiberglass core and a silicone rubber exterior. The insulators have metal end pieces for attaching to structures, buses, or conductors. Materials will be purchased using the Warehouse Capital Account and charged out to projects as needed over the term of the contract.

As these commodities are “common stock items” in the Warehouse working capital inventory under the City of Denton General Government, they are not reviewed by the Public Utilities Board. The Warehouse orders goods in coordination with Denton Municipal Electric (DME) for specific projects under construction. The items are temporarily stored in the Warehouse until they are needed on the job site and then charged to DME project accounts through an inventory management system. The items are ordered as needed, taking into account the contracted lead time and the need-by date by the using department. The need-by date is established by ensuring that citizen, customer, and developer timelines all form the basis of when the construction work must be complete with an operational City of Denton service; furthermore, it factors in City of Denton construction crew schedules and construction sequencing with job site contractors.

Based on historical spend of an average of $160,000 per year, and an included 6.25% contingency for price increases, the contract amount is $850,000. The costs for material purchased under the proposed agreement will be funded out of amounts budgeted for specific transmission line projects.

Polymer Insulators	Estimated 5-Year Expenditure
Year 1	$160,000
Year 2	160,000
Year 3	160,000
Year 4	160,000
Year 5	160,000
Contingency for price increases	50,000
Total	**$850,000**

Invitation for Bids were sent to 506 prospective suppliers of this item, including 15 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Five (5) bids were received, with four (4) meeting specifications. The lowest bid was received by Texas Electric Cooperatives, Inc.

NIGP Code Used for Solicitation:	285 - Electrical Equipment and Supplies (Except Cable and Wire)
Notifications sent for Solicitation sent in IonWave:	506
Number of Suppliers that viewed Solicitation in IonWave:	28
HUB-Historically Underutilized Business Invitations sent out:	60
SBE-Small Business Enterprise Invitations sent out:	196
Responses from Solicitation:	5
Responses Meeting Specifications:	4

RECOMMENDATION

Award a contract with Texas Electric Cooperatives, Inc., to supply polymer insulators for Denton Municipal Electric Substations to be stocked in the City of Denton Warehouse, in a one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $850,000.

PRINCIPAL PLACE OF BUSINESS

Texas Electric Cooperatives, Inc.
Georgetown, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial one (1) year contract with options to extend the contract for four (4) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

These items will be funded from the Warehouse working capital account 800100.6801. Requisitions will be entered throughout the term of the contract to maintain appropriate stock levels and will be charged back to Denton Municipal Electric as needed for projects. The Electric Substation division budgets annually for specific transmission line projects to cover the cost of purchasing the equipment from the Warehouse.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Bid Tabulation
Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Keith Kading, 940-349-7178.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2
IFB 9059 - Bid Tabulation for Polymer Insulators

						Respondent's Business Name:		Techline, Inc.		Stuart C. Irby		KBS Electrical Distributors, Inc.	
						Principal Place of Business (City and State):	**Georgetown, TX**	Fort Worth, TX		Fort Worth, TX		Bryan, TX	
Line #	**Description**	**Mfgr**	**Mfgno**	**QTY**	**UOM**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**
1	**Electric Utility Polymer Insulators**												
2	Insulator, Dead-end, 138 kV, Suspension, 50kip, 83.6" Long, 168.6" Leakage, Y-Clevis - Ball (ANSI 52-8)	Ohio Brass S050064S2010 /MacLeanS24080069VXSS026	Ohio Brass/MacLean	10	EA	**$198.00**	**$1,980.00**	$209.30	$2,093.00	$222.00	$2,220.00	$229.87	$2,298.70
3	Insulator, Line Post, 2.5", 161 kV, 69.6" Horiz, 163.5" Leakage, 2H Drop Tongue, Steel Flat Base 8"x10"-12" (13/16" Holes)	Ohio Brass P250058S0130 /MacLeanH21010060AXSS023	Ohio Brass/MacLean	10	EA	**$546.00**	**$5,460.00**	$548.00	$5,480.00	$614.00	$6,140.00	$634.79	$6,347.90
4	Insulator, Deadend, 161 kV, Suspension, 25kip, 80.6" Long, 176.4" Leakage, Y-Clevis - Ball (ANSI 52-5)	Ohio Brass S025064S2010 /MacLeanS14080069VXSS028	Ohio Brass/MacLean	10	EA	**$172.00**	**$1,720.00**	$181.77	$1,817.70	$246.00	$2,460.00	$199.63	$1,996.30
5	Insulator, Deadend, 25 kV, Suspension, 15.7kip, 18.7" Long, 31.5" Leakage, Clevis-Tongue (Rotated)	Ohio Brass 4010250215 /MacLean DS-25M	Ohio Brass/MacLean	100	EA	**$17.00**	**$1,700.00**	$22.03	$2,203.00	$23.00	$2,300.00	$24.12	$2,412.00
6	Insulator, Braced Post Assembly, 138 kV, 156.6" Leakage, Ram Bundle, Turnbuckle, Steel Flat Base 10"x 14.5" (13/16" Holes)	MacLean B210F075T51096AX	MacLean	100	EA	**$1,041.00**	**$104,100.00**	$1,137.58	$113,758.00	$1,209.00	$120,900.00	$1,249.34	$124,934.00
7	Insulator, Suspension, 138 kV, 30kip, 72.6" Long, 156.7" Leakage, Y-Clevis - Ball (ANSI 52-5)	Ohio Brass S030060S2010 /MacLean S54080061VXSS025	Ohio Brass/MacLean	300	EA	**$171.00**	**$51,300.00**	$191.70	$57,510.00	$209.00	$62,700.00	$210.53	$63,159.00
8	Insulator, Line Post, 2.5", 161 kV, 69.9" Horiz, 163.5" Leakage, 2H Drop Tongue, Steel Gain Base 9.75"-12.25" (15/16" Holes)	Ohio Brass P250058S0020 /MacLean H29010060AXSS023	Ohio Brass/MacLean	10	EA	**$536.00**	**$5,360.00**	$542.00	$5,420.00	$606.00	$6,060.00	$626.14	$6,261.40
9	Insulator, Suspension 138kV, 25kip, 60" Long, 140.1" Leakage, Y-Clevis Ball (ANSI 52-5)	Ohio Brass S025051S2010 /MacLean S14080048MXAL031	Ohio Brass/MacLean	100	EA	**$130.00**	**$13,000.00**	$139.80	$13,980.00	$148.00	$14,800.00	$152.63	$15,263.00
10	Insulator, Line Post, 2.5" 161 kV, 70.3" Horiz, 163.5" Leakage, Trunnion Clamp, Steel Gain Base 8"x10"-12" (13/16" Holes)	Ohio Brass P250058S0130 /MacLean H21020060AXSS023	Ohio Brass/MacLean	50	EA	**$484.00**	**$24,200.00**	$525.85	$26,292.50	$560.00	$28,000.00	$578.51	$28,925.50
11	Insulator, Line Post, 2.5", 161 kV, 69.6" Horiz, 156.5" Leakage, 2H Drop Tongue, Steel Flat Base 8"x10"-12" (13/16" Holes)	Ohio Brass BLP058F12011/MacLean B2101070B11096AX		10	EA	**$812.00**	**$8,120.00**	$818.00	$8,180.00	$912.00	$9,120.00	$943.06	$9,430.60
12	Insulator, Vertical Line Post, 2.5", 161kV Polymer, 57" Long, 5" Bolt Circle Both Ends w/ Thru Holes, 111.7" Leakage	Ohio Brass P250048S5150 /MacLean H25050050MXSS026	Ohio Brass/MacLean	50	EA	**$403.00**	**$20,150.00**	$435.00	$21,750.00	$466.00	$23,300.00	$481.44	$24,072.00
13	Insulator, Station Post Hi*Lite II	Ohio Brass 2326853001/MacLean NPP 20 XG 15 S	Ohio Brass/MacLean	10	EA	**$89.00**	**$890.00**	$95.30	$953.00	$101.00	$1,010.00	$104.67	$1,046.70
14	Insulator, Line Post Assy W/SIL INS, Turn buckles, Shackles, 8x10" AL Flat Base, 151" Leakage	Ohio Brass BLP058G12006	Ohio Brass	10	EA	**$838.00**	**$8,380.00**	$825.00	$8,250.00	$1,070.00	$10,700.00	$976.59	$9,765.90
					Total:	**$246,360.00**		$267,687.20		$289,710.00		$295,913.00	

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH TEXAS ELECTRIC COOPERATIVES, INC., TO SUPPLY POLYMER INSULATORS FOR DENTON MUNICIPAL ELECTRIC SUBSTATIONS TO BE STOCKED IN THE CITY OF DENTON WAREHOUSE; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (IFB 9059 – AWARDED TO TEXAS ELECTRIC COOPERATIVES, INC., FOR ONE (1) YEAR, WITH THE OPTION OF FOUR (4) ADDITIONAL ONE (1) YEAR EXTENSIONS, IN THE TOTAL FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $850,000.00).

WHEREAS, the City has solicited, received, and tabulated competitive bids for the purchase of necessary materials, equipment, supplies, or services in accordance with the procedures of state law and city ordinances; and

WHEREAS, the City Manager, or a designated employee, has reviewed and recommended that the herein described bids are the lowest responsible bids for the materials, equipment, supplies, or services as shown in the "Bid Proposals" submitted therefore; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the City Council has provided in the City Budget for the appropriation of funds to be used for the purchase of the materials, equipment, supplies, or services approved and accepted herein; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The following competitive bids for the materials, equipment, supplies, or services as described in the "Bid Invitations", "Bid Proposals", or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned hereto, are hereby accepted and approved as being the lowest responsible bids:

BID NUMBER	VENDOR	AMOUNT
9059	Texas Electric Cooperatives, Inc.	$850,000.00

SECTION 2. That by the acceptance and approval of the above competitive bids the City accepts the offer of the persons submitting the bids for such items and agrees to purchase the materials, equipment, supplies, or services in accordance with the terms, specifications, standards, quantities, and for the specified sums contained in the Bid Invitations, Bid Proposals, and related documents.

SECTION 3. Should the City and the winning bidder(s) wish to enter into a formal written agreement as a result of the acceptance, approval, and awarding of the bids, the City Manager, or their designated representative, is hereby authorized to execute a written contract, which shall be attached hereto; provided that the written contract is in accordance with the terms, conditions, specifications, standards, quantities, and specified sums contained in the Bid Proposal and related documents, and to extend that contract as determined to be advantageous to the City of Denton.

SECTION 4. The City Council of the City of Denton hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 5. By the acceptance and approval of the above enumerated bids, the City Council hereby authorizes the expenditure of funds therefor in the amount and in accordance with the approved bids.

SECTION 6. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

Docusign Envelope ID: 12DF38C9-89EE-825D-810F-6E6C2A17EB1E

Docusign City Council Transmittal Coversheet

IFB	9059
File Name	Polymer Insulators
Purchasing Contact	Ginny Brummett
City Council Target Date	
Piggy Back Option	No
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: 12DF38C9-89EE-825D-810F-6E6C2A17EB1E

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND TEXAS ELECTRIC COOPERATIVES, INC.
(Contract #9059)

THIS CONTRACT is made and entered into this date _____, by and between Texas Electric Cooperatives, Inc., a Texas Corporation whose address 100 Cooperative Way, Georgetown, TX 78628, hereinafter referred to as "Contractor," and the **CITY OF DENTON, TEXAS**, a home rule municipal corporation, hereinafter referred to as "City," to be effective upon approval of the Denton City Council and subsequent execution of this Contract by the Denton City Manager or their duly authorized designee.

For and in consideration of the covenants and agreements contained herein, and for the mutual benefits to be obtained hereby, the parties agree as follows:

SCOPE OF SERVICES

Contractor shall provide products in accordance with the City's #9059 Polymer Insulators, a copy of which is on file at the office of Purchasing Agent and incorporated herein for all purposes. The Contract consists of this written agreement and the following items which are attached hereto, or on file, and incorporated herein by reference:

(a) Special Terms and Conditions **(Exhibit "A");**
(b) City of Denton's IFB#9059 (the "Solicitation") **(Exhibit "B" on file at the office of the Purchasing Agent**);
(c) City of Denton Standard Terms and Conditions **(Exhibit "C");**
(d) Certificate of Interested Parties Electronic Filing **(Exhibit "D");**
(e) Contractor's Proposal ("Contractor's Offer") **(Exhibit "E")**;
(f) Form CIQ – Conflict of Interest Questionnaire **(Exhibit "F")**

These documents make up the Contract documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the Contract documents, the inconsistency or conflict shall be resolved by giving precedence first to the written agreement then to the contract documents in the order in which they are listed above. These documents shall be referred to collectively as "Contract Documents."

Prohibition on Contracts with Companies Boycotting Israel
Contractor acknowledges that in accordance with Chapter 2271 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this Contract, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Energy Companies
Contractor acknowledges that in accordance with Chapter 2276 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies; and (2) will not boycott

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energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. ***By signing this agreement, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the Contract.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

Contractor acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. ***By signing this Contract, Contractor certifies that Contractor's signature provides written verification to the City that Contractor: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of this Contract against a firearm entity or firearm trade association.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

Prohibition On Contracts with Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Section 2252 of the Texas Government Code restricts City from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this Contract, Contractor certifies that Contractor's signature provides written verification to the City that Contractor, pursuant to Chapter 2252, is not ineligible to enter into this Contract and will not become ineligible to receive payments under this Contract by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Termination Right for Contracts with Companies Doing Business with Certain Foreign-Owned Companies

The City of Denton may terminate this Contract immediately without any further liability if the City of Denton determines, in its sole judgment, that this Contract meets the requirements under Chapter 2275, and Contractor is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or other designated country (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or other designated country, or (iii) is headquartered in China, Iran, North Korea, Russia, or other designated country.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

IN WITNESS WHEREOF, the parties of these presents have executed this Contract in the year and day first above written.

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BY:
CONTRACTOR
Texas Electric Cooperatives, Inc.

Signed by:
30F17A58398D49E...
Authorized Signature

Printed Name: CHAD MONTGOMERY

Title: Account Manager

Email Adress: cmontgomery@texas-ec.org

2026- 1483681
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

BY:
CITY OF DENTON, TEXAS

Cassey Ogden, Interim City Manager

ATTEST:

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Signed by: Leah Bush
3A6254145BDA469...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

DocuSigned by: Christine Taylor Christine Taylor
2B3E02ECE3184D8...
SIGNATURE

Assistant City Manager
TITLE

City Managers Office
DEPARTMENT

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Exhibit A
Special Terms and Conditions

1. The Quantities

The quantities indicated on Exhibit E are estimates based upon the best available information. The City reserves the right to increase or decrease the quantities to meet its actual needs without any adjustments in the bid price. Individual purchase orders will be issued on an as needed basis.

2. Product Changes During Contract Term

The Contractor shall not change specifications during the contract term without prior approval. Any deviation in the specifications or change in the product must be approved in advance by the City of Denton. Notice of a change shall be submitted in writing to purchasing@cityofdenton.com, with the above file number in the subject line, for review. Products found to have changed specifications without notification, and acceptance, will be returned at the contractor's expense. Products that have been installed will be replaced at the contractor's expense.

3. Authorized Distributor

The Contractor shall be the manufacturer or authorized distributor of the proposed products. The distributor shall be authorized to sell to the City of Denton and make available the manufacturer's representative as needed by the City.

4. Contract Terms

The contract term will be one (1) year, effective from date of award. The City and the Contractor shall have the option to renew this contract for an additional four (4) one-year periods.

The Contract shall commence upon the issuance of a Notice of Award by the City of Denton and shall automatically renew each year, from the date of award by City Council. The Contractor's request to not renew the contract must be submitted in writing to the Purchasing Manager at least 60 days prior to the contract renewal date for each year. At the sole option of the City of Denton, the Contract may be further extended as needed, not to exceed a total of six (6) months.

5. Price Escalation and De-escalation

On Contractor's request in the form stated herein, the City will implement an escalation/de-escalation price adjustment annually based on these special terms. Any request for price adjustment must be based on the, U.S Department of Labor, Bureau of Labor Statistics, Producer Price Index (PPI) or the manufacturer published pricing list. The maximum escalation will not exceed +/- 8% for any individual year. The escalation will be determined annually at the renewal date. The price will be increased or decreased based upon the annual percentage change in the PPI or the percentage change in the manufacturer's price list. Should the PPI or manufacturer price list change exceed a minimum threshold value of +/-1%, then the stated eligible bid prices shall be

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adjusted in accordance with the percent change not to exceed the 8% limit per year. The Contractor should provide documentation as percentage of each cost associated with the unit prices quoted for consideration.

Request must be submitted in writing with supporting evidence for need of such increase to the Purchasing Manager at least 60 days prior to contract expiration of each year. Respondent must also provide supporting documentation as justification for the request. If no request is made, then it will be assumed that the current contract price will be in effect.

Upon receipt of such request, the City of Denton reserves the right to either: accept the escalation as competitive with the general market price at the time, and become effective upon the renewal date of the contract award or reject the increases within 30 calendar days after receipt of a properly submitted request. If a properly submitted increase is rejected, the Contractor may request cancellation of such items from the Contract by giving the City of Denton written notice. Cancellation will not go into effect for 15 calendar days after a determination has been issued. Pre-price increase prices must be honored on orders dated up to the official date of the City of Denton approval and/or cancellation.

The request can be sent by e-mail to: purchasing@cityofdenton.com noting the solicitation number.

The City of Denton reserves the right to accept, reject, or negotiate the proposed price changes.

6. Total Contract Amount

The contract total shall not exceed $850,000.00. Pricing shall be per Exhibit E attached.

7. Delivery Lead Time

Product or services shall be delivered to the City per the weeks noted in Exhibit E after receipt of the order.

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Exhibit B
City of Denton's IFB 9059 File

On File at the Office of the Purchasing Agent

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Exhibit C
City of Denton
Standard Purchase Terms and Conditions

These standard Terms and Conditions and the Terms and Conditions, Specifications, Drawings and other requirements included in the City of Denton's contract are applicable to contracts/purchase orders issued by the City of Denton hereinafter referred to as the City or Buyer and the Seller or respondent herein after referred to as Contractor. Any deviations must be in writing and signed by a representative of the City's Procurement Department and the Contractor . No Terms and Conditions contained in the seller's proposal response, invoice, or statement shall serve to modify the terms set forth herein. If there is a conflict between the provisions on the face of the contract/purchase order these written provisions will take precedence.

The Contractor agrees that the Contract shall be governed by the following terms and conditions, unless exceptions are duly noted and fully negotiated. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, and 21 shall apply only to a solicitation to purchase goods, and sections 9, 10, 11, and 22 shall apply only to a solicitation to purchase services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable federal, State, and local laws, rules, and regulations.

2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation or Exhibit A, this Contract shall be effective as of the date this Contract is signed by the City and shall continue in effect until all obligations are performed in accordance with the Contract.

3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price unless otherwise provided in the Solicitation or Contractor's Offer, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address, purchase order or purchase release number, and the price agreement number, if applicable, (c) container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform to all the requirements of common carriers and any applicable specification. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.

4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the deliverables under reservation and no tender of a bill of lading will operate as a tender of deliverables.

5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the deliverables shall pass to the City only when the City actually receives and accepts the deliverables.

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6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Solicitation or Contractor's Offer. Unless otherwise stated in the Contractor's Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the deliverables. The place of delivery shall be that set forth in the purchase order.

7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the deliverables at delivery before accepting them, and to reject defective or non-conforming deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.

8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract to perform but not afterward. If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

9. **PLACE AND CONDITION OF WORK**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the Contract. The Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

The Contractor shall, at all times, exercise reasonable precautions for the safety of their employees, City Staff, participants and others on or near the City's facilities.

10. **WORKFORCE** This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way.

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A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
B. The Contractor, its employees, Subcontractors, and Subcontractor's employees may not (1) while engaged in, participating, or responding to a solicitation; or (2) while in the course and scope of delivering goods or services under a City of Denton contract; or (3) on the City's property.

i. use or possess a firearm, including a concealed handgun that is licensed under State law, except as required by the terms of the contract; or

ii. use or possess alcoholic or other intoxicating beverages, illegal drugs, or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs.
C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

IMMIGRATION: THE CONTRACTOR REPRESENTS AND WARRANTS THAT IT SHALL COMPLY WITH THE REQUIREMENTS OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986 AND 1990 REGARDING EMPLOYMENT VERIFICATION AND RETENTION OF VERIFICATION FORMS FOR ANY INDIVIDUALS HIRED ON OR AFTER NOVEMBER 6, 1986, WHO WILL PERFORM ANY LABOR OR SERVICES UNDER THE CONTRACT AND THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996 ("IIRIRA) ENACTED ON SEPTEMBER 30, 1996, AND SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY ACTION ARISING RELATED THERETO.

11. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS**: This paragraph only applies to the purchase of services to be primarily performed at the City's premises or on City property/right-of-way. The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules, and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. **THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, SUITS, ACTIONS, JUDGMENTS, FINES, PENALTIES AND LIABILITY OF EVERY KIND ARISING FROM THE BREACH OF THE CONTRACTOR'S OBLIGATIONS UNDER THIS PARAGRAPH.**

Environmental Protection: The Contractor shall be in compliance with all applicable standards, orders, or regulations issued pursuant to the mandates of the Clean Air Act (42 U.S.C. §7401 *et seq*.) and the Federal Water Pollution Control Act, as amended, (33 U.S.C. §1251 *et seq*.).

12. **INVOICES**:
A. The Contractor shall submit separate invoices on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
B. **Proper Invoices must include a unique invoice number, invoice date, the purchase order number, and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department**. Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name, remittance address and, if

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applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

F. Contractor must submit invoices no later than thirty (30) calendar days after termination or expiration of the Contract. Any invoices sent after that date will be considered noncompliant and will not be approved for payment.

13. **PAYMENT**:

A. All proper invoices need to be sent to Accounts Payable – accountspayable@cityofdenton.com. Approved invoices will be paid within thirty (30) calendar days of the invoice being received in Accounts Payable.

B. **If payment is not timely made, (per paragraph A); interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, including, but not limited to, those in Paragraph D , below, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**

C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches such shipment or delivery.

D. The City may withhold or set off the entire payment or part of any payment otherwise due to the Contractor to such extent as may be necessary on account of:

i. delivery of defective or non-conforming deliverables by the Contractor;

ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials, or equipment;

iv. damage to the property of the City or the City's agents, employees, or contractors, which is not covered by insurance required to be provided by the Contractor;

v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

vi. failure of the Contractor to submit proper invoices with purchase order number, all required attachments, and supporting documentation; or

vii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given to any awarded firm who is in arrears to the City for delinquent taxes of any kind or otherwise indebted to the City that the City shall be entitled to counterclaim and/or offset against any such debt, claim, demand, or account owed to the City through payment withholding until the debt is paid in full, and no assignment of such debt, claim, demand, or

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account after the said taxes or debt are due shall affect the right of the City to offset the said taxes or debt against same.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.

G. The Contractor acknowledges and agrees that the awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds appropriated and available for this Contract. The absence of appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City will not incur a debt or obligation to pay Contractor any amounts the City does not have the current funds available to pay. The City shall provide the Contractor written notice of the failure of the City to make an adequate appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of none or inadequate appropriation of funds, there will be no penalty or liability to the City, nor removal fees, cancellation fees, or the like charged to the City.

14. **TRAVEL EXPENSES**: All travel, lodging, and per diem expenses in connection with the Contract shall be paid by the Contractor, unless otherwise stated in the Contract Documents. During the term of this Contract, the Contractor shall bill and the City shall reimburse Contractor for all reasonable and approved out of pocket expenses which are incurred in the connection with the performance of duties hereunder. Notwithstanding the foregoing, expenses for the time spent by the Contractor in traveling to and from City facilities shall not be reimbursed, unless otherwise negotiated.

15. **FINAL PAYMENT AND CLOSE-OUT**:

A. If a DBE/MBE/WBE Program Plan is agreed to and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Purchasing Manager no later than the fifteenth (15^{th}) calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements as accepted by the City.

B. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. **SPECIAL TOOLS & TEST EQUIPMENT**: If the price stated on the Contractor's Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

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17. **RIGHT TO AUDIT**:

A. The Contractor agrees that the City shall, until the expiration of five (5) years after final payment under this Contract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, and computations pertaining to this Contract. If necessary, the City shall have the right to audit and make copies of the books, records, and computations pertaining to the Contract. The Contractor shall retain such books, records, documents, and other evidence pertaining to the Contract period and five (5) years thereafter, except if an audit is in progress or audit findings are yet unresolved, in which case records shall be kept until all audit tasks are completed and resolved. These books, records, documents, and other evidence shall be available, within ten (10) business days of written request. All books and records will be made available within a fifty (50) mile radius of the City of Denton if the vendor is not able to provide electronic access. The cost of the audit will be borne by the City unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the Contractor which must be payable within five (5) business days of receipt of an invoice.

B. The Contractor further agrees to include in all its subcontracts hereunder a provision to the effect that the Subcontractor, material supplier, or other payee agrees that the City shall, until the expiration of five (5) years after final payment under the subcontract unless required to be retained for longer under applicable law, have electronic access to and the right to examine all books, records, documents, and other evidence of the Subcontractor, material supplier, or other payee involving transactions relating to the subcontract. If necessary, the City maintains the right to photocopy any physical books, documents, papers, and records of the subconsultant involving transactions relating to the subcontract. All books and records will be made available within a fifty (50) mile radius of the City of Denton. The cost of the audit will be borne by the City unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the Contractor which must be payable within five (5) business days of receipt of an invoice.

C. Failure to comply with the provisions of this section shall be a material breach of the Contract and shall constitute, in the City's sole discretion, grounds for termination thereof. Each of the terms "books", "records", "documents", and "other evidence", as used above, shall be construed to include drafts and electronic files, even if such drafts or electronic files are subsequently used to generate or prepare a final printed document.

18. **SUBCONTRACTORS**:

A. If the Contractor-identified subcontractors ("Subcontractor") in a DBE/MBE/WBE agreed-to plan (the "Plan"), the Contractor shall comply with all requirements approved by the City. The Contractor shall not initially employ any subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing. No acceptance by the City of any subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Procurement Manager, no later than the tenth calendar day of each month.

B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract Documents, and shall contain provisions that:

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i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;

ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;

iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;

iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and

v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.

C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.

D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. **WARRANTY-PRICE**:

A. The Contractor warrants the prices quoted in the Contractor's Offer are no higher than the Contractor's current prices on orders by others for like deliverables under similar terms of purchase.

B. The Contractor certifies that the prices in the Contractor's Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.

C. In the event Contractor breaches this warranty, in addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like deliverables under similar terms of purchase, or in the alternative, the City may cancel this Contract without liability to Contractor for breach.

20. **WARRANTY – TITLE**: **THE CONTRACTOR WARRANTS THAT IT HAS GOOD AND INDEFEASIBLE TITLE TO ALL DELIVERABLES FURNISHED UNDER THE CONTRACT, AND THAT THE DELIVERABLES ARE FREE AND CLEAR OF ALL LIENS, CLAIMS, SECURITY INTERESTS, AND ENCUMBRANCES. THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL ADVERSE TITLE CLAIMS TO THE DELIVERABLES.**

21. **WARRANTY – DELIVERABLES**: The Contractor warrants and represents that all deliverables sold the City under the Contract shall be free from defects in design, workmanship, or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Contract Documents, to any samples furnished by the Contractor, to the terms, covenants, and conditions of the Contract, and to all applicable State, federal, or local laws, rules,

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and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the deliverables shall be new or recycled merchandise, and not used or reconditioned. In addition, Contractor warrants that the goods sold to City shall conform to the standards promulgated by the U.S. Department of Labor under the Occupational Safety and Health Act (OSHA). In the event the product does not conform to OSHA standards, City may return the product for correction or replacement at the Contractor's expense. In the event Contractor fails to make the appropriate correction within a reasonable time, correction made by City will be at Contractor's expense.

A. Recycled deliverables shall be clearly identified as such.

B. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.

C. Unless otherwise specified in the Contract or required by the Solicitation, the warranty period shall be at least one (1) year from the date of acceptance of the deliverables or from the date of acceptance of any replacement deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.

D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such deliverables from another source.

E. If the Contractor is not the manufacturer, and the deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.

F. Contractor shall not limit, exclude, or disclaim any implied warranties, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

22. **WARRANTY – SERVICES**: The Contractor warrants and represents that all services to be provided to the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable federal, State, and local laws, rules or regulations.

A. The Contractor may not limit, exclude, or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect, or alternatively, at the City's option, render this Contract voidable.

B. Unless otherwise specified in the Contract, the warranty period shall be at least one (1) year from the date of acceptance of the work. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor

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to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.

C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses, and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.

24. **RIGHT TO ASSURANCE**: Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified (being a minimum of 5 days) after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.

25. **STOP WORK NOTICE**: The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.

26. **DEFAULT**:

A. The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely, and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 25, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.

B. In the event the City terminates the awarded contract for default or any other reason, the Contractor shall not be relieved of liability to the City for damages sustained by the City by reason of any default of the contract by the Contractor or otherwise, and the City may withhold any payments to the Contractor for the purpose of an offset until such time as the amount of damages due the City from the Contractor can be determined.

27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such

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ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and/or any offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

28. **TERMINATION WITHOUT CAUSE**: The City shall have the right to terminate the Contract, in whole or in part, without cause and/or for convenience any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof, provided such payment amount is not disputed by City. The City reserves all rights, causes of action, and remedies available under law or in equity with respect to any dispute under this Contract and a termination under this provision does not waive such rights, causes of action, and remedies.

29. **FRAUD**: Fraudulent statements by the Contractor in any offer, Contract Document, or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

30. **DELAYS**:

A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in Paragraph 53. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in Contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. **TIME OF COMPLETION AND LIQUIDATED DAMAGES**: Contractor agrees and acknowledges that completing the services and/or delivering the goods described in this Contract

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in a timely manner is very important to the City. Contractor agrees to perform all obligations within the timeframes required. As it is impracticable and extremely difficult to fix the actual damages, if any, that may proximately result from a failure by Contractor to provide the goods or perform the service, should Contractor fail to timely perform its obligations, Contractor agrees to pay to City, or have withheld and offset from monies due it, the amount stated in the Contract Documents as liquidated damages for each calendar day of delay or nonperformance. Any sums due and payable hereunder by the Contractor shall be payable, not as a penalty, but as liquidated damages representing an estimate of delay damages likely to be sustained by the City, estimated at the time of executing this Contract. Execution of the Contract shall constitute agreement by the City and Contractor that said amount is the minimum value of the costs and actual damage caused by the Contractor's failure to timely perform. Adjustments to the contract times can only be made as provided in the Contract Documents and any conditions or specifications referenced therein.

32. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments, and liability of every character, type, or description, including all reasonable costs and expenses of litigation, mediation, or other alternate dispute resolution mechanism, including attorney and other professional fees for: (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and Subcontractors; the officers, agents, and employees of such Subcontractors; and third parties); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's Subcontractors, and third parties), ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct or a breach of any legally imposed strict liability standard.

B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

33. **LIMITATION OF LIABILITY**: This Contract does not, and shall not be interpreted to, contain an artificial limitation of liability (e.g. liability limited to contract price or liability capped at an amount actually paid in previous 3 months, etc.) or an artificial statute of limitations (e.g. any lawsuit must be commenced within one year of the event).

34. **INSURANCE**: The Contractor shall procure and maintain insurance of the types and in the minimum amounts acceptable to the City of Denton outlined in the Insurance Exhibit attached hereto, if applicable. The insurance shall be written by a company licensed to do business in the State of

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Texas and satisfactory to the City of Denton. The City of Denton reserves the right to add insurance during the contract term.
B. Specific Coverage Requirements: Specific insurance requirements are contained in the Solicitation and the Insurance Exhibit.

35. **CLAIMS**: If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Denton City Attorney. Personal delivery to the City Attorney shall be to City Hall, 215 East McKinney Street, Denton, Texas 76201.

36. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at 901B Texas Street, Denton, Texas 76209 and marked to the attention of the Purchasing Manager.

37. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, and Texas Government Code. The requirements of Subchapter J, Chapter 552 of the Texas Government Code, may apply to this Contract and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.

38. **INDEMNIFICATION AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. Moreover, Contractor does not know of any valid basis for any such claims. **THE CONTRACTOR SHALL, AT ITS SOLE EXPENSE, DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS FROM AND AGAINST ALL LIABILITY, DAMAGES, AND COSTS (INCLUDING COURT COSTS AND REASONABLE FEES OF ATTORNEYS AND OTHER PROFESSIONALS) ARISING OUT OF OR RESULTING FROM: (I) ANY CLAIM THAT THE CITY'S EXERCISE ANYWHERE IN THE WORLD OF THE RIGHTS ASSOCIATED WITH THE CITY'S' OWNERSHIP, AND IF APPLICABLE, LICENSE RIGHTS, AND ITS USE OF THE**

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DELIVERABLES INFRINGES THE INTELLECTUAL PROPERTY RIGHTS OF ANY THIRD PARTY; OR (II) THE CONTRACTOR'S BREACH OF ANY OF CONTRACTOR'S REPRESENTATIONS OR WARRANTIES STATED IN THIS CONTRACT. IN THE EVENT OF ANY SUCH CLAIM, THE CITY SHALL HAVE THE RIGHT TO MONITOR SUCH CLAIM OR AT ITS OPTION ENGAGE ITS OWN SEPARATE COUNSEL TO ACT AS CO-COUNSEL ON THE CITY'S BEHALF. FURTHER, CONTRACTOR AGREES THAT THE CITY'S SPECIFICATIONS REGARDING THE DELIVERABLES SHALL IN NO WAY DIMINISH CONTRACTOR'S WARRANTIES OR OBLIGATIONS UNDER THIS PARAGRAPH AND THE CITY MAKES NO WARRANTY THAT THE PRODUCTION, DEVELOPMENT, OR DELIVERY OF SUCH DELIVERABLES WILL NOT IMPACT SUCH WARRANTIES OF CONTRACTOR. THIS PARAGRAPH SHALL SURVIVE THE TERMINATION OF THIS CONTRACT.

39. **CONFIDENTIALITY**: In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.

40. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests throughout the world in and to the deliverables.

A. Patents. As to any patentable subject matter contained in the deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.

B. Copyrights. As to any deliverables containing copyrightable subject matter, the Contractor agrees that upon their creation, such deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such deliverables, provided however, that nothing in this Paragraph 41 shall negate the City's sole or joint ownership of any such deliverables arising by virtue of the City's sole or joint authorship of such deliverables. Should by operation of law, such deliverables not be considered works made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of) all worldwide right, title, and interest in and to such deliverables. With respect to such work made-

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for-hire, the Contractor agrees to execute, acknowledge, and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-made-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such deliverables to the City or at such other time as the City may request.

C. Additional Assignments. The Contractor further agrees to, and if applicable, cause each of its employees to, execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns and nominees, the sole and exclusive right, title, and interest in and to the deliverables. The Contractor's obligations to execute, acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 41 A., B., and C. shall continue after the termination of this Contract with respect to such deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the deliverables, but should desire to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph 40 above.

41. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

42. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent necessary to comply with proper requests for information from an authorized representative of the federal, State, or local government.

43. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

44. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Denton with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.

45. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: The Contractor agrees to comply with the conflict of interest provisions of the City of Denon Code of Ordinances

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and/or State law. No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation as defined in the City's Ethic Ordinance codified at Chapter 2, Article XI and in the City Charter Section 14.04, as amended. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Contractor shall complete and submit the City's Conflict of Interest Questionnaire. The Contractor agrees to maintain current, updated disclosure of information on file with the Procurement Department throughout the term of this Contract.

46. **NO SUBCONTRACTING BID AFTER AWARD**: Following the award of the Contract, no subcontracting except that specifically identified in the response to the Solicitation will be permitted without the express prior written consent of the City.

47. **NO GIFT OF PUBLIC PROPERTY**: The City will not agree to any terms or conditions that cause the City to lend its credit or grant public money or anything of value to the selected Contractor.

48. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City of Denton, Texas for the purposes of income tax, withholding, social security taxes, vacation or sick leave benefits, worker's compensation, or any other City employee benefit. The City shall not have supervision and control of the Contractor or any employee of the Contractor, and it is expressly understood that Contractor shall perform the services hereunder according to the attached specifications at the general direction of the City Manager of the City of Denton, Texas, or their designee under this Contract. The Contractor is expressly free to advertise and perform services for other parties while performing services for the City.

49. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this Paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there are no third party beneficiaries to the Contract.
The Vendor shall notify the City's Purchasing Manager, in writing, of a company name, ownership, or address change for the purpose of maintaining updated City records. The president of the company or authorized official must sign the letter. A letter indicating changes in a company name or ownership must be accompanied with supporting legal documentation such as an updated W-9, documents filed with the state indicating such change, copy of the board of director's resolution approving the action, or an executed merger or acquisition agreement. Failure to do so may adversely impact future invoice payments.

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50. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character. No delay, failure, or waiver of either party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy.

51. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document submitted to the City by Contractor shall have any force or effect to change the terms, covenants, and conditions of the Contract.

52. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or acquiescence in a course of performance rendered under this Contract shall not be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

53. **DISPUTE RESOLUTION**:

A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute, however any decision requiring approval of the City Council of the City will be required to be submitted to the City Council and the senior level person shall have authority to recommend approval of any resolution. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.

B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option; the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract

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interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Denton County Alternative Dispute Resolution Program (DCAP). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
C. The parties shall not be required to submit to binding arbitration.

54. **JURISDICTION AND VENUE**: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Denton County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

55. **INVALIDITY**: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

56. **HOLIDAYS:** The following holidays are observed by the City:

New Year's Day (observed)
Martin Luther King, Jr. Day
Memorial Day
Juneteenth
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Friday After Thanksgiving
Christmas Eve (observed)
Christmas Day (observed)

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday. Normal hours of operation shall be between 8:00 am and 4:00 pm, Monday through Friday, excluding City of Denton Holidays. Any scheduled deliveries or work performance not within the normal hours of operation **must be approved** by the City Manager of Denton, Texas or their authorized designee.

57. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose

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continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract for fifteen (15) years.

58. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**
The City of Denton is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Denton Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Denton.

59. **EQUAL OPPORTUNITY** Contractor agrees that during the performance of its contract it will:
A. Treat all applicants and employees without discrimination as to race, color, religion, sex, national origin, marital status, age, or handicap.
B. Identify itself as an "Equal Opportunity Employer" in all help wanted advertising or request. The Contractor shall be advised of any complaints filed with the City alleging that Contractor is not an Equal Opportunity Employer. The City reserves the right to consider its reports from its human relations administrator in response to such complaints in determining whether or not to terminate any portion of this contract for which purchase orders or authorities to deliver have not been included, however, the Contractor is specifically advised that no Equal Opportunity Employment complaint will be the basis for cancellation of this contract for which a purchase order has been issued or authority to deliver granted.
C. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice against individuals with disabilities as defined
in the ADA.

60. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain federally funded requirements)**
The following federally funded requirements are applicable. A. Definitions. As used in this paragraph –
i. "Component" means an article, material, or supply incorporated directly into an end product.
ii. "Cost of components" means -
(1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
(2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.
iii. "Domestic end product" means-
(1) An unmanufactured end product mined or produced in the United States; or
(2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency

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determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
v. "Foreign end product" means an end product other than a domestic end product.
vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Contractor shall submit documentation with their offer demonstrating that the article is on an approved Governmental list.
D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

61. **RIGHT TO INFORMATION:** The City of Denton reserves the right to use any and all information presented in any response to this Contract, whether amended or not, except as prohibited by law. Selection of rejection of the submittal does not affect this right.

62. **LICENSE FEES OR TAXES:** Provided the solicitation requires an awarded contractor or supplier to be licensed by the State of Texas, any and all fees and taxes are the responsibility of the respondent.

63. **PREVAILING WAGE RATES:** The Contractor shall comply with prevailing wage rates as defined by the United States Department of Labor Davis-Bacon Wage Determination at http://www.dol.gov/whd/contracts/dbra.htm and at the Wage Determinations website www.wdol.gov for Denton County, Texas (WD-2509).

64. **COMPLIANCE WITH ALL STATE, FEDERAL, AND LOCAL LAWS:** The Contractor or supplier shall comply with all State, federal, and local laws and requirements. The Contractor must comply with all applicable laws at all times, including, without limitation, the following: (i) §36.02 of the Texas Penal Code, which prohibits bribery; (ii) §36.09 of the Texas Penal Code, which prohibits the offering or conferring of benefits to public servants; and (iii) Chapter 552 of the Texas Government Code, which outlines policy for public information. The Contractor shall give all notices and comply with all laws and regulations applicable to furnishing and performance of the Contract.

65. **FEDERAL, STATE, AND LOCAL REQUIREMENTS:** Contractor shall demonstrate on-site compliance with the provisions of federal law dealing with issuance of Form W-2's to common law employees. Contractor is responsible for both federal and State unemployment insurance coverage and standard Workers' Compensation insurance coverage. Contractor shall ensure compliance with all federal and State tax laws and withholding requirements. The City of Denton shall not be liable to Contractor or its employees for any Unemployment or Workers' Compensation coverage, or federal or State withholding requirements. Contractor shall indemnify the City of Denton and shall pay all costs, penalties, or losses resulting from Contractor's omission or breach of this Section.

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66. **ATTORNEY'S FEES; LEGAL COSTS:** Contractor and City agree that the City will not be required to pay Contractor's attorney's fees or legal costs under any circumstances, unless expressly required by law.

67. **DRUG FREE WORKPLACE:** The Contractor shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 ET SEQ.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR Part 280, Subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

68. **CONTRACTOR LIABILITY FOR DAMAGE TO GOVERNMENT PROPERTY:** The Contractor shall be liable for all damages to government-owned, leased, or occupied property and equipment caused by the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any performance pursuant to the Contract. The Contractor shall notify the City of Denton Procurement Manager in writing of any such damage within one (1) calendar day.

69. **FORCE MAJEURE:** The City of Denton, any Customer, and the Contractor shall not be responsible for performance under the Contract should it be prevented from performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributable to the fault or negligence of the City of Denton. In the event of an occurrence under this Section, the Contractor will be excused from any further performance or observance of the requirements so affected for as long as such circumstances prevail and the Contractor continues to use commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay. The Contractor shall immediately notify the City of Denton Procurement Manager by telephone (to be confirmed in writing within five (5) calendar days of the inception of such occurrence) and describe at a reasonable level of detail the circumstances causing the non-performance or delay in performance.

70. **NON-WAIVER OF RIGHTS:** Failure of a Party to require performance by another Party under the Contract will not affect the right of such Party to require performance in the future. No delay, failure, or waiver of either Party's exercise or partial exercise of any right or remedy under the Contract shall operate to limit, impair, preclude, cancel, waive or otherwise affect such right or remedy. A waiver by a Party of any breach of any term of the Contract will not be construed as a waiver of any continuing or succeeding breach.

71. **NO WAIVER OF SOVEREIGN IMMUNITY:** The Parties expressly agree that no provision of the Contract is in any way intended to constitute a waiver by the City of Denton of any immunities from suit or from liability that the City of Denton may have by operation of law.

72. **RECORDS RETENTION:** The Contractor shall retain all financial records, supporting documents, statistical records, and any other records or books relating to the performances called for in the Contract. The Contractor shall retain all such records for a period of four (4) years after the expiration of the Contract, or until the CPA or State Auditor's Office is satisfied that all audit

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and litigation matters are resolved, whichever period is longer. The Contractor shall grant access to all books, records and documents pertinent to the Contract to the CPA, the State Auditor of Texas, and any federal governmental entity that has authority to review records due to federal funds being spent under the Contract. In the event the value of this Contract is One Million ($1,000,000) Dollars or greater: (i) all contracting information related to this contract will be preserved for the duration of the Contact; (ii) the Contractor shall provide any contracting information in its possession promptly upon request by the City; and (iii) at the expiration of this Contract, the Contractor will either provide all contracting information in its possession to the City or preserve same as required by the record retention requirements of the State of Texas.

73. **PROCUREMENT LAWS**: The City will not agree to any terms or conditions that cause the City to violate any federal, State, or local procurement laws, including its own Charter or Procurement Policy and any such laws included in boilerplate terms, online terms or other terms provided by the Contractor are considered null and void.

74. **AUTHORITY**: Contractor represents and warrants to the other that (a) it has company authority to execute and perform this Contract; (b) executing this Contract does not constitute a material conflict with, breach, or default under any applicable law, its respective organizational documents, or any documents, agreements, contracts or instruments which are binding upon it; and (c) this Contract creates valid, legal, and binding obligation enforceable against it, subject to applicable insolvency and bankruptcy laws. Contractor recognizes and agrees that a violation of this provision constitutes a material breach under this Contract.

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Exhibit D
Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish a Certificate of Interest Parties before the Contract is awarded, in accordance with Government Code 2252.908.

The Contractor shall:

1. Log onto the State Ethics Commission Website at :https://www.ethics.state.tx.us/filinginfo/1295/
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 9059 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

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Exhibit E-Pricing

9059 Polymer Insulators

Line #	Description	Mfgr	QTY	UOM	Unit	Delivery	Note
Electric Utility Polymer Insulators							
1	Insulator, Dead-end, 138 kV, Suspension, 50kip, 83.6" Long, 168.6" Leakage, Y-Clevis - Ball (ANSI 52-8)	MacLean S24080069VXSS026	10	EA	$198.00	14WKS	Order is pack of 6
2	Insulator, Line Post, 2.5", 161 kV, 69.6" Horiz, 163.5" Leakage, 2H Drop Tongue, Steel Flat Base 8"x10"-12" (13/16" Holes)	MacLean H21010060AXSS023	10	EA	$546.00	6 WKS	Order is pack of 1
3	Insulator, Deadend, 161 kV, Suspension, 25kip, 80.6" Long, 176.4" Leakage, Y-Clevis - Ball (ANSI 52-5)	MacLean S14080069VXSS028	10	EA	$172.00	14WKS	Order is pack of 33
4	Insulator, Deadend, 25 kV, Suspension, 15.7kip, 18.7" Long, 31.5" Leakage, Clevis-Tongue (Rotated)	MacLean DS-25M	100	EA	**$17.00**	1 WKS	Order is pack of 6
5	Insulator, Braced Post Assembly, 138 kV, 156.6" Leakage, Ram Bundle, Turnbuckle, Steel Flat Base 10"x 14.5" (13/16" Holes)	MacLean B210F075T51096AX	100	EA	$1,041.00	22 WKS	Order is pack of 8
6	Insulator, Suspension, 138 kV, 30kip, 72.6" Long, 156.7" Leakage, Y-Clevis - Ball (ANSI 52-5)	MacLean S54080061VXSS025	300	EA	$171.00	14 WKS	Order is pack of 33
7	Insulator, Line Post, 2.5", 161 kV, 69.9" Horiz, 163.5" Leakage, 2H Drop Tongue, Steel Gain Base 9.75"-12.25" (15/16" Holes)	MacLean H29010060AXSS023	10	EA	$536.00	6 WKS	Order is pack of10
8	Insulator, Suspension 138kV, 25kip, 60" Long, 140.1" Leakage, Y-Clevis Ball (ANSI 52-5)	MacLean S14080048MXAL031	100	EA	$130.00	10 WKS	Order is pack of 1
9	Insulator, Line Post, 2.5" 161 kV, 70.3" Horiz, 163.5" Leakage, Trunnion Clamp, Steel Gain Base 8"x10"-12" (13/16" Holes)	MacLean H21020060AXSS023	50	EA	$484.00	6 WKS	Order is pack of 33

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10	Insulator, Line Post, 2.5", 161 kV, 69.6" Horiz, 156.5" Leakage, 2H Drop Tongue, Steel Flat Base 8"x10"-12" (13/16" Holes)	MacLean B2101070B11096AX	10	EA	$812.00	13 WKS	Order is pack of 8
11	Insulator, Vertical Line Post, 2.5", 161kV Polymer, 57" Long, 5" Bolt Circle Both Ends w/ Thru Holes, 111.7" Leakage	MacLean H25050050MXSS026	50	EA	$403.00	6 WKS	Order is pack of 18
12	Insulator, Station Post Hi*Lite II	MacLean NPP 20 XG 15 S	10	EA	$89.00	1 WKS	Order is pack of 33
13	Insulator, Line Post Assy W/SIL INS, Turn buckles, Shackles, 8x10" AL Flat Base, 151" Leakage	MacLean B2901070B11096AX	10	EA	$838.00	13 WKS	Order is pack of 8

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CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a) and by City of Denton Ethics Code, Ordinance 18-757.
By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

TEXAS ELECTRIC COOPERATIVES, INC.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information in this section is being disclosed.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government officer. This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☐ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☐ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

☐ Yes ☐ No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 ☒ **I have no Conflict of Interest to disclose.**

5 Signed by:

30F17A58398D49E...

Signature of vendor doing business with the governmental entity

7/16/2026

Date

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CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

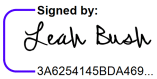
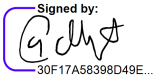
Certificate Of Completion

Envelope Id: 12DF38C9-89EE-825D-810F-6E6C2A17EB1E
Status: Sent
Subject: Please DocuSign: City Council Contract 9059 Polymer Insulators
Source Envelope:
Document Pages: 33
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Christa Christian
901B Texas Street
Denton, TX 76209
Christa.Christian@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
7/7/2026 3:37:58 PM
Holder: Christa Christian
Christa.Christian@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Christa Christian Christa.Christian@cityofdenton.com Purchasing Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.10	Sent: 7/7/2026 3:38:48 PM Viewed: 7/7/2026 3:38:57 PM Signed: 7/7/2026 3:39:02 PM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/7/2026 3:39:04 PM Viewed: 7/7/2026 4:27:57 PM Signed: 7/7/2026 4:28:14 PM
Leah Bush leah.bush@cityofdenton.com Assistant City Attorney Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 7/7/2026 4:28:16 PM Viewed: 7/10/2026 3:54:36 PM Signed: 7/10/2026 4:04:42 PM
CHAD MONTGOMERY cmontgomery@texas-ec.org Account Manager Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/16/2026 7:01:46 PM ID: b4d2c65f-5de8-4979-96e8-973c6de53171	 Signature Adoption: Drawn on Device Using IP Address: 2605:59c8:4586:2308:edca:1909:a58:7289 Signed using mobile	Sent: 7/10/2026 4:04:44 PM Viewed: 7/16/2026 7:01:46 PM Signed: 7/16/2026 7:09:47 PM

Signer Events	Signature	Timestamp
Christine Taylor christine.taylor@cityofdenton.com Assistant City Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	DocuSigned by: Christine Taylor 2B3E02ECE3184D8... Signature Adoption: Pre-selected Style Using IP Address: 47.184.112.118 Signed using mobile	Sent: 7/16/2026 7:09:51 PM Viewed: 7/16/2026 7:27:11 PM Signed: 7/16/2026 7:28:18 PM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 7/16/2026 7:28:21 PM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Kristi Fogle kristi.fogle@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/17/2026 10:04:02 AM ID: 4870ad15-76eb-46fd-ab65-c7c44f83773e		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/7/2026 3:39:04 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 7/16/2026 7:28:21 PM Viewed: 7/20/2026 3:03:06 PM

Carbon Copy Events	Status	Timestamp
Electronic Record and Signature Disclosure: Not Offered via Docusign		
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Keith Kading keith.kading@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/23/2026 4:24:40 PM ID: a6746305-ad9c-4ae4-b07a-7860365df1ed		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/7/2026 3:38:48 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a first amendment to a Professional Services Agreement between the City of Denton and Terracon Consulting, Inc., amending the contract approved by City Council on February 18, 2025, in the not-to-exceed amount of $228,838.00; said first amendment to provide additional construction materials testing for Fire Station #5 and Fire Station #6 Projects for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7703-006 – providing for an additional first amendment expenditure amount not-to-exceed $67,196.00, with the total contract amount not-to-exceed $296,034.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

On February 18, 2025, the City of Denton entered into an agreement with Terracon Consultants, Inc. to provide construction materials testing services for Fire Station No. 5, Fire Station No. 6, and the Solid Waste Fleet projects. As vertical construction has progressed, additional construction observations have become necessary to ensure the proper installation and performance of the building envelope systems. These services include verification of general conformance with construction documents, evaluation of constructability issues related to the building envelope, and field testing of newly installed window systems.

To complete these tasks, Terracon must perform specialized materials testing that requires the use of advanced laboratory equipment capable of assessing temperature, humidity, soils, concrete, structural steel, aggregates, and other components, as well as conducting special inspections for structural steel.

The proposed contract amendment provides the additional funding required to complete these expanded testing and inspection services. City staff have reviewed the requested increase and determined that it is necessary, consistent with the original project scope, and aligned with the unit pricing established in the master agreement.

Request for Qualifications for materials testing services for Facilities Management was solicited using the City's formal solicitation process. City Council approved a pre-qualified list of professional service firms on July 20, 2021 (Ordinance 21-1437).

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On July 20, 2021, City Council approved RFQ 7703 for a prequalified list of material testing firms for vertical construction projects (Ordinance 21-1437).

On February 18, 2025, City Council approved a contract with Terracon Consultants, Inc., in the not-to-exceed amount of $228,838 (Ordinance 25-282).

RECOMMENDATION

Award Amendment No. 1 with Terracon Consultants, Inc., to provide additional construction materials testing for Fire Station #5 and Fire Station #6 Projects for the Capital Projects Department, in a not-to-exceed amount of $67,196, for a total amended contract amount of $296,034.

PRINCIPAL PLACE OF BUSINESS

Terracon Consultants, Inc.
Dallas, TX

SUSTAINABILITY MEASURES

New building construction and renovations focus on Energy Conservation and Efficiency, including the pursuit of renewable technologies, energy conservation, and adherence to the International Energy Conservation Code (IECC).

ESTIMATED SCHEDULE OF PROJECT

The Solid Waste Fleet Shop project is complete. The Fire Station #5 Project is expected to be completed in May 2027, and the Fire Station # 6 project is expected to be completed in December 2026.

FISCAL INFORMATION

These services will be funded from a combination of the accounts listed below.

Fire Station 5	250134475.1360.40100	$41,590
Fire Station 6	100392475.1360.40100	$25,606

Purchase Order #210656 will be revised to include the first amendment amount of $67,196. The total amended amount of this contract is $296,034.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Original Ordinance and Contract
Exhibit 3: Ordinance and Amendment 1

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Seth Garcia, 940-349-8938.

Legal point of contact: Leah Bush at 940-349-8333.

ORDINANCE NO. 25-282

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH TERRACON CONSULTANTS, INC., FOR THE CONSTRUCTION MATERIALS TESTING OF FIRE STATION #5, FIRE STATION #6, AND THE SOLID WASTE FLEET SHOP FOR THE CAPITAL PROJECTS DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 7703-006 – PROFESSIONAL SERVICES AGREEMENT FOR PROFESSIONAL SERVICES AWARDED TO TERRACON CONSULTANTS, INC., IN THE NOT-TO-EXCEED AMOUNT OF $228,838.00).

WHEREAS, on July 20, 2021, the City Council approved a pre-qualified professional and engineer list (Ordinance 21-1437); and

WHEREAS, the professional services provider (the "Provider) mentioned in this ordinance is being selected as the most highly qualified on the basis of its demonstrated competence and qualifications to perform the proposed professional services; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the fees under the proposed contract are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees published by the professional associations applicable to the Provider's profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager, or their designee, is hereby authorized to enter into the professional service contract attached hereto with Terracon Consultants, Inc., for the construction materials testing of Fire Station # 5, Fire Station # 6, and Solid Waste Fleet Shop for the Capital Projects Department .

SECTION 2. The City Manager, or their designee, is authorized to expend funds as required by the attached contract.

SECTION 3. The City Council of the City of Denton, Texas hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, Texas, or their designee.

SECTION 4. The findings in the preamble of this ordinance are incorporated herein by reference.

SECTION 5. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by Joe Holland and seconded by Brandon Chase McGee. This ordinance was passed and approved by the following vote [7 - 0]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	X			
Vicki Byrd, District 1:	X			
Brian Beck, District 2:	X			
Paul Meltzer, District 3:	X			
Joe Holland, District 4:	X			
Brandon Chase McGee, At Large Place 5:	X			
Jill Jester, At Large Place 6:	X			

PASSED AND APPROVED this the 18th day of February, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: Lauren Thoden

CITY OF DENTON DENTON, TEXAS

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

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Docusign City Council Transmittal Coversheet

PSA	7703-006
File Name	FS5&6, SW Fleet Shop Material Testing
Purchasing Contact	Erica Garcia
City Council Target Date	FEBRUARY 18, 2025
Piggy Back Option	Not Applicable
Contract Expiration	N/A
Ordinance	25-282

DS
LH

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CITY OF DENTON, TEXAS

STANDARD AGREEMENT FOR ENGINEERING RELATED PROFESSIONAL SERVICES

This AGREEMENT is between the City of Denton, a Texas home-rule municipality ("CITY"), and Terracon Consultants, Inc., with its corporate office at 10841 S. Ridgeview Road, Olathe, KS 66061 and authorized to do business in Texas, ("ENGINEER"), for a PROJECT generally described as: Material Testing for Fire Stations 5 & 6 and the Solid Waste Fleet Shop (the "PROJECT").

SECTION 1
Scope of Services

A. The CITY hereby agrees to retain the ENGINEER, and the ENGINEER hereby agrees to perform, professional engineering services set forth in the Scope of Services attached hereto as Attachment A. These services shall be performed in connection with the PROJECT.

B. Additional services, if any, will be requested in writing by the CITY. CITY shall not pay for any work performed by ENGINEER or its consultants, subcontractors and/or suppliers that has not been ordered in advance and in writing. It is specifically agreed that ENGINEER shall not be compensated for any additional work resulting from oral orders of any person.

SECTION 2
Compensation and Term of Agreement

A. The ENGINEER shall be compensated for all services provided pursuant to this AGREEMENT in an amount not to exceed $228,838 in the manner and in accordance with the fee schedule as set forth in Attachment A. Payment shall be considered full compensation for all labor, materials, supplies, and equipment necessary to complete the services described in Attachment A.

B. Unless otherwise terminated pursuant to Section 6. D. herein, this AGREEMENT shall be for a term beginning upon the effective date, as described below, and shall continue for a period which may reasonably be required for the completion of the PROJECT, until the expiration of the funds, or completion of the PROJECT and acceptance by the CITY, whichever occurs first. ENGINEER shall proceed diligently with the PROJECT to completion as described in the PROJECT schedule as set forth in Attachment A.

SECTION 3
Terms of Payment

Payments to the ENGINEER will be made as follows:

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A. Invoice and Payment

(1) The Engineer shall provide the City sufficient documentation, including but not limited to meeting the requirements set forth in the PROJECT schedule as set forth in Attachment A to reasonably substantiate the invoices.

(2) The ENGINEER will issue monthly invoices for all work performed under this AGREEMENT. Invoices for the uncontested performance of the particular services are due and payable within 30 days of receipt by City.

(3) Upon completion of services enumerated in Section 1, the final payment of any balance for the uncontested performance of the services will be due within 30 days of receipt of the final invoice.

(4) In the event of a disputed or contested billing, only that portion so contested will be withheld from payment, and the undisputed portion will be paid. The CITY will exercise reasonableness in contesting any bill or portion thereof. No interest will accrue on any contested portion of the billing until mutually resolved.

(5) If the CITY fails to make payment in full to ENGINEER for billings contested in good faith within 60 days of the amount due, the ENGINEER may, after giving 7 days' written notice to CITY, suspend services under this AGREEMENT until paid in full. In the event of suspension of services, the ENGINEER shall have no liability to CITY for delays or damages caused the CITY because of such suspension of services.

SECTION 4
Obligations of the Engineer

A. General

The ENGINEER will serve as the CITY's professional engineering representative under this AGREEMENT, providing professional engineering consultation and advice and furnishing customary services incidental thereto.

B. Standard of Care

The ENGINEER shall perform its services:

(1) with the professional skill and care ordinarily provided by competent engineers practicing in the same or similar locality and under the same or similar circumstances and professional license; and

(2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

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C. Subsurface Investigations

(1) The ENGINEER shall advise the CITY with regard to the necessity for subcontract work such as special surveys, tests, test borings, or other subsurface investigations in connection with design and engineering work to be performed hereunder. The ENGINEER shall also advise the CITY concerning the results of same. Such surveys, tests, and investigations shall be furnished by the CITY, unless otherwise specified in Attachment A.

(2) In soils, foundation, groundwater, and other subsurface investigations, the actual characteristics may vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that could affect the total PROJECT cost and/or execution. These conditions and cost/execution effects are not the responsibility of the ENGINEER.

D. Preparation of Engineering Drawings

The ENGINEER will provide to the CITY the original drawings of all plans in ink on reproducible mylar sheets and electronic files in .pdf format, or as otherwise approved by CITY, which shall become the property of the CITY. CITY may use such drawings in any manner it desires; provided, however, that the ENGINEER shall not be liable for the use of such drawings for any project other than the PROJECT described herein.

E. Engineer's Personnel at Construction Site

(1) The presence or duties of the ENGINEER's personnel at a construction site, whether as on-site representatives or otherwise, do not make the ENGINEER or its personnel in any way responsible for those duties that belong to the CITY and/or the CITY's construction contractors or other entities, and do not relieve the construction contractors or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with the AGREEMENT Documents and any health or safety precautions required by such construction work. The ENGINEER and its personnel have no authority to exercise any control over any construction contractor or other entity or their employees in connection with their work or any health or safety precautions.

(2) Except to the extent of specific site visits expressly detailed and set forth in Attachment A, the ENGINEER or its personnel shall have no obligation or responsibility to visit the construction site to become familiar with the progress or quality of the completed work on the PROJECT or to determine, in general, if the work on the PROJECT is being performed in a manner indicating that the

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PROJECT, when completed, will be in accordance with the AGREEMENT Documents, nor shall anything in the AGREEMENT Documents or this AGREEMENT between CITY and ENGINEER be construed as requiring ENGINEER to make exhaustive or continuous on-site inspections to discover latent defects in the work or otherwise check the quality or quantity of the work on the PROJECT. If the ENGINEER makes on-site observation(s) of a deviation from the AGREEMENT Documents, the ENGINEER shall inform the CITY.

(3) When professional certification of performance or characteristics of materials, systems or equipment is reasonably required to perform the services set forth in the Scope of Services, the ENGINEER shall be entitled to rely upon such certification to establish materials, systems or equipment and performance criteria to be required in the AGREEMENT Documents.

F. Opinions of Probable Cost, Financial Considerations, and Schedules

(1) The ENGINEER shall provide opinions of probable costs based on the current available information at the time of preparation, in accordance with Attachment A.

(2) In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for the PROJECT, the ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate PROJECT cost or schedule. Therefore, the ENGINEER makes no warranty that the CITY's actual PROJECT costs, financial aspects, economic feasibility, or schedules will not vary from the ENGINEER's opinions, analyses, projections, or estimates.

G. Construction Progress Payments

Recommendations by the ENGINEER to the CITY for periodic construction progress payments to the construction contractor will be based on the ENGINEER's knowledge, information, and belief from selective sampling and observation that the work has progressed to the point indicated. Such recommendations do not represent that continuous or detailed examinations have been made by the ENGINEER to ascertain that the construction contractor has completed the work in exact accordance with the AGREEMENT Documents; that the final work will be acceptable in all respects; that the ENGINEER has made an examination to ascertain how or for what purpose the construction contractor has used the moneys paid; that title to any of the work, materials, or equipment has passed to the CITY free and clear of liens, claims, security interests, or encumbrances; or that there are not other matters at issue between the CITY and the construction contractor that affect the amount that should be paid.

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H. Record Drawings

Record drawings, if required, will be prepared, in part, on the basis of information compiled and furnished by others, and may not always represent the exact location, type of various components, or exact manner in which the PROJECT was finally constructed. The ENGINEER is not responsible for any errors or omissions in the information from others that is incorporated into the record drawings.

I. Right to Audit

(1) ENGINEER agrees that the CITY shall, until the expiration of five (5) years after final payment under this AGREEMENT, have access to and the right to examine and photocopy any directly pertinent books, documents, papers and records of the ENGINEER involving transactions relating to this AGREEMENT. ENGINEER agrees that the CITY shall have access during normal working hours to all necessary ENGINEER facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this section. The CITY shall give ENGINEER reasonable advance notice of intended audits.

(2) ENGINEER further agrees to include in all its subconsultant agreements hereunder a provision to the effect that the subconsultant agrees that the CITY shall, until the expiration of five (5) years after final payment under the subcontract, have access to and the right to examine and photocopy any directly pertinent books, documents, papers and records of such subconsultant, involving transactions to the subcontract, and further, that the CITY shall have access during normal working hours to all subconsultant facilities, and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with the provisions of this section together with subsection (3) hereof. CITY shall give subconsultant reasonable advance notice of intended audits.

(3) ENGINEER and subconsultant agree to photocopy such documents as may be requested by the CITY. The CITY agrees to reimburse ENGINEER for the cost of copies at the rate published in the Texas Administrative Code in effect as of the time copying is performed.

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J. INSURANCE

(1) ENGINEER'S INSURANCE

a. Commercial General Liability – the ENGINEER shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than $1,000,000.00 per each occurrence with a $2,000,000.00 aggregate. If such Commercial General Liability insurance contains a general aggregate limit, it shall apply separately to this PROJECT or location.

   i. The CITY shall be included as an additional insured with all rights of defense under the CGL, using ISO additional insured endorsement or a substitute providing equivalent coverage, and under the commercial umbrella, if any. This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to the CITY. The Commercial General Liability insurance policy shall have no exclusions or endorsements that would alter or nullify: premises/operations, products/completed operations, contractual, personal injury, or advertising injury, which are normally contained within the policy, unless the CITY specifically approves such exclusions in writing.

   ii. ENGINEER waives all rights against the CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained in accordance with this AGREEMENT.

b. Business Auto – the ENGINEER shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit of not less than $1,000,000 each accident. Such insurance shall cover liability arising out of "any auto", including owned, hired, and non-owned autos, when said vehicle is used in the course of the PROJECT. If the engineer owns no vehicles, coverage for hired or non-owned is acceptable.

   i. ENGINEER waives all rights against the CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the business auto liability or commercial umbrella liability insurance obtained by ENGINEER pursuant to this AGREEMENT or under any applicable auto physical damage coverage.

c. Workers' Compensation – ENGINEER shall maintain workers compensation and employers liability insurance and, if necessary,

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commercial umbrella liability insurance with a limit of not less than $100,000.00 each accident for bodily injury by accident or $100,000.00 each employee for bodily injury by disease, with $500,000.00 policy limit.

i. ENGINEER waives all rights against the CITY and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by workers compensation and employer's liability or commercial umbrella insurance obtained by ENGINEER pursuant to this AGREEMENT.

d. Professional Liability – ENGINEER shall maintain professional liability, a claims-made policy, with a minimum of $1,000,000.00 per claim and aggregate. The policy shall contain a retroactive date prior to the date of the AGREEMENT or the first date of services to be performed, whichever is earlier. Coverage shall be maintained for a period of 5 years following the completion of the AGREEMENT. An annual certificate of insurance specifically referencing this PROJECT shall be submitted to the CITY for each year following completion of the AGREEMENT.

(2) GENERAL INSURANCE REQUIREMENTS

a. Certificates of insurance evidencing that the ENGINEER has obtained all required insurance shall be attached to this AGREEMENT prior to its execution.

b. Applicable policies (excluding Professional Liability and Worker's Compensation) shall be endorsed to name the CITY an Additional Insured thereon, subject to any defense provided by the policy, as its interests may appear. The term CITY shall include its employees, officers, officials, as respects the contracted services.

c. Certificate(s) of insurance shall document that insurance coverage specified in this AGREEMENT are provided under applicable policies documented thereon.

d. Any failure on part of the CITY to attach the required insurance documentation hereto shall not constitute a waiver of the insurance requirements.

e. A minimum of thirty (30) days notice of cancellation or material change in coverage shall be provided to the CITY. A ten (10) days notice shall be acceptable in the event of non-payment of premium. Notice shall be sent to the respective Department Director (by name), City of Denton, 901 Texas Street, Denton, Texas 76209.

f. Insurers for all policies must be authorized to do business in the State of

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Texas and have a minimum rating of A:V or greater, in the current A.M. Best Key Rating Guide or have reasonably equivalent financial strength and solvency to the satisfaction of Risk Management.

g. Any deductible or self insured retention in excess of $25,000.00 that would change or alter the requirements herein is subject to approval by the CITY in writing, if coverage is not provided on a first-dollar basis. The CITY, at it sole discretion, may consent to alternative coverage maintained through insurance pools or risk retention groups. Dedicated financial resources or letters of credit may also be acceptable to the CITY.

h. Applicable policies shall each be endorsed with a waiver of subrogation in favor of the CITY as respects the PROJECT.

i. The CITY shall be entitled, upon its request and without incurring expense, to review the ENGINEER's insurance policies including endorsements thereto and, at the CITY's discretion; the ENGINEER may be required to provide proof of insurance premium payments.

j. Lines of coverage, other than Professional Liability, underwritten on a claims-made basis, shall contain a retroactive date coincident with or prior to the date of the AGREEMENT. The certificate of insurance shall state both the retroactive date and that the coverage is claims-made.

k. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption nor restrictive modification or changes from date of commencement of the PROJECT until final payment and termination of any coverage required to be maintained after final payments.

l. The CITY shall not be responsible for the direct payment of any insurance premiums required by this AGREEMENT.

m. Sub consultants and subcontractors to/of the ENGINEER shall be required by the ENGINEER to maintain the same or reasonably equivalent insurance coverage as required for the ENGINEER. When sub consultants/subcontractors maintain insurance coverage, ENGINEER shall provide CITY with documentation thereof on a certificate of insurance.

K. Independent Consultant

The ENGINEER agrees to perform all services as an independent consultant and not as a subcontractor, agent, or employee of the CITY. The doctrine of *respondeat superior* shall not apply.

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L. Disclosure

The ENGINEER acknowledges to the CITY that it has made full disclosure in writing of any existing conflicts of interest or potential conflicts of interest, including personal financial interest, direct or indirect, in property abutting the proposed PROJECT and business relationships with abutting property cities. The ENGINEER further acknowledges that it will make disclosure in writing of any conflicts of interest that develop subsequent to the signing of this AGREEMENT and prior to final payment under the AGREEMENT.

M. Asbestos or Hazardous Substances

(1) If asbestos or hazardous substances in any form are encountered or suspected, the ENGINEER will stop its own work in the affected portions of the PROJECT to permit testing and evaluation.

(2) If asbestos or other hazardous substances are suspected, the CITY may request the ENGINEER to assist in obtaining the services of a qualified subcontractor to manage the remediation activities of the PROJECT.

N. Permitting Authorities - Design Changes

If permitting authorities require design changes so as to comply with published design criteria and/or current engineering practice standards which the ENGINEER should have been aware of at the time this AGREEMENT was executed, the ENGINEER shall revise plans and specifications, as required, at its own cost and expense. However, if design changes are required due to the changes in the permitting authorities' published design criteria and/or practice standards criteria which are published after the date of this AGREEMENT which the ENGINEER could not have been reasonably aware of, the ENGINEER shall notify the CITY of such changes and an adjustment in compensation will be made through an amendment to this AGREEMENT.

O. Schedule

ENGINEER shall manage the PROJECT in accordance with the schedule developed per Attachment A to this AGREEMENT.

P. Equal Opportunity

(1) **Equal Employment Opportunity:** ENGINEER and ENGINEER's agents shall engage in any discriminatory employment practice. No person shall, on the grounds of race, sex, sexual orientation, age, disability, creed, color, genetic testing, or national origin, be refused the benefits of, or be otherwise subjected to discrimination under any activities resulting from this AGREEMENT.

(2) **Americans with Disabilities Act (ADA) Compliance:** ENGINEER and

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ENGINEER's agents shall not engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

SECTION 5
Obligations of the City

A. City-Furnished Data

ENGINEER may rely upon the accuracy, timeliness, and completeness of the information provided by the CITY.

B. Access to Facilities and Property

The CITY will make its facilities accessible to the ENGINEER as required for the ENGINEER's performance of its services. The CITY will perform, at no cost to the ENGINEER, such tests of equipment, machinery, pipelines, and other components of the CITY's facilities as may be required in connection with the ENGINEER's services. The CITY will be responsible for all acts of the CITY's personnel.

C. Advertisements, Permits, and Access

Unless otherwise agreed to in the Scope of Services, the CITY will obtain, arrange, and pay for all advertisements for bids; permits and licenses required by local, state, or federal authorities; and land, easements, rights-of-way, and access necessary for the ENGINEER's services or PROJECT construction.

D. Timely Review

The CITY will examine the ENGINEER's studies, reports, sketches, drawings, specifications, proposals, and other documents; obtain advice of an attorney, insurance counselor, accountant, auditor, bond and financial advisors, and other consultants as the CITY deems appropriate; and render in writing decisions required by the CITY in a timely manner in accordance with the PROJECT schedule prepared in accordance with Attachment A.

E. Prompt Notice

The CITY will give prompt written notice to the ENGINEER whenever CITY observes or becomes aware of any development that affects the scope or timing of the ENGINEER's services or of any defect in the work of the ENGINEER or construction contractors.

F. Asbestos or Hazardous Substances Release.

(1) CITY acknowledges ENGINEER will perform part of the work at CITY's

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facilities that may contain hazardous materials, including asbestos containing materials, or conditions, and that ENGINEER had no prior role in the generation, treatment, storage, or disposition of such materials. In consideration of the associated risks that may give rise to claims by third parties or employees of City, City hereby releases ENGINEER from any damage or liability related to the presence of such materials.

(2) The release required above shall not apply in the event the discharge, release or escape of hazardous substances, contaminants, or asbestos is a result of ENGINEER's negligence or if ENGINEER brings such hazardous substance, contaminant or asbestos onto the PROJECT.

G. Contractor Indemnification and Claims

The CITY agrees to include in all construction contracts the provisions of Article IV.E. regarding the ENGINEER's Personnel at Construction Site, and provisions providing for contractor indemnification of the CITY and the ENGINEER for contractor's negligence.

H. Contractor Claims and Third-Party Beneficiaries

(1) The CITY agrees to include the following clause in all contracts with construction contractors and equipment or materials suppliers:

> "Contractors, subcontractors and equipment and materials suppliers on the PROJECT, or their sureties, shall maintain no direct action against the ENGINEER, its officers, employees, and subcontractors, for any claim arising out of, in connection with, or resulting from the engineering services performed. Only the CITY will be the beneficiary of any undertaking by the ENGINEER."

(2) This AGREEMENT gives no rights or benefits to anyone other than the CITY and the ENGINEER and there are no third-party beneficiaries.

(3) The CITY will include in each agreement it enters into with any other entity or person regarding the PROJECT a provision that such entity or person shall have no third-party beneficiary rights under this AGREEMENT.

(4) Nothing contained in this Section H. shall be construed as a waiver of any right the CITY has to bring a claim against ENGINEER.

I. CITY's Insurance

(1) The CITY may maintain property insurance on certain pre-existing structures associated with the PROJECT.

(2) The CITY may secure Builders Risk/Installation insurance at the replacement

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cost value of the PROJECT. The CITY may provide ENGINEER a copy of the policy or documentation of such on a certificate of insurance.

J. Litigation Assistance

The Scope of Services does not include costs of the ENGINEER for required or requested assistance to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by the CITY. In the event CITY requests such services of the ENGINEER, this AGREEMENT shall be amended or a separate agreement will be negotiated between the parties.

K. Changes

The CITY may make or approve changes within the general Scope of Services in this AGREEMENT. If such changes affect the ENGINEER's cost of or time required for performance of the services, an equitable adjustment will be made through an amendment to this AGREEMENT with appropriate CITY approval.

SECTION 6
General Legal Provisions

A. Authorization to Proceed

ENGINEER shall be authorized to proceed with this AGREEMENT upon receipt of a written Notice to Proceed from the CITY.

B. Reuse of Project Documents

All designs, drawings, specifications, documents, and other work products of the ENGINEER, whether in hard copy or in electronic form, are instruments of service for this PROJECT, whether the PROJECT is completed or not. Reuse, change, or alteration by the CITY or by others acting through or on behalf of the CITY of any such instruments of service without the written permission of the ENGINEER will be at the CITY's sole risk. The CITY shall own the final designs, drawings, specifications and documents.

C. Force Majeure

The ENGINEER is not responsible for damages or delay in performance caused by acts of God, strikes, lockouts, accidents, or other events beyond the control of the ENGINEER that prevent ENGINEER’s performance of its obligations hereunder.

D. Termination

(1) This AGREEMENT may be terminated:

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a. by the City for its convenience upon 30 days' written notice to ENGINEER.

b. by either the CITY or the ENGINEER for cause if either party fails substantially to perform through no fault of the other and the nonperforming party does not commence correction of such nonperformance within 5 days' written notice or thereafter fails to diligently complete the correction.

(2) If this AGREEMENT is terminated for the convenience of the City, the ENGINEER will be paid for termination expenses as follows:

a. Cost of reproduction of partial or complete studies, plans, specifications or other forms of ENGINEER'S work product;

b. Out-of-pocket expenses for purchasing electronic data files and other data storage supplies or services;

c. The time requirements for the ENGINEER'S personnel to document the work underway at the time of the CITY'S termination for convenience so that the work effort is suitable for long time storage.

(3) Prior to proceeding with termination services, the ENGINEER will submit to the CITY an itemized statement of all termination expenses. The CITY'S approval will be obtained in writing prior to proceeding with termination services.

E. Suspension, Delay, or Interruption to Work

The CITY may suspend, delay, or interrupt the services of the ENGINEER for the convenience of the CITY. In the event of such suspension, delay, or interruption, an equitable adjustment in the PROJECT's schedule, commitment and cost of the ENGINEER's personnel and subcontractors, and ENGINEER's compensation will be made.

F. Indemnification

IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE SECTION 271.904, THE ENGINEER SHALL INDEMNIFY OR HOLD HARMLESS THE CITY AGAINST LIABILITY FOR ANY DAMAGE COMMITTED BY THE ENGINEER OR ENGINEER'S AGENT, CONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH THE ENGINEER EXERCISES CONTROL TO THE EXTENT THAT THE DAMAGE IS CAUSED BY OR RESULTING FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER. CITY IS ENTITLED TO RECOVER ITS REASONABLE ATTORNEY'S FEES IN PROPORTION TO THE ENGINEER'S LIABILITY.

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G. Assignment

Neither party shall assign all or any part of this AGREEMENT without the prior written consent of the other party.

H. Jurisdiction

The law of the State of Texas shall govern the validity of this AGREEMENT, its interpretation and performance, and any other claims related to it. The venue for any litigation related to this AGREEMENT shall be Denton County, Texas.

I. Severability and Survival

If any of the provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this AGREEMENT shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. Sections 5.F., 6.B., 6.D., 6.F., 6.H., and 6.I. shall survive termination of this AGREEMENT for any cause.

J. Observe and Comply

ENGINEER shall at all times observe and comply with all federal and State laws and regulations and with all City ordinances and regulations which in any way affect this AGREEMENT and the work hereunder, and shall observe and comply with all orders, laws ordinances and regulations which may exist or may be enacted later by governing bodies having jurisdiction or authority for such enactment. No plea of misunderstanding or ignorance thereof shall be considered. **ENGINEER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS CITY AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS OR LIABILITY ARISING OUT OF THE VIOLATION OF ANY SUCH ORDER, LAW, ORDINANCE, OR REGULATION, WHETHER IT BE BY ITSELF OR ITS EMPLOYEES**.

K. Immigration Nationality Act

ENGINEER shall verify the identity and employment eligibility of its employees who perform work under this AGREEMENT, including completing the Employment Eligibility Verification Form (I-9). Upon request by CITY, ENGINEER shall provide CITY with copies of all I-9 forms and supporting eligibility documentation for each employee who performs work under this AGREEMENT. ENGINEER shall adhere to all Federal and State laws as well as establish appropriate procedures and controls so that no services will be performed by any ENGINEER employee who is not legally eligible to perform such services. **ENGINEER SHALL INDEMNIFY CITY AND HOLD CITY HARMLESS FROM ANY PENALTIES, LIABILITIES, OR LOSSES DUE TO VIOLATIONS OF THIS PARAGRAPH BY ENGINEER, ENGINEER'S EMPLOYEES, SUBCONTRACTORS, AGENTS, OR LICENSEES.** CITY, upon written notice to ENGINEER, shall have the

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right to immediately terminate this AGREEMENT for violations of this provision by ENGINEER.

L. Prohibition on Contracts with Companies Boycotting Israel

Engineer acknowledges that in accordance with Chapter 2271 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this agreement, Engineer certifies that Engineer's signature provides written verification to the City that Engineer: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

M. Prohibition on Contracts with Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Sections 2252 and 2270 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this agreement, Engineer certifies that Engineer's signature provides written verification to the City that Engineer, pursuant to Chapters 2252 and 2270, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization***. Failure to meet or maintain the requirements under this provision will be considered a material breach.

N. Prohibition on Contracts with Companies Boycotting Certain Energy Companies

Engineer acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. ***By signing this agreement, Engineer certifies that Engineer's signature provides written verification to the City that Engineer: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

O. Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

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Engineer acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. ***By signing this agreement, Engineer certifies that Engineer's signature provides written verification to the City that Engineer: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

P. Termination Right for Contracts with Companies Doing Business with Certain Foreign-Owned Companies

The City of Denton may terminate this Contract immediately without any further liability if the City of Denton determines, in its sole judgment, that this Contract meets the requirements under Chapter 2274, and Engineer is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or other designated country (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or other designated country, or (iii) is headquartered in China, Iran, North Korea, Russia, or other designated country.

Q. Prohibition Against Personal Interest in Contracts

No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation as defined in the City's Ethic Ordinance 23-1165 and in the City Charter chapter 2 article XI(Ethics). Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Contractor shall complete and submit the City's Conflict of Interest Questionnaire.

R. Certificate of Interested Parties Electronic Filing

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract

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unless the Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor shall:

1. Log onto the State Ethics Commission Website at : https://www.ethics.state.tx.us/filinginfo/1295/
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

S. Agreement Documents

This AGREEMENT, including its attachments and schedules, constitutes the entire AGREEMENT, which supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties. This AGREEMENT may be executed in one or more counterparts and each counterpart shall, for all purposes, be deemed an original, but all such counterparts shall together constitute but one and the same instrument. The following attachments and schedules are hereby made a part of this AGREEMENT:

Attachment A - Scope of Services, Compensation and Project Schedule

These documents make up the AGREEMENT documents and what is called for by one shall be as binding as if called for by all. In the event of an inconsistency or conflict in any of the provisions of the AGREEMENT documents, the inconsistency or conflict shall be resolved by giving precedence first to the written AGREEMENT then to the AGREEMENT documents in the order in which they are listed above.

The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

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Duly executed by each party's designated representative to be effective on 02/18/2025.

BY:
CITY OF DENTON, TEXAS

DocuSigned by:
Sara Hensley
5236DB296270423...

Sara Hensley, City Manager

BY:
ENGINEER
TERRACON CONSULTANTS, INC.

Signed by:
Drew Baze
1144A9C92727460...

Authorized Agent, Title

Full Name: Drew Baze

2024-1249156

TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

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THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by:
Trevor Crain
7B46EEAB11BC4F2...
Signature

Director of Capital Projects
Title

Capital Projects
Department

Date Signed: 01/31/2025

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: DocuSigned by:
Lauren Thoden
D09D09CAD33D487...

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: DocuSigned by:
Marcella Lunn
4B070831B4AA438...

October 7, 2024

City of Denton TX
Giovanni Pineiro-Villa
401 N Elm Street
Denton, TX 76201

Email: Giovanni.pineiro-villalba@cityofdenton.com

Re: Construction Materials Observation, Engineering, and Testing Services
Denton Solid Waste Fleet Shop
1527 S Mayhill Rd, #107, Denton, TX 76208
Terracon Consultants Inc. Proposal No. P94241676

Dear Mr. Pineiro-Villa,

Terracon Consultants, Inc. (Terracon) is uniquely qualified to partner with you on this important project. We are submitting this proposal to provide construction materials testing, observation services, engineering, or special inspection services for the above referenced project as requested. We are presenting this proposal to confirm our understanding of the services to be performed for this project, to obtain written authorization to provide these services, and to present the estimated fee to provide these services. The following sections outline our understanding of the project and provide a description of the tasks to be performed.

A) PROJECT INFORMATION

Topic	Overview Statement
Proposed Structures	New 16,500 SF building with concrete tilt walls and steel framing
Foundation Types	Drilled straight-shaft piers bearing in cemented sand or gray shale in conjunction with grade beams and a structurally suspended slab on void forms
Sitework	Approximately 10,750 SF of lime treated paving, approaches and sidewalks with typical site utilities and structures such as storm sewer, sanitary sewer and water
Assumptions	Cased piers for straight drilled shaft piers

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Terracon was provided with the following construction documents for preparation of this proposal:

- Civil Drawings by Kimley-Horn dated 05/03/2024
- Structural Drawings by R.L. Woods & Associates dated 05/03/2024
- Specifications dated 12/06/2023
- Geotechnical Report by Alpha Testing dated 5/24/2023

B) WHY TERRACON?

Construction Materials Testing & Special Inspection Services

Our team of inspectors, technicians, and engineers is experienced with providing materials testing, special inspections, and/or observations of concrete, soils, aggregate, masonry, structural steel, foundations, fireproofing, and asphalt pavement in the local area and are familiar with the recognized building jurisdiction requirements.

Compass is Terracon's latest client interfacing tool and elevates the way we do business. Within Terracon Compass, you can access your projects and their associated data, including environmental and geotechnical projects. When you open a materials project within Compass, you will see your materials tests and observations placed on a map. This geographic reference allows you to find your information by the "where", rather than the "when." Other features of Compass include:

- Filters for Date Performed, Service Type and Test Result Status
- Deviation for Non-Conformance Summary: Image overlays to reference multiple plan pages to your test results
- Map layer options: Test results are inserted into Compass as soon as the report has been reviewed and distributed. It becomes easier than ever to view and close deviations with an option to display within a map while also showing them in a table format.

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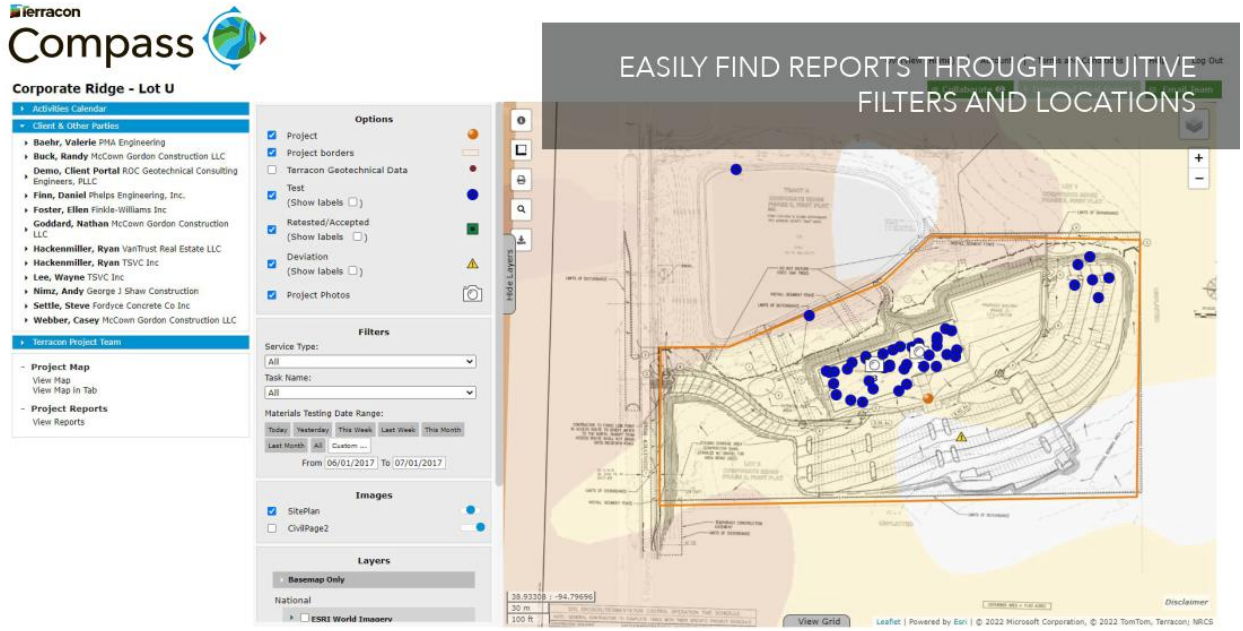

Laboratory Capabilities

Our DFW Metro laboratories are accredited by AASHTO which is recognized by ASTM E329 Standard Specification for Agencies Engaged in Construction Inspection, Testing, or Special Inspection. The scope of accreditation includes the field of Soils, Aggregates, and Portland Cement Concrete. As a requirement of accreditation, we regularly participate in the Proficiency Sample Programs of both AASHTO and the Cement and Concrete Reference Laboratory (CCRL). Our office includes a fully equipped laboratory and employs engineering technicians and special inspectors certified by many agencies including the American Concrete Institute (ACI), American Welding Society (AWS), and the International Code Council (ICC). We provide a rigorous internal training program where our staff are evaluated in specific field and laboratory test procedures by internal Terracon auditors and external agencies.

- Accredited by AASHTO
- Inspected by Concrete and Cement Reference Laboratory (CCRL)
- Validated by United States Army Corps of Engineers (USACE)

C) SCOPE OF SERVICES

Based on our review and understanding of the documents listed above, Terracon proposes the following scope of services:

Earthwork Observations and Testing:

- Sample materials to be used as building fills, utility trench backfill, general fill, and pavement subgrades. Prepare and test the samples for Atterberg Limits

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(ASTM D4318), Minus #200 Sieve (ASTM D1140), and moisture-density relationship (ASTM D698).

- Observe proofrolling operations of the paving subgrades.
- Perform in-place moisture and density tests of the building fills, utility trench backfills, general fill, and pavement subgrades using the nuclear method (ASTM D6938) to determine the moisture content and percent compaction of the soil materials.
- Perform field gradations on the pulverized lime soil mixture to document the percent of soil passing through the required sieve sizes at a rate of one test per 10,000 square feet after the final pulverization process has been completed.
- Perform lime depth checks to verify the actual in-place depth of the lime treatment at a rate of one test per 10,000 square feet, once the pavement has been trimmed to the final grade.
- Perform a laboratory lime series from on-site soils using the PI and/or pH method.

Drilled Straight Shaft Pier Observation and Testing:

- Monitor the installation of the drilled pier foundation system including verification of the depth to bearing strata, required and actual depth of penetration into the bearing strata for each pier, total depth of piers, pertinent elevations (if provided by the field engineer), plumbness of the drilled pier hole excavation, cleanliness of bearing surface at completion of drilling, etc.
- Record dimensions and the number, size and length of reinforcing bars used.
- Sample the fresh concrete and perform required tests, including slump, air content, unit weight, ambient and concrete temperature, and cast test specimens (5 cylinders per 100 cy or fraction thereof per mix per day) during placements (ASTM C172, C31, C143, C231, and C1064).
- Perform compressive tests of concrete test cylinders cast in the field (ASTM C617, C39).

Cast-in-Place Concrete Observations and Testing:

- Sample and test the fresh concrete for each mix. Perform tests for slump, air content, ambient and concrete temperatures, and unit weight; and cast test specimens (ASTM C172, C31, C143, C231, C1064, C138). Terracon understands that the contractor will be responsible for providing a secure location and sources of water and electrical power for initial curing of concrete strength test specimens as required by ASTM C31.
- We have assumed the concrete will be sampled at a frequency of one set of five test cylinders every 100 cubic yards or fraction thereof per mix per day for all structural concrete. Terracon requests that a copy of the approved mix design(s) be provided to us prior to placement of the concrete.
- Perform compressive strength tests of concrete test cylinders cast in the field (ASTM C31, C39). Five 4” x 8” concrete cylinders will be prepared for structural concrete having nominal maximum size aggregate of 1 inch or less. One

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cylinder will be tested at 7 days, three cylinders will be tested at 28 days, and one cylinder will be held for 56 days (or tested at an age requested by others).

Reinforcing Steel Observations:

- Verify the size, number and placement of reinforcing steel and check general form dimensions prior to placement of concrete, per construction drawings.
- Terracon recommends scheduling a minimum of 24 hours prior to concrete placement.

Anchor Bolt Observations:

- Verify the bolt diameter, length, shape, and embedment in concrete. The contractor has the responsibility to schedule this observation prior to placement of concrete. In those cases where anchor bolts are drilled and epoxied into existing concrete foundations, Terracon should be contacted to be present during installation of the bolts in order to verify the bolt hole size, depth, and cleanliness as well as the application of epoxy and installation of bolts.

Structural Steel Observations and Testing:

- Terracon recommends that the general contractor schedule a pre-erection meeting to discuss the erection sequence, review welding and bolting requirements and to review welder certification records.
- Provide a Certified Welding Inspector (CWI) in the field to visually observe accessible field bolted/welded connections in accordance with applicable AISC and AWS standards.
- Utilize an Ultrasonic Flaw detector to determine the quality of complete joint penetration welds such as moment connections or splice connections. If the base material has a thickness of 5/16” or greater, Terracon recommends that those welds be tested by the Ultrasonic Method in accordance with AWS D1.1.
- Perform visual inspections of completed accessible welds to verify that the welds meet the visual acceptance criteria of AWS D1.1.

Project Management and Administration:

- A project manager will be assigned to the project to review the daily activity and assist in scheduling the work. Field and laboratory tests will be reviewed prior to submittal. The project manager will be responsible for monitoring the project budget and will oversee the preparation of the final report.

Special Inspections Letter:

- Upon completion of our services, a special inspection letter will be prepared, if requested. The letter will list services Terracon performed and if our results and/ or observation were in compliance.

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Exclusions:

- **Please note that crane pad evaluation and engineering review of shoring designs of earthen subgrade are not included in Terracon's Scope of Services or fees described herein. If requested, Terracon will review available information and confer with you to establish an appropriate scope of service and anticipated time frame. Please note that supplemental geotechnical exploration, if required, can require several weeks of coordination, and advance notice of these services is appreciated to reduce the potential for construction delays.**

D) REPORTING

Results of field tests will be submitted verbally to available personnel at the site. Written reports of field tests and observations will be distributed within five business days. Test reports will be distributed via electronic distribution unless otherwise requested. Please provide Terracon with a report distribution list prior to the beginning of the project. The list should include the company name, address, contact person name, phone number, and e-mail address for each person.

Our reported test locations will typically be estimated by pacing distances and approximating angles and elevations from local control data (staking and layout lines) provided by others on site. The accuracy of our locations will be dependent on the accuracy, availability and frequency of the control points provided by the client and/ or contractor.

E) SCHEDULING

Field testing services will be provided on an "as requested" basis when scheduled by your representative. A minimum of 24-hour notice is required to properly schedule our services. To schedule our services please contact our dispatcher at (214) 630-1078. The dispatch office hours are from 7:00 a.m. to 5:00 p.m. Messages left after business hours will be checked the following business day.

Terracon shall not be held responsible for tests not performed as a result of a failure to schedule our services or any subsequent damage caused as a result of a lack of testing. Terracon recommends that a copy of this proposal be provided to the general contractor, so they understand our scope of services and schedule us accordingly. Please note that the number of tests and trips described in the Scope of Services does not constitute a minimum or maximum number of tests or trips that may be required for this project.

Scheduling Retests:

It is the responsibility of your representative to schedule retests in a like manner to scheduling our original services. Terracon shall not be held responsible for retests

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not performed as a result of a failure to schedule our services or any subsequent damage caused as a result of a lack of retesting.

Additional Observation and Testing Services:

If you would like us to perform additional observation and testing services, please contact us and we will issue a short Supplement to Agreement form, or Supplemental Proposal, that outlines the additional work to be performed and associated fees. To authorize us to begin additional Observation and testing services, you simply return a signed copy of the Supplemental agreement.

F) COMPENSATION

Based on the project information available for our review, we propose a budget estimate of **$68,492.00.** Services provided will be based on the unit rates included in the attached Fee Estimate. Please note that this is only a budget estimate and not a not-to-exceed price. Many factors beyond our control, such as weather and the contractor's schedule, will dictate the final fee for our services.

For services provided on an "as requested" basis, overtime is defined as all hours in excess of eight hours per day or outside of the normal hours of 7:00 a.m. to 5:00 p.m. Monday through Friday, and all hours worked on weekends and holidays. Overtime rates will be 1.5 times the hourly rate quoted**.**

A four-hour minimum charge is applicable to all trips made portal to portal (our laboratory) to provide our testing, observation and consulting services. A minimum charge is not applicable for trips to the project site for sample pickup only. All labor, equipment and transportation charges are billed on a portal-to-portal basis from our office.

You will be invoiced on a monthly basis for services actually performed and/or as authorized or requested by you or your designated representative. Terracon's total invoice fee is due within thirty days following final receipt of invoice. Quantities and costs associated with re-tests, cancellations and stand-by time are not included in our estimated fee.

G) SITE ACCESS AND SAFETY

Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the services and will execute any necessary site access agreement. Terracon will be responsible for supervision and site safety measures for its own employees but shall not be responsible for the supervision or health and safety precautions for any third parties, including Client's contractors, subcontractors, or other parties present at the site.

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H) TESTING AND OBSERVATION

Client understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Terracon will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive and are conducted to reduce – not eliminate - project risk. Client agrees to the level or amount of testing performed and the associated risk. Client is responsible (even if delegated to contractor) for notifying and scheduling Terracon so Terracon can perform these services. Terracon shall not be responsible for the quality and completeness of Client's contractor's work or their adherence to the project documents, and Terracon's performance of testing and observation services shall not relieve contractor in any way from its responsibility for defects discovered in its work or create a warranty or guarantee. Terracon will not supervise or direct the work performed by contractor or its subcontractors and is not responsible for their means and methods.

I) AUTHORIZATION

This proposal may be accepted by issuing a Professional Service Agreement and returning an executed copy along with this proposal to Terracon. This proposal for services and accompanying limitations shall constitute the exclusive terms, conditions and services to be performed for this project. This proposal is valid only if authorized within sixty days from the listed proposal date.

We appreciate this opportunity of working with you and we look forward to working with you in the future.

Sincerely,
Terracon Consultants, Inc.
(Texas Registration No. F-3272)

Daniel Garza, EIT
Staff Engineer

Drew Baze
Department Manager, Materials

Attachments:
(1) Fee Estimate

Docusign Envelope ID: 6C6D250D-C062-4569-BF9B-89C5186E1B09

Fee Estimate

Materials Services
Denton Solid Waste Fleet Shop
Terracon Proposal No. P94241676

DESCRIPTION	RATE	QUANTITY PER TRIP	UNITS	ESTIMATED TRIPS	TOTAL QUANTITY	ESTIMATED TOTAL
Earthwork Observations and Testing						
Part Time						
Soils Technician	$ 68.00	4	hours	10	40	$ 2,720.00
Nuclear Gauge	$ 63.00	1	days	10	10	$ 630.00
Vehicle Charge	$ 70.00	1	trips	10	10	$ 700.00
Sub Total						**$ 4,050.00**
Sample Pick-Up						
Soils Technician	$ 68.00	3	hours	3	9	$ 612.00
Vehicle Charge	$ 70.00	1	trips	3	3	$ 210.00
Sub Total						**$ 822.00**
Laboratory Testing						
Standard Proctor	$ 185.00		tests		5	$ 925.00
Atterberg Limits Determination (3 pt.)	$ 78.00		tests		5	$ 390.00
Sieve Analysis	$ 80.00		tests		2	$ 160.00
Lime Series (PI or pH)	$ 315.00		tests		1	$ 315.00
Wash 200	$ 48.00		tests		5	$ 240.00
Sub Total						**$ 2,030.00**
Sub Total						**$ 6,902.00**
Foundation Observations and Testing						
Full-Time						
Foundation Technician	$ 70.00	8	hours	25	200	$ 14,000.00
Foundation Technician, Overtime	$ 105.00	4	hours	25	100	$ 10,500.00
Compressive Strength of 4" x 8" Cylinder	$ 27.00	5	tests	25	125	$ 3,375.00
Vehicle Charge	$ 70.00	1	trips	25	25	$ 1,750.00
Sub Total						**$ 29,625.00**
Sample Pick-Ups						
Concrete Technician	$ 65.00	2	hours	5	10	$ 650.00
Vehicle Charge	$ 70.00	1	trips	5	5	$ 350.00
Sub Total						**$ 1,000.00**
Sub Total						**$ 30,625.00**
Concrete & Reinforcing Steel Observations and Testing						
Day Time Large Placements						
Concrete Technician	$ 65.00	6	hours	3	18	$ 1,170.00
Concrete Technician, Overtime	$ 97.50	4	hours	3	12	$ 1,170.00
Compressive Strength of 4" x 8" Cylinder	$ 27.00	15	tests	3	45	$ 1,215.00
Vehicle Charge	$ 70.00	1	trips	3	3	$ 210.00
Sub Total						**$ 3,765.00**

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DESCRIPTION	RATE	QUANTITY PER TRIP	UNITS	ESTIMATED TRIPS	TOTAL QUANTITY	ESTIMATED TOTAL
Miscellaneous Placements (Under 100 Yards)						
Concrete Technician	$ 65.00	4	hours	13	52	$ 3,380.00
Compressive Strength of 4” x 8” Cylinder	$ 27.00	5	tests	13	65	$ 1,755.00
Vehicle Charge	$ 70.00	1	trips	13	13	$ 910.00
Sub Total						**$ 6,045.00**
Sample Pick-Ups						
Concrete Technician	$ 65.00	2	hours	16	32	$ 2,080.00
Vehicle Charge	$ 70.00	1	trips	16	16	$ 1,120.00
Sub Total						**$ 3,200.00**
Reinforcing Steel Observation Only						
Concrete Technician	$ 65.00	4	hours	6	24	$ 1,560.00
Vehicle Charge	$ 70.00	1	trips	6	6	$ 420.00
Sub Total						**$ 1,980.00**
Sub Total						**$ 14,990.00**
Structural Steel Observations						
Structural Steel Inspector	$ 125.00	4	hours	7	28	$ 3,500.00
Vehicle Charge	$ 70.00	1	trips	7	7	$ 490.00
Sub Total						**$ 3,990.00**
Administration						
Project Manager	$ 168.00		hours		50	$ 8,400.00
Authorized Project Reviewer	$ 237.00		hours		5	$ 1,185.00
Project Assistant	$ 74.00		hours		25	$ 1,850.00
Final Letter	$ 300.00		each		1	$ 300.00
Project Setup	$ 250.00		each		1	$ 250.00
Sub Total						**$ 11,985.00**
ESTIMATED TOTAL						**$ 68,492.00**

Explore with us

October 7, 2024

City of Denton TX
Giovanni Pineiro-Villa
401 N Elm Street
Denton, Texas 76201

Email: Giovanni.Pineiro-Villa@cityofdenton.com

Re: Construction Materials Observation, Engineering, and Testing Services
Denton Fire Station #6
3232 Teasley Lane, Denton, Texas
Terracon Consultants Inc. Proposal No. P94241686

Dear Mr. Pineiro-Villa,

Thank you for selecting Terracon Consultants, Inc. (Terracon) to provide construction materials testing, observation services, or special inspection services for the above referenced publicly funded project. We were selected to perform these engineering services based upon the criteria outlined in the Texas Board of Professional Engineers and Surveyors Professional Services Procurement Act. We are presenting this budget estimate to confirm our understanding of the services to be performed for this project, to obtain written authorization to provide these services, and to present the estimated fee to provide these services. The following sections outline our understanding of the project and provide a description of the tasks to be performed.

A) PROJECT INFORMATION

Topic	Overview Statement
Proposed Structures	New 13,554 SF steel-framed building with structural masonry walls, a storm shelter, and dumpster enclosure
Building Pad Earthwork Preparation	Moisture conditioning existing soil to a depth of 8 feet below final grade with a 1-foot cap of non-expansive select fill material
Foundation Types	Drilled-straight shaft piers bearing into cemented sand or shale in conjunction with grade beams and a slab-on-grade system
Sitework	Approximately 36,000 SF of paving, parking, approaches, and sidewalks with typical site utilities and structures such a storm, water, and sanitary sewer
Assumptions	Casing will be used for straight shaft piers

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Terracon was provided with the following construction documents for preparation of this proposal:

- Preliminary Civil Drawings by Kimley-Horn dated 08/20/2024
- Preliminary Structural Drawings by IMEG dated 08/20/2024
- Geotechnical Report by UES dated 08/28/2024
- Construction Schedule was not provided at the time of this proposal

B) WHY TERRACON?

Construction Materials Testing & Special Inspection Services
Our team of inspectors, technicians, and engineers is experienced with providing materials testing, special inspections, and/or observations of concrete, soils, aggregate, masonry, structural steel, foundations, fireproofing, and asphalt pavement in the local area and are familiar with the recognized building jurisdiction requirements.

Compass is Terracon's latest client interfacing tool and elevates the way we do business. Within Terracon Compass, you can access your projects and their associated data, including environmental and geotechnical projects. When you open a materials project within Compass, you will see your materials tests and observations placed on a map. This geographic reference allows you to find your information by the "where", rather than the "when." Other features of Compass include:

- Filters for Date Performed, Service Type and Test Result Status
- Deviation for Non-Conformance Summary: Image overlays to reference multiple plan pages to your test results
- Map layer options: Test results are inserted into Compass as soon as the report has been reviewed and distributed. It becomes easier than ever to view and close deviations with an option to display within a map while also showing them in a table format.

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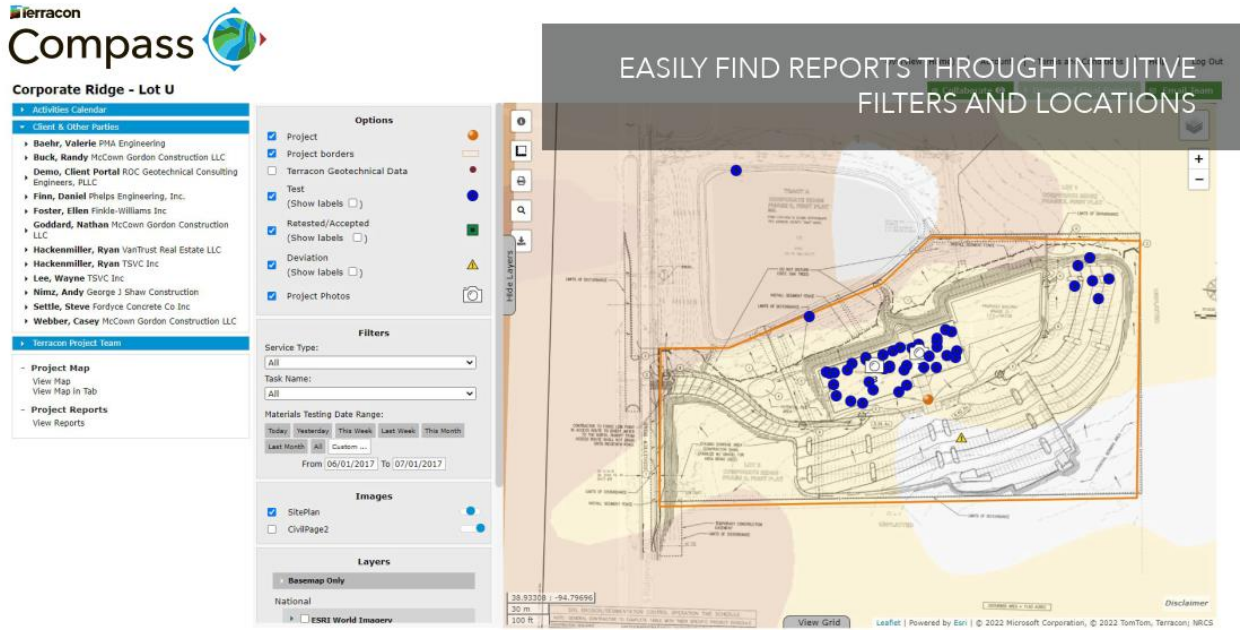

Laboratory Capabilities

- Accredited by AASHTO Materials Reference Laboratory (AMRL)
- Inspected by Concrete and Cement Reference Laboratory (CCRL)
- Validated by United States Army Corps of Engineers (USACE)

Our DFW Metro laboratories are accredited by AASHTO which is recognized by ASTM E329 Standard Specification for Agencies Engaged in Construction Inspection, Testing, or Special Inspection. The scope of accreditation includes the field of Soils, Aggregates, and Portland Cement Concrete. As a requirement of accreditation, we regularly participate in the Proficiency Sample Programs of both AASHTO and the Cement and Concrete Reference Laboratory (CCRL). Our office includes a fully equipped laboratory and employs engineering technicians and special inspectors certified by many agencies including the American Concrete Institute (ACI), American Welding Society (AWS), and the International Code Council (ICC). We provide a rigorous internal training program where our staff are evaluated in specific field and laboratory test procedures by internal Terracon auditors and external agencies.

C) SCOPE OF SERVICES

Based on our review and understanding of the documents listed above, Terracon proposes the following scope of services:

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Earthwork Observations and Testing:

- Sample materials to be used as building fills, utility trench backfill, general fill, and pavement subgrades. Prepare and test the samples for Atterberg Limits (ASTM D4318), Minus #200 Sieve (ASTM D1140), and moisture-density relationship (ASTM D698).
- Observe proofrolling operations of the building pad and paving subgrades.
- Perform in-place moisture and density tests of the building fills, utility trench backfills, general fill, and pavement subgrades using the nuclear method (ASTM D6938) to determine the moisture content and percent compaction of the soil materials.
- Perform field gradations on the pulverized lime soil mixture to document the percent of soil passing through the required sieve sizes at a rate of one test per 10,000 square feet after the final pulverization process has been completed.
- Perform lime depth checks to verify the actual in-place depth of the lime treatment at a rate of one test per 10,000 square feet, once the pavement has been trimmed to the final grade.
- Perform a laboratory lime series from on-site soils using the PI and/or pH method.
- Perform One Point Free Swell Tests on remolded specimens from the material(s) proposed for use as moisture conditioned fill to determine the minimum moisture content(s) determined to reduce the swell potential to the levels recommended in the geotechnical report.
- Periodically collect swell test samples in the field during the moisture conditioning operation using pushed tubes. Transport samples back to the laboratory for swell testing to verify that the in-place moisture conditioned soils' swell potential meets the criteria set in the geotechnical report. Assistance from the earthwork contractor will be necessary to collect samples.

Drilled Straight Shaft Pier Observation and Testing:

- Monitor the installation of the drilled pier foundation system including verification of the depth to bearing strata, required and actual depth of penetration into the bearing strata for each pier, total depth of piers, pertinent elevations (if provided by the field engineer), plumbness of the drilled pier hole excavation, cleanliness of bearing surface at completion of drilling, etc.
- Record dimensions and the number, size and length of reinforcing bars used.
- Sample the fresh concrete and perform required tests, including slump, air content, unit weight, ambient and concrete temperature, and cast test specimens (5 cylinders per 100 cy or fraction thereof per mix per day) during placements (ASTM C172, C31, C143, C231, and C1064).
- Perform compressive tests of concrete test cylinders cast in the field (ASTM C617, C39).

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Cast-in-Place Concrete Observations and Testing:

- Sample and test the fresh concrete for each mix. Perform tests for slump, air content, ambient and concrete temperatures, and unit weight; and cast test specimens (ASTM C172, C31, C143, C231, C1064, C138). Terracon understands that the contractor will be responsible for providing a secure location and sources of water and electrical power for initial curing of concrete strength test specimens as required by ASTM C31.
- We have assumed the concrete will be sampled at a frequency of one set of five test cylinders every 100 cubic yards or fraction thereof per mix per day for all structural concrete. Terracon requests that a copy of the approved mix design(s) be provided to us prior to placement of the concrete.
- Perform compressive strength tests of concrete test cylinders cast in the field (ASTM C31, C39). Five 4" x 8" concrete cylinders will be prepared for structural concrete having nominal maximum size aggregate of 1 inch or less. One cylinder will be tested at 7 days, three cylinders will be tested at 28 days, and one cylinder will be held for 56 days (or tested at an age requested by others).

Reinforcing Steel Observations:

- Verify the size, number and placement of reinforcing steel and check general form dimensions prior to placement of concrete, per construction drawings.
- Terracon recommends scheduling a minimum of 24 hours prior to concrete placement.

Anchor Bolt Observations:

- Verify the bolt diameter, length, shape, and embedment in concrete. The contractor has the responsibility to schedule this observation prior to placement of concrete. In those cases where anchor bolts are drilled and epoxied into existing concrete foundations, Terracon should be contacted to be present during installation of the bolts in order to verify the bolt hole size, depth, and cleanliness as well as the application of epoxy and installation of bolts.

Masonry Observations and Testing:

- Provide a qualified technician for periodic field observation during load-bearing CMU wall construction.
- Sample mortar for compressive strength testing. (6 mortar cubes 2"x2"x2" per 5,000 SF wall area)
- Sample grout for compressive strength testing. (6 grout prisms 3"x3"x6" per 5,000 SF wall area)

Structural Steel Observations and Testing:

- Terracon recommends that the general contractor schedule a pre-erection meeting to discuss the erection sequence, review welding and bolting requirements and to review welder certification records.

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- Provide a Certified Welding Inspector (CWI) in the field to visually observe accessible field bolted/welded connections in accordance with applicable AISC and AWS standards.
- Perform visual inspections of elevated metal decking for placement including overlap, fastener spacing, supports at openings and penetrations, and puddle welds pattern, size and quality.
- Terracon will observe any shear studs in association with composite concrete decks for number, pattern, and bond.
- Utilize an Ultrasonic Flaw detector to determine the quality of complete joint penetration welds such as moment connections or splice connections. If the base material has a thickness of 5/16" or greater, Terracon recommends that those welds be tested by the Ultrasonic Method in accordance with AWS D1.1.
- Perform visual inspections of completed accessible welds to verify that the welds meet the visual acceptance criteria of AWS D1.1.

Project Management and Administration:

- A project manager will be assigned to the project to review the daily activity and assist in scheduling the work. Field and laboratory tests will be reviewed prior to submittal. The project manager will be responsible for monitoring the project budget and will oversee the preparation of the final report.

Special Inspections Letter:

- Upon completion of our services, a special inspection letter will be prepared, if requested. The letter will list services Terracon performed and if our results and/ or observation were in compliance.

Exclusions:

- **Please note that crane pad evaluation and engineering review of shoring designs of earthen subgrade are not included in Terracon's Scope of Services or fees described herein. If requested, Terracon will review available information and confer with you to establish an appropriate scope of service and anticipated time frame. Please note that supplemental geotechnical exploration, if required, can require several weeks of coordination, and advance notice of these services is appreciated to reduce the potential for construction delays.**

D) REPORTING

Results of field tests will be submitted verbally to available personnel at the site. Written reports of field tests and observations will be distributed within five business days. Test reports will be distributed via electronic distribution unless otherwise requested. Please provide Terracon with a report distribution list prior to the beginning of the project. The list should include the company name, address, contact person name, phone number, and e-mail address for each person.

Docusign Envelope ID: 6C6D250D-C062-4569-BF9B-89C5186E1B09

Our reported test locations will typically be estimated by pacing distances and approximating angles and elevations from local control data (staking and layout lines) provided by others on site. The accuracy of our locations will be dependent on the accuracy, availability and frequency of the control points provided by the client and/ or contractor.

E) SCHEDULING

Field testing services will be provided on an "as requested" basis when scheduled by your representative. A minimum of 24-hour notice is required to properly schedule our services. To schedule our services please contact our dispatcher at (817) 591-4907. The dispatch office hours are from 7:00 a.m. to 5:00 p.m. Messages left after business hours will be checked the following business day.

Terracon shall not be held responsible for tests not performed as a result of a failure to schedule our services or any subsequent damage caused as a result of a lack of testing. Terracon recommends that a copy of this proposal be provided to the general contractor, so they understand our scope of services and schedule us accordingly. Please note that the number of tests and trips described in the Scope of Services does not constitute a minimum or maximum number of tests or trips that may be required for this project.

Scheduling Retests:

It is the responsibility of your representative to schedule retests in a like manner to scheduling our original services. Terracon shall not be held responsible for retests not performed as a result of a failure to schedule our services or any subsequent damage caused as a result of a lack of retesting.

Additional Observation and Testing Services:

If you would like us to perform additional observation and testing services, please contact us and we will issue a short Supplement to Agreement form, or Supplemental Proposal, that outlines the additional work to be performed and associated fees. To authorize us to begin additional Observation and testing services, you simply return a signed copy of the Supplemental agreement.

F) COMPENSATION

Based on the project information available for our review, we propose a budget estimate of **$72,308.00.** Services provided will be based on the unit rates included in the attached Fee Estimate. Please note that this is only a budget estimate and not a not-to-exceed price. Many factors beyond our control, such as weather and the contractor's schedule, will dictate the final fee for our services.

Docusign Envelope ID: 6C6D250D-C062-4569-BF9B-89C5186E1B09

For services provided on an "as requested" basis, overtime is defined as all hours in excess of eight hours per day or outside of the normal hours of 7:00 a.m. to 5:00 p.m. Monday through Friday, and all hours worked on weekends and holidays. Overtime rates will be 1.5 times the hourly rate quoted**.**

A four-hour minimum charge is applicable to all trips made portal to portal (our laboratory) to provide our testing, observation and consulting services. A minimum charge is not applicable for trips to the project site for sample pickup only. All labor, equipment and transportation charges are billed on a portal-to-portal basis from our office.

You will be invoiced on a monthly basis for services actually performed and/or as authorized or requested by you or your designated representative. Terracon's total invoice fee is due within thirty days following final receipt of invoice. Quantities and costs associated with re-tests, cancellations and stand-by time are not included in our estimated fee.

G) SITE ACCESS AND SAFETY

Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the services and will execute any necessary site access agreement. Terracon will be responsible for supervision and site safety measures for its own employees but shall not be responsible for the supervision or health and safety precautions for any third parties, including Client's contractors, subcontractors, or other parties present at the site.

H) TESTING AND OBSERVATION

Client understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Terracon will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive and are conducted to reduce – not eliminate - project risk. Client agrees to the level or amount of testing performed and the associated risk. Client is responsible (even if delegated to contractor) for notifying and scheduling Terracon so Terracon can perform these services. Terracon shall not be responsible for the quality and completeness of Client's contractor's work or their adherence to the project documents, and Terracon's performance of testing and observation services shall not relieve contractor in any way from its responsibility for defects discovered in its work or create a warranty or guarantee. Terracon will not supervise or direct the work performed by contractor or its subcontractors and is not responsible for their means and methods.

Docusign Envelope ID: 6C6D250D-C062-4569-BF9B-89C5186E1B09

I) AUTHORIZATION

This proposal may be accepted by issuing a Professional Service Agreement and returning an executed copy along with this proposal to Terracon. This proposal for services and accompanying limitations shall constitute the exclusive terms, conditions and services to be performed for this project. This proposal is valid only if authorized within sixty days from the listed proposal date.

We appreciate this opportunity of working with you and we look forward to working with you in the future.

Sincerely,
Terracon Consultants, Inc.
(Texas Registration No. F-3272)

Daniel Garza, EIT
Staff Engineer

Drew Baze
Senior Associate

Attachments:
(1) Fee Estimate

Docusign Envelope ID: 6C6D250D-C062-4569-BF9B-89C5186E1B09

Fee Estimate

Materials Services
Denton Fire Station #6
Terracon Proposal No. P94241686

DESCRIPTION	RATE	QUANTITY PER TRIP	UNITS	ESTIMATED TRIPS	TOTAL QUANTITY	ESTIMATED TOTAL
Earthwork Observations and Testing						
Full-Time						
Soils Technician	$ 68.00	8	hours	8	64	$ 4,352.00
Soils Technician, Overtime	$ 102.00	4	hours	8	32	$ 3,264.00
Nuclear Gauge	$ 63.00	1	days	8	8	$ 504.00
Vehicle Charge	$ 70.00	1	trips	8	8	$ 560.00
Sub Total						**$ 8,680.00**
Part Time						
Soils Technician	$ 68.00	4	hours	14	56	$ 3,808.00
Nuclear Gauge	$ 63.00	1	days	14	14	$ 882.00
Vehicle Charge	$ 70.00	1	trips	14	14	$ 980.00
Sub Total						**$ 5,670.00**
Sample Pick-Up						
Soils Technician	$ 68.00	3	hours	3	9	$ 612.00
Vehicle Charge	$ 70.00	1	trips	3	3	$ 210.00
Sub Total						**$ 822.00**
Laboratory Testing						
Standard Proctor	$ 185.00		tests		5	$ 925.00
Atterberg Limits Determination (3 pt.)	$ 78.00		tests		5	$ 390.00
Sieve Analysis	$ 80.00		tests		2	$ 160.00
Lime Series (PI or pH)	$ 315.00		tests		1	$ 315.00
Swell Test (PVR)	$ 225.00		tests		6	$ 1,350.00
Wash 200	$ 48.00		tests		5	$ 240.00
Oversized Particle Correction	$ 30.00		tests		2	$ 60.00
Sub Total						**$ 3,440.00**
Sub Total						**$ 18,612.00**
Foundation Observations and Testing						
Full-Time						
Foundation Technician	$ 70.00	8	hours	15	120	$ 8,400.00
Foundation Technician, Overtime	$ 105.00	4	hours	15	60	$ 6,300.00
Compressive Strength of 4” x 8” Cylinder	$ 27.00	5	tests	15	75	$ 2,025.00
Vehicle Charge	$ 70.00	1	trips	15	15	$ 1,050.00
Sub Total						**$ 17,775.00**
Sample Pick-Ups						
Concrete Technician	$ 65.00	2	hours	5	10	$ 650.00
Vehicle Charge	$ 70.00	1	trips	5	5	$ 350.00
Sub Total						**$ 1,000.00**
Sub Total						**$ 18,775.00**

Docusign Envelope ID: 6C6D250D-C062-4569-BF9B-89C5186E1B09

DESCRIPTION	RATE	QUANTITY PER TRIP	UNITS	ESTIMATED TRIPS	TOTAL QUANTITY	ESTIMATED TOTAL
Concrete & Reinforcing Steel Observations and Testing						
Day Time Large Placements						
Concrete Technician	$ 65.00	6	hours	3	18	$ 1,170.00
Concrete Technician, Overtime	$ 97.50	4	hours	3	12	$ 1,170.00
Compressive Strength of 4" x 8" Cylinder	$ 27.00	15	tests	3	45	$ 1,215.00
Vehicle Charge	$ 70.00	1	trips	3	3	$ 210.00
Sub Total						**$ 3,765.00**
Miscellaneous Placements (Under 100 Yards)						
Concrete Technician	$ 65.00	4	hours	12	48	$ 3,120.00
Compressive Strength of 4" x 8" Cylinder	$ 27.00	5	tests	12	60	$ 1,620.00
Vehicle Charge	$ 70.00	1	trips	12	12	$ 840.00
Sub Total						**$ 5,580.00**
Sample Pick-Ups						
Concrete Technician	$ 65.00	2	hours	15	30	$ 1,950.00
Vehicle Charge	$ 70.00	1	trips	15	15	$ 1,050.00
Sub Total						**$ 3,000.00**
Reinforcing Steel Observations Only						
Concrete Technician	$ 65.00	4	hours	4	16	$ 1,040.00
Vehicle Charge	$ 70.00	1	trips	4	4	$ 280.00
Sub Total						**$ 1,320.00**
Sub Total						**$ 13,665.00**
Masonry Observations						
Part-Time						
Masonry Technician	$ 70.00	4	hours	4	16	$ 1,120.00
Compressive Strength of 3x6 inch Grout Prism	$ 48.00	6	tests	4	24	$ 1,152.00
Compressive Strength of 2 inch Mortar Cube or 3 inch cylinder	$ 27.00	6	tests	4	24	$ 648.00
Vehicle Charge	$ 70.00	1	trips	4	4	$ 280.00
Sub Total						**$ 3,200.00**
Sample Pick-Up						
Concrete Technician	$ 65.00	2	hours	4	8	$ 520.00
Vehicle Charge	$ 70.00	1	trips	4	4	$ 280.00
Sub Total						**$ 800.00**
Sub Total						**$ 4,000.00**
Structural Steel Observations						
Structural Steel Inspector	$ 125.00	4	hours	8	32	$ 4,000.00
Vehicle Charge	$ 70.00	1	trips	8	8	$ 560.00
Sub Total						**$ 4,560.00**
Administration						
Project Manager	$ 168.00		hours		50	$ 8,400.00
Authorized Project Reviewer	$ 237.00		hours		8	$ 1,896.00
Project Assistant	$ 74.00		hours		25	$ 1,850.00
Final Letter	$ 300.00		each		1	$ 300.00
Project Setup	$ 250.00		each		1	$ 250.00
Sub Total						**$ 12,696.00**
ESTIMATED TOTAL						**$ 72,308.00**

Explore with us

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October 7, 2024

City of Denton TX
Giovanni Pineiro-Villa
401 N Elm Street
Denton, Texas 76201

Email: Giovanni.Pineiro-Villa@cityofdenton.com

Re: Construction Materials Observation, Engineering, and Testing Services
Denton Fire Station #5
2230 W Windsor Drive, Denton, Texas
Terracon Consultants Inc. Proposal No. P94241685

Dear Mr. Pineiro-Villa,

Thank you for selecting Terracon Consultants, Inc. (Terracon) to provide construction materials testing, observation services, or special inspection services for the above referenced publicly funded project. We were selected to perform these engineering services based upon the criteria outlined in the Texas Board of Professional Engineers and Surveyors Professional Services Procurement Act. We are presenting this budget estimate to confirm our understanding of the services to be performed for this project, to obtain written authorization to provide these services, and to present the estimated fee to provide these services. The following sections outline our understanding of the project and provide a description of the tasks to be performed.

A) PROJECT INFORMATION

Topic	Overview Statement
Proposed Structures	New 13,544 SF steel-framed building with storm shelter, dumpster enclosure and generator pad
Foundation Types	Drilled-straight shaft piers in conjunction with grade beams and a structurally suspended slab-on-void
Sitework	Approximately 30,800 SF of paving, parking, approaches and sidewalks with typical site utilities and structure

Terracon was provided with the following construction documents for preparation of this proposal:

- Preliminary Civil Drawings by Kimley-Horn dated 08/20/2024
- Preliminary Structural Drawings by IMEG dated 08/20/2024
- Geotechnical Report was not available at the time of this proposal
- Construction Schedule was not provided at the time of this proposal

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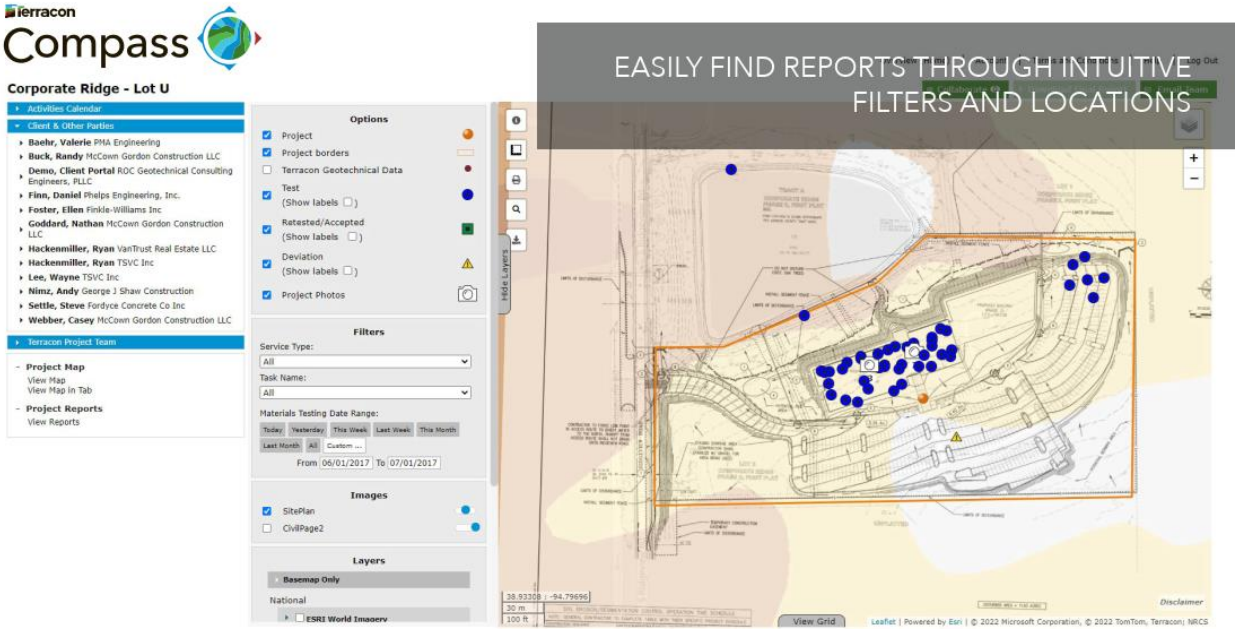
B) WHY TERRACON?

Construction Materials Testing & Special Inspection Services

Our team of inspectors, technicians, and engineers is experienced with providing materials testing, special inspections, and/or observations of concrete, soils, aggregate, masonry, structural steel, foundations, fireproofing, and asphalt pavement in the local area and are familiar with the recognized building jurisdiction requirements.

Compass is Terracon's latest client interfacing tool and elevates the way we do business. Within Terracon Compass, you can access your projects and their associated data, including environmental and geotechnical projects. When you open a materials project within Compass, you will see your materials tests and observations placed on a map. This geographic reference allows you to find your information by the "where", rather than the "when." Other features of Compass include:

- Filters for Date Performed, Service Type and Test Result Status
- Deviation for Non-Conformance Summary: Image overlays to reference multiple plan pages to your test results
- Map layer options: Test results are inserted into Compass as soon as the report has been reviewed and distributed. It becomes easier than ever to view and close deviations with an option to display within a map while also showing them in a table format.



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Laboratory Capabilities

- Accredited by AASHTO Materials Reference Laboratory (AMRL)
- Inspected by Concrete and Cement Reference Laboratory (CCRL)
- Validated by United States Army Corps of Engineers (USACE)

Our DFW Metro laboratories are accredited by AASHTO which is recognized by ASTM E329 Standard Specification for Agencies Engaged in Construction Inspection, Testing, or Special Inspection. The scope of accreditation includes the field of Soils, Aggregates, and Portland Cement Concrete. As a requirement of accreditation, we regularly participate in the Proficiency Sample Programs of both AASHTO and the Cement and Concrete Reference Laboratory (CCRL). Our office includes a fully equipped laboratory and employs engineering technicians and special inspectors certified by many agencies including the American Concrete Institute (ACI), American Welding Society (AWS), and the International Code Council (ICC). We provide a rigorous internal training program where our staff are evaluated in specific field and laboratory test procedures by internal Terracon auditors and external agencies.

C) SCOPE OF SERVICES

Based on our review and understanding of the documents listed above, Terracon proposes the following scope of services:

Earthwork Observations and Testing:

- Sample materials to be used as building fills, utility trench backfill, general fill, and pavement subgrades. Prepare and test the samples for Atterberg Limits (ASTM D4318), Minus #200 Sieve (ASTM D1140), and moisture-density relationship (ASTM D698).
- Observe proofrolling operations of the building pad and paving subgrades.
- Perform in-place moisture and density tests of the building fills, utility trench backfills, general fill, and pavement subgrades using the nuclear method (ASTM D6938) to determine the moisture content and percent compaction of the soil materials.

Drilled Straight Shaft Pier Observation and Testing:

- Monitor the installation of the drilled pier foundation system including verification of the depth to bearing strata, required and actual depth of penetration into the bearing strata for each pier, total depth of piers, pertinent elevations (if provided by the field engineer), plumbness of the drilled pier hole excavation, cleanliness of bearing surface at completion of drilling, etc.
- Record dimensions and the number, size and length of reinforcing bars used.
- Sample the fresh concrete and perform required tests, including slump, air content, unit weight, ambient and concrete temperature, and cast test specimens (5 cylinders per 100 cy or fraction thereof per mix per day) during placements (ASTM C172, C31, C143, C231, and C1064).

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- Perform compressive tests of concrete test cylinders cast in the field (ASTM C617, C39).

Cast-in-Place Concrete Observations and Testing:

- Sample and test the fresh concrete for each mix. Perform tests for slump, air content, ambient and concrete temperatures, and unit weight; and cast test specimens (ASTM C172, C31, C143, C231, C1064, C138). Terracon understands that the contractor will be responsible for providing a secure location and sources of water and electrical power for initial curing of concrete strength test specimens as required by ASTM C31.
- We have assumed the concrete will be sampled at a frequency of one set of five test cylinders every 100 cubic yards or fraction thereof per mix per day for all structural concrete. Terracon requests that a copy of the approved mix design(s) be provided to us prior to placement of the concrete.
- Perform compressive strength tests of concrete test cylinders cast in the field (ASTM C31, C39). Five 4" x 8" concrete cylinders will be prepared for structural concrete having nominal maximum size aggregate of 1 inch or less. One cylinder will be tested at 7 days, three cylinders will be tested at 28 days, and one cylinder will be held for 56 days (or tested at an age requested by others).

Reinforcing Steel Observations:

- Verify the size, number and placement of reinforcing steel and check general form dimensions prior to placement of concrete, per construction drawings.
- Terracon recommends scheduling a minimum of 24 hours prior to concrete placement.

Anchor Bolt Observations:

- Verify the bolt diameter, length, shape, and embedment in concrete. The contractor has the responsibility to schedule this observation prior to placement of concrete. In those cases where anchor bolts are drilled and epoxied into existing concrete foundations, Terracon should be contacted to be present during installation of the bolts in order to verify the bolt hole size, depth, and cleanliness as well as the application of epoxy and installation of bolts.

Masonry Observations and Testing:

- Provide a qualified technician for periodic field observation during load-bearing CMU wall construction.
- Sample mortar for compressive strength testing. (6 mortar cubes 2"x2"x2" per 5,000 SF wall area)
- Sample grout for compressive strength testing. (6 grout prisms 3"x3"x6" per 5,000 SF wall area)

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Structural Steel Observations and Testing:

- Terracon recommends that the general contractor schedule a pre-erection meeting to discuss the erection sequence, review welding and bolting requirements and to review welder certification records.
- Provide a Certified Welding Inspector (CWI) in the field to visually observe accessible field bolted/welded connections in accordance with applicable AISC and AWS standards.
- Perform visual inspections of elevated metal decking for placement including overlap, fastener spacing, supports at openings and penetrations, and puddle welds pattern, size and quality.
- Terracon will observe any shear studs in association with composite concrete decks for number, pattern, and bond.
- Utilize an Ultrasonic Flaw detector to determine the quality of complete joint penetration welds such as moment connections or splice connections. If the base material has a thickness of 5/16" or greater, Terracon recommends that those welds be tested by the Ultrasonic Method in accordance with AWS D1.1.
- Perform visual inspections of completed accessible welds to verify that the welds meet the visual acceptance criteria of AWS D1.1.

Project Management and Administration:

- A project manager will be assigned to the project to review the daily activity and assist in scheduling the work. Field and laboratory tests will be reviewed prior to submittal. The project manager will be responsible for monitoring the project budget and will oversee the preparation of the final report.

Special Inspections Letter:

- Upon completion of our services, a special inspection letter will be prepared, if requested. The letter will list services Terracon performed and if our results and/ or observation were in compliance.

Exclusions:

- **Please note that crane pad evaluation and engineering review of shoring designs of earthen subgrade are not included in Terracon's Scope of Services or fees described herein. If requested, Terracon will review available information and confer with you to establish an appropriate scope of service and anticipated time frame. Please note that supplemental geotechnical exploration, if required, can require several weeks of coordination, and advance notice of these services is appreciated to reduce the potential for construction delays.**

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D) REPORTING

Results of field tests will be submitted verbally to available personnel at the site. Written reports of field tests and observations will be distributed within five business days. Test reports will be distributed via electronic distribution unless otherwise requested. Please provide Terracon with a report distribution list prior to the beginning of the project. The list should include the company name, address, contact person name, phone number, and e-mail address for each person.

Our reported test locations will typically be estimated by pacing distances and approximating angles and elevations from local control data (staking and layout lines) provided by others on site. The accuracy of our locations will be dependent on the accuracy, availability and frequency of the control points provided by the client and/ or contractor.

E) SCHEDULING

Field testing services will be provided on an "as requested" basis when scheduled by your representative. A minimum of 24-hour notice is required to properly schedule our services. To schedule our services please contact our dispatcher at (817) 591-4907. The dispatch office hours are from 7:00 a.m. to 5:00 p.m. Messages left after business hours will be checked the following business day.

Terracon shall not be held responsible for tests not performed as a result of a failure to schedule our services or any subsequent damage caused as a result of a lack of testing. Terracon recommends that a copy of this proposal be provided to the general contractor, so they understand our scope of services and schedule us accordingly. Please note that the number of tests and trips described in the Scope of Services does not constitute a minimum or maximum number of tests or trips that may be required for this project.

Scheduling Retests:

It is the responsibility of your representative to schedule retests in a like manner to scheduling our original services. Terracon shall not be held responsible for retests not performed as a result of a failure to schedule our services or any subsequent damage caused as a result of a lack of retesting.

Additional Observation and Testing Services:

If you would like us to perform additional observation and testing services, please contact us and we will issue a short Supplement to Agreement form, or Supplemental Proposal, that outlines the additional work to be performed and associated fees. To authorize us to begin additional Observation and testing services, you simply return a signed copy of the Supplemental agreement.

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F) COMPENSATION

Based on the project information available for our review, we propose a budget estimate of **$58,038.00.** Services provided will be based on the unit rates included in the attached Fee Estimate. Please note that this is only a budget estimate and not a not-to-exceed price. Many factors beyond our control, such as weather and the contractor's schedule, will dictate the final fee for our services.

For services provided on an "as requested" basis, overtime is defined as all hours in excess of eight hours per day or outside of the normal hours of 7:00 a.m. to 5:00 p.m. Monday through Friday, and all hours worked on weekends and holidays. Overtime rates will be 1.5 times the hourly rate quoted**.**

A four-hour minimum charge is applicable to all trips made portal to portal (our laboratory) to provide our testing, observation and consulting services. A minimum charge is not applicable for trips to the project site for sample pickup only. All labor, equipment and transportation charges are billed on a portal-to-portal basis from our office.

You will be invoiced on a monthly basis for services actually performed and/or as authorized or requested by you or your designated representative. Terracon's total invoice fee is due within thirty days following final receipt of invoice. Quantities and costs associated with re-tests, cancellations and stand-by time are not included in our estimated fee.

G) SITE ACCESS AND SAFETY

Client shall secure all necessary site related approvals, permits, licenses, and consents necessary to commence and complete the services and will execute any necessary site access agreement. Terracon will be responsible for supervision and site safety measures for its own employees but shall not be responsible for the supervision or health and safety precautions for any third parties, including Client's contractors, subcontractors, or other parties present at the site.

H) TESTING AND OBSERVATION

Client understands that testing and observation are discrete sampling procedures, and that such procedures indicate conditions only at the depths, locations, and times the procedures were performed. Terracon will provide test results and opinions based on tests and field observations only for the work tested. Client understands that testing and observation are not continuous or exhaustive and are conducted to reduce – not eliminate - project risk. Client agrees to the level or amount of testing performed and the associated risk. Client is responsible (even if delegated to contractor) for notifying and scheduling Terracon so Terracon can perform these services. Terracon shall not be responsible for the quality and completeness of Client's contractor's work or their adherence to the project documents, and

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Terracon's performance of testing and observation services shall not relieve contractor in any way from its responsibility for defects discovered in its work or create a warranty or guarantee. Terracon will not supervise or direct the work performed by contractor or its subcontractors and is not responsible for their means and methods.

I) AUTHORIZATION

This proposal may be accepted by issuing a Professional Service Agreement and returning an executed copy along with this proposal to Terracon. This proposal for services and accompanying limitations shall constitute the exclusive terms, conditions and services to be performed for this project. This proposal is valid only if authorized within sixty days from the listed proposal date.

We appreciate this opportunity of working with you and we look forward to working with you in the future.

Sincerely,
Terracon Consultants, Inc.
(Texas Registration No. F-3272)

Daniel Garza, EIT
Staff Engineer

Drew Baze
Senior Associate

Attachments:
(1) Fee Estimate

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Fee Estimate

Materials Services
Denton Fire Station #5
Terracon Proposal No. P94241685

DESCRIPTION	RATE	QUANTITY PER TRIP	UNITS	ESTIMATED TRIPS	TOTAL QUANTITY	ESTIMATED TOTAL
Earthwork Observations and Testing						
Part Time						
Soils Technician	$ 68.00	4	hours	12	48	$ 3,264.00
Nuclear Gauge	$ 63.00	1	days	12	12	$ 756.00
Vehicle Charge	$ 70.00	1	trips	12	12	$ 840.00
Sub Total						**$ 4,860.00**
Sample Pick-Up						
Soils Technician	$ 68.00	3	hours	2	6	$ 408.00
Vehicle Charge	$ 70.00	1	trips	2	2	$ 140.00
Sub Total						**$ 548.00**
Laboratory Testing						
Standard Proctor	$ 185.00		tests		5	$ 925.00
Atterberg Limits Determination (3 pt.)	$ 78.00		tests		5	$ 390.00
Sieve Analysis	$ 80.00		tests		1	$ 80.00
Wash 200	$ 48.00		tests		5	$ 240.00
Oversized Particle Correction	$ 30.00		tests		2	$ 60.00
Sub Total						**$ 1,695.00**
Sub Total						**$ 7,103.00**
Foundation Observations and Testing						
Full-Time						
Foundation Technician	$ 70.00	8	hours	10	80	$ 5,600.00
Foundation Technician, Overtime	$ 105.00	4	hours	10	40	$ 4,200.00
Compressive Strength of 4” x 8” Cylinder	$ 27.00	5	tests	10	50	$ 1,350.00
Vehicle Charge	$ 70.00	1	trips	10	10	$ 700.00
Sub Total						**$ 11,850.00**
Sample Pick-Ups						
Concrete Technician	$ 65.00	2	hours	5	10	$ 650.00
Vehicle Charge	$ 70.00	1	trips	5	5	$ 350.00
Sub Total						**$ 1,000.00**
Sub Total						**$ 12,850.00**
Concrete & Reinforcing Steel Observations and Testing						
Day Time Large Placements						
Concrete Technician	$ 65.00	6	hours	5	30	$ 1,950.00
Concrete Technician, Overtime	$ 97.50	2	hours	5	10	$ 975.00
Compressive Strength of 4” x 8” Cylinder	$ 27.00	15	tests	5	75	$ 2,025.00
Vehicle Charge	$ 70.00	1	trips	5	5	$ 350.00
Sub Total						**$ 5,300.00**
Miscellaneous Placements (Under 100 Yards)						
Concrete Technician	$ 65.00	4	hours	16	64	$ 4,160.00
Compressive Strength of 4” x 8” Cylinder	$ 27.00	5	tests	16	80	$ 2,160.00
Vehicle Charge	$ 70.00	1	trips	16	16	$ 1,120.00
Sub Total						**$ 7,440.00**

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DESCRIPTION	RATE	QUANTITY PER TRIP	UNITS	ESTIMATED TRIPS	TOTAL QUANTITY	ESTIMATED TOTAL
Sample Pick-Ups						
Concrete Technician	$ 65.00	2	hours	21	42	$ 2,730.00
Vehicle Charge	$ 70.00	1	trips	21	21	$ 1,470.00
Sub Total						**$ 4,200.00**
Reinforcing Steel Observations						
Concrete Technician	$ 65.00	4	hours	5	20	$ 1,300.00
Vehicle Charge	$ 70.00	1	trips	5	5	$ 350.00
Sub Total						**$ 1,650.00**
Sub Total						**$ 18,590.00**
Masonry Observations						
Part-Time						
Masonry Technician	$ 70.00	4	hours	5	20	$ 1,400.00
Compressive Strength of 3x6 inch Grout Prism	$ 48.00	6	tests	5	30	$ 1,440.00
Compressive Strength of 2 inch Mortar Cube or 3 inch cylinder	$ 27.00	6	tests	5	30	$ 810.00
Vehicle Charge	$ 70.00	1	trips	5	5	$ 350.00
Sub Total						**$ 4,000.00**
Sample Pick-Up						
Concrete Technician	$ 65.00	2	hours	5	10	$ 650.00
Vehicle Charge	$ 70.00	1	trips	5	5	$ 350.00
Sub Total						**$ 1,000.00**
Sub Total						**$ 5,000.00**
Structural Steel Observations						
Structural Steel Inspector	$ 125.00	4	hours	8	32	$ 4,000.00
Vehicle Charge	$ 70.00	1	trips	8	8	$ 560.00
Sub Total						**$ 4,560.00**
Administration						
Project Manager	$ 168.00		hours		40	$ 6,720.00
Authorized Project Reviewer	$ 237.00		hours		5	$ 1,185.00
Project Assistant	$ 74.00		hours		20	$ 1,480.00
Final Letter	$ 300.00		each		1	$ 300.00
Project Setup	$ 250.00		each		1	$ 250.00
Sub Total						**$ 9,935.00**
ESTIMATED TOTAL						**$ 58,038.00**

Explore with us

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CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a) and by City of Denton Ethics Code, Ordinance 18-757.
By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

Terracon Consultants, Inc.

2 ☐ **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information in this section is being disclosed.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government officer. This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

☐ Yes ☒ No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐ Yes ☒ No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

☐ Yes ☒ No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 ☒ **I have no Conflict of Interest to disclose.**

5 Signed by: Drew Baze 1144A9C92727460

Signature of vendor doing business with the governmental entity

1/31/2025
Date

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CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

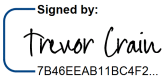
Envelope Id: 6C6D250D-C062-4569-BF9B-89C5186E1B09
Status: Completed
Subject: Please DocuSign: City Council Contract 7703-006 FS 5&6 & SW Fleet Shop Material Testing
Source Envelope:
Document Pages: 53
Signatures: 6
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Erica Garcia
901B Texas Street
Denton, TX 76209
erica.garcia@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
1/28/2025 8:56:10 AM
Holder: Erica Garcia
erica.garcia@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Erica Garcia erica.garcia@cityofdenton.com Senior Buyer City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**Completed** Using IP Address: 198.49.140.10	Sent: 1/28/2025 9:06:44 AM Viewed: 1/28/2025 9:06:52 AM Signed: 1/28/2025 9:09:33 AM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 1/28/2025 9:09:37 AM Viewed: 1/28/2025 9:17:20 AM Signed: 1/28/2025 9:19:14 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 1/28/2025 9:19:17 AM Viewed: 1/30/2025 10:42:13 AM Signed: 1/30/2025 11:54:43 AM
Drew Baze Drew.Baze@terracon.com Department Manager Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 1/31/2025 4:28:23 AM ID: e0f04c89-7d0f-442b-84ea-fc2a0798e3fd	 Signature Adoption: Pre-selected Style Using IP Address: 12.117.197.150	Sent: 1/30/2025 12:50:00 PM Viewed: 1/31/2025 4:28:23 AM Signed: 1/31/2025 1:54:50 PM

Signer Events	Signature	Timestamp
Trevor Crain Trevor.Crain@cityofdenton.com Director of Capital Projects City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 1/31/2025 2:01:17 PM ID: e1b6538c-0729-4ec6-8b70-6d6576d9e4a4	Signed by:  7B46EEAB11BC4F2... Signature Adoption: Pre-selected Style Using IP Address: 70.237.27.78 Signed using mobile	Sent: 1/31/2025 1:54:54 PM Viewed: 1/31/2025 2:01:17 PM Signed: 1/31/2025 2:01:41 PM
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	**Completed** Using IP Address: 198.49.140.10	Sent: 1/31/2025 2:01:45 PM Viewed: 2/19/2025 8:37:36 AM Signed: 2/19/2025 8:38:18 AM
Sara Hensley sara.hensley@cityofdenton.com City Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: 5236DB296270423... Signature Adoption: Pre-selected Style Using IP Address: 107.77.197.70 Signed using mobile	Sent: 2/19/2025 8:38:22 AM Viewed: 2/19/2025 10:04:53 AM Signed: 2/19/2025 10:05:00 AM
Lauren Thoden lauren.thoden@cityofdenton.com City Secretary Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	DocuSigned by: D09D09CAD33D487... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/19/2025 10:05:04 AM Viewed: 2/19/2025 11:16:48 AM Signed: 2/19/2025 11:17:51 AM

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 1/28/2025 9:09:38 AM

Carbon Copy Events	Status	Timestamp
Daniel Garza Daniel.Garza@terracon.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 1/30/2025 12:32:48 PM ID: 46075b80-c097-4546-9da0-ed8c500de7b5	COPIED	Sent: 1/30/2025 12:50:08 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 1/31/2025 2:01:46 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 2/19/2025 11:17:55 AM
Gio Pineiro-Villalba giovanni.pineiro-villalba@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/11/2025 1:10:53 PM ID: 7704fb58-a360-4273-83c6-fabbc15babc0	COPIED	Sent: 2/19/2025 11:17:56 AM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	1/28/2025 9:06:44 AM
Certified Delivered	Security Checked	2/19/2025 11:16:48 AM
Signing Complete	Security Checked	2/19/2025 11:17:51 AM
Completed	Security Checked	2/19/2025 11:17:56 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE APPROVAL OF A FIRST AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF DENTON AND TERRACON CONSULTANTS, INC., AMENDING THE CONTRACT APPROVED BY CITY COUNCIL ON FEBRUARY 18, 2025, IN THE NOT-TO-EXCEED AMOUNT OF $228,838.00; SAID FIRST AMENDMENT TO PROVIDE ADDITIONAL CONSTRUCTION MATERIALS TESTING FOR FIRE STATION #5 AND FIRE STATION #6 PROJECTS FOR THE CAPITAL PROJECTS DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 7703-006 – PROVIDING FOR AN ADDITIONAL FIRST AMENDMENT EXPENDITURE AMOUNT NOT-TO-EXCEED $67,196.00, WITH THE TOTAL CONTRACT AMOUNT NOT-TO-EXCEED $296,034.00).

WHEREAS, on February 18, 2025, City Council awarded a contract to Terracon Consultants, Inc. in the amount of $228,838.00 for the construction materials testing of Fire Station #5, Fire Station #6, and the Solid Waste Fleet Shop for the Capital Projects Department; and

WHEREAS, this procurement was undertaken as part of the City's governmental function; and

WHEREAS, the additional fees under the proposed First Amendment are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees applicable to the Provider's profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The First Amendment, increasing the amount of the contract between the City and Terracon Consultants, Inc., which is on file in the office of the Purchasing Agent, in the amount of Sixty-Seven Thousand One Hundred Ninety-Six and 0/100 ($67,196.00) Dollars, is hereby approved, and the expenditure of funds therefor is hereby authorized in accordance with said amendment which shall be effective upon the execution of the amendment attached hereto. The total contract amount increases to $296,034.00.

SECTION 2. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

Docusign City Council Transmittal Coversheet

PSA	7703-006
File Name	Material Testing for FS 5&6 and SW Fleet Shop - Amendment #1
Purchasing Contact	Cori Power
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

THE STATE OF TEXAS §
§
COUNTY OF DENTON §

FIRST AMENDMENT TO CONTRACT
BY AND BETWEEN THE CITY OF DENTON, TEXAS
AND TERRACON CONSULTANTS, INC.
PSA 7703-006

THIS FIRST AMENDMENT TO CONTRACT 7703-006 ("Amendment") by and between the City of Denton, Texas ("City") and Terracon Consulting, Inc. ("Engineer"); to that certain contract executed on February 18, 2025, in the original not-to-exceed amount of $228,838.00 (the "Agreement"); for material testing services related to the Fire Stations 5 & 6 and the Solid Waste Fleet Shop projects.

WHEREAS, the City deems it necessary to further expand the services provided by Engineer to the City pursuant to the terms of the Agreement, and to provide an additional not-to-exceed amount $67,196 with this Amendment for an aggregate not-to-exceed amount of $296,034; and

FURTHERMORE, the City deems it necessary to further expand the goods/services provided by Engineer to the City;

NOW THEREFORE, the City and Engineer (hereafter collectively referred to as the "Parties"), in consideration of their mutual promises and covenants, as well as for other good and valuable considerations, do hereby AGREE to the following Amendment, which amends the following terms and conditions of the said Agreement, to wit:

1. The additional services described in Exhibit "A" of this Amendment, attached hereto and incorporated herein for all purposes, for professional services related to the material testing for the Fire Stations 5 & 6 and the Solid Waste Fleet Shop Projects, are hereby authorized to be performed by Engineer. For and in consideration of the additional services to be performed by Engineer, the City agrees to pay, based on the cost estimate detail attached as Exhibit "A", a total fee, including reimbursement for non-labor expenses an amount not to exceed $67,196.

2. This Amendment modifies the Agreement amount to provide an additional $67,196 for the additional services with a revised aggregate not to exceed total of $296,034.

The Parties hereto agree, that except as specifically provided for by this Amendment, that all of the terms, covenants, conditions, agreements, rights, responsibilities, and obligations of the Parties, set forth in the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the City and the Engineer, have each executed this Amendment electronically, by and through their respective duly authorized representatives and officers on this date _____.

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

"City"

CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: _____

AUTHORIZED SIGNOR, TITLE

"Engineer"

TERRACON CONSULTANTS, INC.

By: Signed by: Drew Baze 1144A9C92727460... Department Manager

AUTHORIZED SIGNOR, TITLE

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

Signed by: Seth Garcia A13701F6BC954FC...
SIGNATURE

Seth Garcia
PRINTED NAME

Director of Capital Projects
TITLE

Capital Projects
DEPARTMENT

ATTEST:

BY: _____

APPROVED AS TO FORM:
MACK REINWAND, CITY ATTORNEY

BY: Signed by: Leah Bush 3A6254146BDA469...

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

EXHIBIT A

June 26, 2026

City of Denton
Attn: Giovanni Pineiro-Villa
401 N Elm Street
Denton, TX 76201

RE: Fire Station No. 5 & Fire Station No. 6 Change Order

Dear Mr. Pineiro-Villa,

Per the City's request, the change orders for Fire Station No. 5 and Fire Station No. 6 have been combined into a single summary for processing and approval. The Professional Service Agreement (7703-006) dated January 31, 2025, has an original contract amount of $228,838.00 (including the $30,000.00 contingency), which includes Fire Station No. 5, Fire Station No. 6, and the Solid Waste Fleet Shop. This combined change order applies only to Fire Station No. 5 and Fire Station No. 6.

The total combined change order amount is **$67,196.00**, resulting in a revised combined contract value of **$296,034.00**.

Detailed scopes, assumptions, and cost breakdowns are included in the attached change order documents for each project. This change order may be accepted by issuing a Professional Service Agreement and returning an executed copy along with this proposal to Terracon.

Thank you for the opportunity to continue supporting these projects. Please contact us if you have any questions or require additional information.

Sincerely,

Terracon Consultants, Inc.
Texas Registration No. F-3272

Daniel Garza, P.E.
Senior Staff Engineer

Drew Baze
Department Manager II

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

Reference Number: P94241685

CHANGE ORDER No. 1

This **Change Order No. 1** to the Standard Agreement for Engineering Related Professional Services dated 02/18/2025 ("Agreement") is between City of Denton TX ("Client") and Terracon Consultants, Inc. ("Consultant") for additional or changed Services to be provided by Consultant for Client on the Denton Fire Station No. 5 Project, as described in Standard Agreement for Engineering Related Professional Services. This Change Order is incorporated into and made part of the Agreement.

1. Scope of Services. The scope of the additional or changed Services is described in the Scope of Services section of Consultant's Change Order Proposal, unless Services are otherwise described below or in Exhibit B to this Change Order (which section or exhibit are incorporated into the Change Order).

Continue to provide construction materials testing as outlined in Terracon Proposal No. P94241685 dated 10/7/2024.

Building Envelope Construction Phase Services:

Construction Observations – Perform four periodic on-site construction observations during the installation of the building envelope systems to determine if the installation(s) are in general conformance with the construction documents, and also to address a reasonable amount of building envelope related constructability issues. Documentation will be in the format of a written field observation report presenting conditions observed by Terracon at the time of our site visit and our general recommendations for Consultant Client consideration.

ASTM E1105 - Window Testing – Perform a field water infiltration testing on two window assemblies as indicated in AAMA 502 Voluntary Specification for Field Testing of Newly Installed Fenestration Products in one mobilization. More specifically, Consultant proposes to perform field testing in conformance with ASTM E1105 in conformance with field test pressures obtained from design pressures for window assemblies in conformance with AMA/WDMA/CSA 101/I.S.2/A440-11-NAFS-North American Fenestration Specification for Windows, Doors and Skylights. Consultant will provide all testing equipment and chamber construction materials required to facilitate the testing. Consultant requires a water source capable of supplying a minimum of 6 gallons per minute (gpm) and 110 volt power both within 100 feet of the test area. Testing is proposed for ground level window assemblies only. Window assemblies should be installed in conformance with window system manufacturer's requirements and no finish materials should be present at the interior of the window assemblies. The General Contractor should coordinate Terracon's testing with the installation of interior finishes so that at the time of testing, the interior finishes will not have been installed. Otherwise, the removal of interior finishes will be required for visual access around each test specimen by the General Contractor. Consultant will not be responsible for removal and/or replacement work or associated costs of interior finishes or containment and disposal of water as a result of testing. Consultant is not responsible for any delays that are beyond Consultant's control such as weather, contractor coordination, specified water and power source required, etc. Retesting of failed specimens is not included in Terracon's scope or fee proposal, but can be provided as an additional service upon request.

2. Compensation. Client shall pay compensation for the additional or changed Services performed at the fees stated in the Change Order Proposal unless fees are otherwise stated below or in Exhibit C to this Change Order (which section or exhibit are incorporated into the Change Order).

This change order increases the original project estimate of $58,038.00 by $41,590.00, resulting in a revised project total of $99,628.00. The increase reflects expanded masonry observations and testing, field density testing consistent with construction practices implemented for Fire Station No. 6, and additional facilities scope of services. See attached fee estimate for cost breakdown.

All terms and conditions of the Agreement shall continue in full force and effect. This Change Order is accepted and Consultant is authorized to proceed.

Consultant:	**Terracon Consultants, Inc.**	Client:	**City of Denton TX**
By:	Date: **6/26/2026**	By:	Date:
Name/Title:	**James D. Baze / Department Manager II**	Name/Title:	**Giovanni Pineiro-Villa /**
Address:	**8901 John W Carpenter Fwy Ste 100**	Address:	**401 N Elm Street**
	Dallas, TX 75247-4547		**Denton, TX 76201**
Phone:	**(214) 630-1010** Fax:	Phone:	Fax:
Email:	**Drew.Baze@terracon.com**	Email:	**Giovanni.Pineiro-Villalba@cityofdenton.com**

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

Fee Estimate

Materials Services
Denton Fire Station #5
Terracon Proposal No. P94241685

DESCRIPTION		RATE	QUANTITY PER TRIP	UNITS	ESTIMATED TRIPS	ESTIMATED TOTAL QUANTITY		TOTAL ESTIMATED FEE
Earthwork Observations and Testing							**$**	**4,120.00**
Part Time							**$**	**4,120.00**
Soils Technician	$	68.00	4	hours	10	40	$	2,720.00
Nuclear Gauge	$	70.00	1	days	10	10	$	700.00
Trip Charge	$	70.00	1	each	10	10	$	700.00
Masonry Observations							**$**	**15,000.00**
Part-Time							**$**	**12,000.00**
Masonry Technician	$	70.00	4	hours	15	60	$	4,200.00
Compressive Strength (Grout Prisms)	$	48.00	6	tests	15	90	$	4,320.00
Compressive Strength (2-in. cubes)	$	27.00	6	tests	15	90	$	2,430.00
Trip Charge	$	70.00	1	each	15	15	$	1,050.00
Sample Pick-Up							**$**	**3,000.00**
Concrete Technician	$	65.00	2	hours	15	30	$	1,950.00
Trip Charge	$	70.00	1	each	15	15	$	1,050.00
Structural Steel Observations							**$**	**2,850.00**
Welding Inspector	$	125.00	4	hours	5	20	$	2,500.00
Trip Charge	$	70.00	1	each	5	5	$	350.00
Administration							**$**	**2,720.00**
Project Management	$	168.00		hours		10	$	1,680.00
Administration	$	74.00		hours		10	$	740.00
Reports (Final Letter)	$	300.00		each		1	$	300.00
Building Envelope Construction Phase Services							**$**	**12,400.00**
ASTM E1105 - Window Testing	$	12,400.00		lump sum		1	$	12,400.00
Contingency							**$**	**4,500.00**
Change Order Estimated Fee							**$**	**41,590.00**
Initial Project Estimate (Proposal No. P94241685 dated 10/7/2024)							**$**	**58,038.00**
Total Estimated Fee for Project Completion							**$**	**99,628.00**

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

Reference Number: P94241686

CHANGE ORDER No. 1

This **Change Order No. 1** to the Standard Agreement for Engineering Related Professional Services dated 02/18/2025 ("Agreement") is between City of Denton TX ("Client") and Terracon Consultants, Inc. ("Consultant") for additional or changed Services to be provided by Consultant for Client on the Denton Fire Station No. 6 Project, as described in Standard Agreement for Engineering Related Professional Services. This Change Order is incorporated into and made part of the Agreement.

1. Scope of Services. The scope of the additional or changed Services is described in the Scope of Services section of Consultant's Change Order Proposal, unless Services are otherwise described below or in Exhibit B to this Change Order (which section or exhibit are incorporated into the Change Order).

Continue to provide construction materials testing as outlined in Terracon Proposal No. P94241686 dated 10/07/2024.

Building Envelope Construction Phase Services:

Construction Observations – Perform four periodic on-site construction observations during the installation of the building envelope systems to determine if the installation(s) are in general conformance with the construction documents, and also to address a reasonable amount of building envelope related constructability issues. Documentation will be in the format of a written field observation report presenting conditions observed by Terracon at the time of our site visit and our general recommendations for Consultant Client consideration.

ASTM E1105 - Window Testing – Perform a field water infiltration testing on two window assemblies as indicated in AAMA 502 Voluntary Specification for Field Testing of Newly Installed Fenestration Products in one mobilization. More specifically, Consultant proposes to perform field testing in conformance with ASTM E1105 in conformance with field test pressures obtained from design pressures for window assemblies in conformance with AMA/WDMA/CSA 101/I.S.2/A440-11-NAFS-North American Fenestration Specification for Windows, Doors and Skylights. Consultant will provide all testing equipment and chamber construction materials required to facilitate the testing. Consultant requires a water source capable of supplying a minimum of 6 gallons per minute (gpm) and 110 volt power both within 100 feet of the test area. Testing is proposed for ground level window assemblies only. Window assemblies should be installed in conformance with window system manufacturer's requirements and no finish materials should be present at the interior of the window assemblies. The General Contractor should coordinate Terracon's testing with the installation of interior finishes so that at the time of testing, the interior finishes will not have been installed. Otherwise, the removal of interior finishes will be required for visual access around each test specimen by the General Contractor. Consultant will not be responsible for removal and/or replacement work or associated costs of interior finishes or containment and disposal of water as a result of testing. Consultant is not responsible for any delays that are beyond Consultant's control such as weather, contractor coordination, specified water and power source required, etc. Retesting of failed specimens is not included in Terracon's scope or fee proposal, but can be provided as an additional service upon request.

2. Compensation. Client shall pay compensation for the additional or changed Services performed at the fees stated in the Change Order Proposal unless fees are otherwise stated below or in Exhibit C to this Change Order (which section or exhibit are incorporated into the Change Order).

This change order increases the original project estimate of $72,308.00 by $25,606.00 for a revised project total of $97,914.00. The change order includes extension of construction materials testing and additional facilities scope of services. See attached fee estimate for cost breakdown.

All terms and conditions of the Agreement shall continue in full force and effect. This Change Order is accepted and Consultant is authorized to proceed.

Consultant:	**Terracon Consultants, Inc.**	Client:	**City of Denton TX**
By:	Date: **6/26/2026**	By:	Date:
Name/Title:	**James D. Baze / Department Manager II**	Name/Title:	**Giovanni Pineiro-Villa /**
Address:	**8901 John W Carpenter Fwy Ste 100**	Address:	**401 N Elm Street**
	Dallas, TX 75247-4547		**Denton, TX 76201**
Phone:	**(214) 630-1010** Fax:	Phone:	Fax:
Email:	**Drew.Baze@terracon.com**	Email:	**Giovanni.Pineiro-Villalba@cityofdenton.com**

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

Terracon

Fee Estimate

Materials Services
Denton Fire Station #6
Terracon Proposal No. P94241686

DESCRIPTION	RATE	QUANTITY PER TRIP	UNITS	ESTIMATED TRIPS	ESTIMATED TOTAL QUANTITY	TOTAL ESTIMATED FEE
Earthwork Observations and Testing						**$ 2,586.00**
Part Time						**$ 1,648.00**
Soils Technician	$ 68.00	4	hours	4	16	$ 1,088.00
Nuclear Gauge	$ 70.00	1	days	4	4	$ 280.00
Trip Charge	$ 70.00	1	each	4	4	$ 280.00
Sample Pick-Up						**$ 412.00**
Soils Technician	$ 68.00	2	hours	2	4	$ 272.00
Trip Charge	$ 70.00	1	each	2	2	$ 140.00
Laboratory Testing						**$ 526.00**
Laboratory Compaction Characteristics (Standard)	$ 185.00		tests		2	$ 370.00
Atterberg Limits (3pt.)	$ 78.00		tests		2	$ 156.00
Concrete & Reinforcing Steel Observations and Testing						**$ 1,330.00**
Miscellaneous Placements (Under 100 Yards)						**$ 930.00**
Concrete Technician	$ 65.00	4	hours	2	8	$ 520.00
Compressive Strength (Concrete)	$ 27.00	5	tests	2	10	$ 270.00
Trip Charge	$ 70.00	1	each	2	2	$ 140.00
Sample Pick-Ups						**$ 400.00**
Concrete Technician	$ 65.00	2	hours	2	4	$ 260.00
Trip Charge	$ 70.00	1	each	2	2	$ 140.00
Masonry Observations						**$ 1,000.00**
Part-Time						**$ 800.00**
Masonry Technician	$ 70.00	4	hours	1	4	$ 280.00
Compressive Strength (Grout Prisms)	$ 48.00	6	tests	1	6	$ 288.00
Compressive Strength (2-in. cubes)	$ 27.00	6	tests	1	6	$ 162.00
Trip Charge	$ 70.00	1	each	1	1	$ 70.00
Sample Pick-Up						**$ 200.00**
Concrete Technician	$ 65.00	2	hours	1	2	$ 130.00
Trip Charge	$ 70.00	1	each	1	1	$ 70.00
Structural Steel Observations						**$ 2,280.00**
Welding Inspector	$ 125.00	4	hours	4	16	$ 2,000.00
Trip Charge	$ 70.00	1	each	4	4	$ 280.00
Administration						**$ 1,510.00**
Project Management	$ 168.00		hours		5	$ 840.00
Administration	$ 74.00		hours		5	$ 370.00
Reports (Final Letter)	$ 300.00		each		1	$ 300.00
Building Envelope Construction Phase Services						**$ 12,400.00**
ASTM E1105 - Window Testing	$ 12,400.00		lump sum		1	$ 12,400.00
Contingency						**$ 4,500.00**
Change Order Estimated Fee						**$ 25,606.00**
Initial Project Estimate (Proposal No. P94241686 dated 10/7/2024)						**$ 72,308.00**
Total Estimated Fee for Project Completion						**$ 97,914.00**

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

Exhibit CIQ

CONFLICT OF INTEREST QUESTIONNAIRE - FORM CIQ

For vendor or other person doing business with local governmental entity

This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a) and by City of Denton Ethics Code, Ordinance 18-757.
By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 **Name of vendor who has a business relationship with local governmental entity.**

Terracon Consulting, Inc.

2

[X] **Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 **Name of local government officer about whom the information in this section is being disclosed.**

_____
Name of Officer

Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relations hip with the local government officer. This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

[ ] Yes [ ] No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

[ ] Yes [ ] No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

[ ] Yes [ ] No

D. Describe each employment or business and family relationship with the local government officer named in this section.

4 [ ] **I have no Conflict of Interest to disclose.**

5

Signed by:
Drew Baze
1144A9C92727460...
Signature of vendor doing business with the governmental entity

7/27/2026
Date

Docusign Envelope ID: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88

CONFLICT OF INTEREST QUESTIONNAIRE
For vendor doing business with local governmental entity

A complete copy of Chapter 176 of the Local Government Code may be found at http://www.statutes.legis.state.tx.us/ Docs/LG/htm/LG.176.htm. For easy reference, below are some of the sections cited on this form.

Local Government Code § 176.001(1-a): "Business relationship" means a connection between two or more parties based on commercial activity of one of the parties. The term does not include a connection based on:

(A) a transaction that is subject to rate or fee regulation by a federal, state, or local governmental entity or an agency of a federal, state, or local governmental entity;

(B) a transaction conducted at a price and subject to terms available to the public; or

(C) a purchase or lease of goods or services from a person that is chartered by a state or federal agency and that is subject to regular examination by, and reporting to, that agency.

Local Government Code § 176.003(a)(2)(A) and (B):

(A) A local government officer shall file a conflicts disclosure statement with respect to a vendor if:

(2) the vendor:

(A) has an employment or other business relationship with the local government officer or a family member of the officer that results in the officer or family member receiving taxable income, other than investment income, that exceeds $2,500 during the 12-month period preceding the date that the officer becomes aware that

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor;

(B) has given to the local government officer or a family member of the officer one or more gifts that have an aggregate value of more than $100 in the 12-month period preceding the date the officer becomes aware that:

(i) a contract between the local governmental entity and vendor has been executed; or

(ii) the local governmental entity is considering entering into a contract with the vendor.

Local Government Code § 176.006(a) and (a-1)

(a) A vendor shall file a completed conflict of interest questionnaire if the vendor has a business relationship with a local governmental entity and:

(1) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer, described by Section 176.003(a)(2)(A);

(2) has given a local government officer of that local governmental entity, or a family member of the officer, one or more gifts with the aggregate value specified by Section 176.003(a)(2)(B), excluding any gift described by Section 176.003(a-1); or

(3) has a family relationship with a local government officer of that local governmental entity.

(a-1) The completed conflict of interest questionnaire must be filed with the appropriate records administrator not later than the seventh business day after the later of:

(1) the date that the vendor:

(A) begins discussions or negotiations to enter into a contract with the local governmental entity; or

(B) submits to the local governmental entity an application, response to a request for proposals or bids, correspondence, or another writing related to a potential contract with the local governmental entity; or

(2) the date the vendor becomes aware:

(A) of an employment or other business relationship with a local government officer, or a family member of the officer, described by Subsection (a);

(B) that the vendor has given one or more gifts described by Subsection (a); or

(C) of a family relationship with a local government officer.

City of Denton Ethics Code Ordinance Number 18-757

Definitions:

Relative: a family member related to a City Official within the third 3rd degree of affinity (marriage) or consanguinity (blood or adoption)

City Official: for purpose of this article, the term consists of the Council Members, Department Heads, or member of the Board of Ethics, Planning and zoning Commission Members, Board of Adjustment, Historic Landmark Commission, or Public Utilities Board

Vendor: a person who provides or seeks to provide goods, services, and/or real property to the City in exchange for compensation. This definition does not include those property owners from whom the City acquires public right-of-way or other real property interests for public use.

Per the City of Denton Ethics Code, Section 2-273. – Prohibitions

(3) It shall be a violation of this Article for a Vendor to offer or give a Gift to City Official exceeding fifty dollars ($50.00) per gift, or multiple gifts cumulatively valued at more than two hundred dollars ($200.00) per a single fiscal year.

Per the City of Denton Ethics Code, Section 2-282. – Disposition (b), (5) Ineligibility

If the Board of Ethics finds that a Vendor has violated this Article, the Board may recommend to the City Manager that the Vendor be deemed ineligible to enter into a City contract or other arrangement for goods, services, or real property, for a period of one (1) year.

Certificate Of Completion

Envelope Id: 06C287C2-A1B0-8ABF-81A0-8908BA0D2D88
Status: Sent
Subject: Please DocuSign: City Council Contract 7703-006 Material Testing for FS 5&6 Amendment #1
Source Envelope:
Document Pages: 10
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Cori Power
901B Texas Street
Denton, TX 76209
cori.power@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
7/8/2026 2:04:58 PM
Holder: Cori Power
cori.power@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Cori Power cori.power@cityofdenton.com Purchasing Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**Completed** Using IP Address: 198.49.140.10	Sent: 7/8/2026 2:13:34 PM Viewed: 7/8/2026 2:13:44 PM Signed: 7/8/2026 2:13:58 PM
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Initial LH Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/8/2026 2:14:00 PM Viewed: 7/8/2026 2:47:46 PM Signed: 7/8/2026 2:48:13 PM
Leah Bush leah.bush@cityofdenton.com Assistant City Attorney Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	Signed by: Leah Bush 3A6254145BDA469... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 7/8/2026 2:48:15 PM Viewed: 7/10/2026 4:11:31 PM Signed: 7/10/2026 4:15:25 PM
Drew Baze Drew.Baze@terracon.com Department Manager Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/13/2026 7:11:00 AM ID: 4ade5aa6-2fdf-4f23-a2ad-43de63770068	Signed by: Drew Baze 1144A9C92727460... Signature Adoption: Pre-selected Style Using IP Address: 12.117.197.150	Sent: 7/10/2026 4:15:27 PM Resent: 7/16/2026 1:16:20 PM Resent: 7/27/2026 10:24:37 AM Viewed: 7/27/2026 10:25:21 AM Signed: 7/27/2026 10:28:11 AM

Signer Events	Signature	Timestamp
Seth Garcia Seth.Garcia@cityofdenton.com Director of Capital Projects Security Level: Email, Account Authentication (None)	Signed by: A13701F6BC954FC... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 7/27/2026 10:28:14 AM Viewed: 7/27/2026 10:41:20 AM Signed: 7/27/2026 10:41:38 AM
Electronic Record and Signature Disclosure: Accepted: 7/27/2026 10:41:20 AM ID: fe0362aa-d201-4b66-a784-8b93ed49be15		
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		Sent: 7/27/2026 10:41:41 AM
Cassey Ogden Cassey.Ogden@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Kristi Fogle Kristi.Fogle@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/27/2026 8:46:49 AM ID: 48b02e3a-3cfa-4e10-bb58-8294705e366c		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/8/2026 2:14:00 PM

Carbon Copy Events	Status	Timestamp
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	COPIED	Sent: 7/27/2026 10:41:43 AM Viewed: 7/27/2026 4:31:34 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Giovanni Piñeiro-Villalba Giovanni.Pineiro-Villalba@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 7/22/2026 4:34:29 PM ID: 512f56d2-4244-4210-bb07-6a7a9830593a		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/8/2026 2:13:34 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:
You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address
To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..
In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

To request paper copies from City of Denton
To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with City of Denton
To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, IS Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically
To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.
By checking the 'I Agree' box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and

- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and

- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Kenneth Hedges

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the city manager or designee to execute and deliver an advance funding agreement ("AFA") for a highway safety improvement on-system project, between the City of Denton ("City") and the Texas Department of Transportation (TxDOT), regarding the construction of traffic signals on US 377 at North Bell Avenue, Eagle Drive at Avenue A, and FM 2181 at Hobson Lane; CSJ 0135-10-069 confirming expenses; and providing an effective date.

BACKGROUND

The City of Denton and TxDOT are partnering through an AFA to construct traffic signal safety improvements at three locations:

- US 377 at North Bell Avenue (On-system),
- FM 2181 at Hobson Lane (On-system), and
- Eagle Drive at Avenue A (Off-system).

All improvements including traffic signals, flashing yellow arrows, safety lighting, and sidewalk installation will be delivered and administered by TxDOT in accordance with HSIP funding requirements.

The Highway Safety Improvement Program (HSIP) provides federal funding for these projects. Under the AFA, construction funding differs between on-system and off-system locations. For the two On-system locations (US 377 at North Bell and FM 2181 at Hobson Lane), construction is funded 90% by federal sources and 10% by the State, with the City having no construction cost responsibility unless actual construction costs exceed the federally obligated amount. In the event of an overrun, the City is responsible for 100% of overruns as specified in the AFA. Engineering design for the On-system locations was previously funded by the City in FY 2024/2025 and is already completed.

For the Off-system location at Eagle Drive and Avenue A, construction is funded at 100% federal participation, and the City is not responsible for construction costs unless an overrun occurs. The City is responsible for its engineering costs, TxDOT review fees, and State-assessed direct and indirect costs as shown in the project budget (Exhibit A, Attachment B). Engineering design for the Off-system locations was previously funded by the City in FY2024/2025 and is already completed.

The City of Denton budgets annually for participation in the HSIP to ensure continued improvement of its traffic network using federal and state funding sources. This allows the City to leverage external funding to address safety needs, upgrade aging infrastructure, and implement modern signal technologies that would otherwise require significant local investment. For this set of projects, the City's estimated contribution is approximately $307,413.17 (total for application, traffic counts, utility survey, engineering design and construction costs), while federal and state funding sources provide more than $2.4 million toward construction and delivery. By utilizing HSIP, the City can deliver safety improvements more cost-effectively, stretch local dollars further, and make meaningful progress toward a safer and more efficient transportation system for all roadway users.

OPTIONS

1. Approval
2. Approval Subject to Conditions
3. Denial
4. Postpone Item

FUNDING:

The $57,413.17 of City's funding amount will be paid through the transportation services HSIP budget.

RECOMMENDATION:

Staff recommends approval of this request.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

None

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Advanced Funding Agreement
Exhibit 3 - Ordinance

Respectfully submitted:
Farhan Butt, Ph.D., P.E., M. ASCE
Director of Transportation Services

Prepared by:
Chandra Muruganandham, PE, PTOE
Assistant Director/City Traffic Engineer

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

STATE OF TEXAS §

COUNTY OF TRAVIS §

ADVANCE FUNDING AGREEMENT
For
Highway Safety Improvement Project
Both On-System and Off-System

THIS AGREEMENT (Agreement) is made by and between the State of Texas, acting by and through the **Texas Department of Transportation** called the "State", and the **City of Denton**, acting by and through its duly authorized officials, called the "Local Government". The State and Local Government shall be collectively referred to as "the parties" hereinafter.

WITNESSETH

WHEREAS, federal law establishes federally funded programs for transportation improvements to implement its public purposes, and

WHEREAS, the Texas Transportation Code, Section 201.103 establishes that the State shall design, construct and operate a system of highways in cooperation with local governments, and Section 222.052 authorizes the Texas Transportation Commission to accept contributions from political subdivisions for development and construction of public roads and the state highway system within the political subdivision, and

WHEREAS, federal and state laws require local governments to meet certain contract standards relating to the management and administration of State and federal funds, and

WHEREAS, the Texas Transportation Commission has codified 43 TAC, Rules 15.50-15.56 that describe federal, state, and local responsibilities for cost participation in highway improvement and other transportation projects, and

WHEREAS, the Texas Transportation Commission passed Minute Order Number **{Enter MO #}** authorizing the State to undertake and complete a highway improvement or other transportation project generally described as **{Enter Description of Improvement}.** The portion of the project work covered by this Agreement is identified in the Agreement, Article 3, Scope of Work (Project), and

{The following clause is used only when AFA is for preliminary engineering and the project has been authorized for preliminary engineering, but not construction. Otherwise delete this clause.}

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name	US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.				*AFA Not Used For Research & Development*	

WHEREAS, the Texas Transportation Commission has not authorized funding for the construction of the highway improvement or other transportation project and the project is not currently listed and approved for construction in the Unified Transportation Program (UTP) or Statewide Transportation Improvement Program (STIP). This Agreement does not represent a commitment to future project funding for any project elements, including construction, not specifically outlined in the Agreement. Costs not specifically identified as reimbursable under this Agreement will not be requested or reimbursed.

WHEREAS, the Governing Body of the Local Government has approved entering into this Agreement by resolution, ordinance, or commissioners court order dated **{Enter Date of Resolution}**, which is attached to and made a part of this Agreement as Attachment C, Resolution, Ordinance, or Commissioners Court Order (Attachment C). A map showing the Project location appears in Attachment A, Location Map Showing Project (Attachment A), which is attached to and made a part of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties, to be by them respectively kept and performed as set forth in this Agreement, it is agreed as follows:

AGREEMENT

1. Responsible Parties:

For the Project covered by this Agreement, the parties shall be responsible for the following work as stated in the article of the Agreement referenced in the table below:

1	**Local Government***	Utilities	Article 8
2.	**Local Government***	Environmental Assessment and Mitigation	Article 9
3.	**Local Government**	Architectural and Engineering Services	Article 11
4.	**State**	Construction Responsibilities	Article 12
5.	**Local Government***	Right of Way and Real Property	Article 14

An asterisk next to the party responsible for specific work in the above table indicates that the associated specific work is not anticipated as part of the Project and is therefore not included in the budget; however, the party indicated will be responsible for that specific work if that work is not the subject of another agreement and the State determines that the specific work has become necessary to successful completion of the Project.

2. Period of the Agreement

This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed. This Agreement shall remain in effect until the Project is completed or unless terminated as provided below.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

3. Scope of Work

The scope of work for the Project consists of improve traffic signal, install flashing yellow arrow, safety lighting at intersection (CSJs: 0135-10-069 and 0918-46-349), improve traffic signals, install flashing yellow arrow, install sidewalks (CSJ: 2054-02-024).

4. Project Sources and Uses of Funds

The total estimated cost of the Project is shown in Attachment B, Project Budget (Attachment B) which is attached to and made a part of this Agreement.

A. If the Local Government will perform any work under this Agreement for which reimbursement will be provided by or through the State, the Local Government must complete training. If federal funds are being used, the training must be completed before federal spending authority is obligated. Training is complete when at least one individual who is working actively and directly on the Project successfully completes and receives a certificate for the course entitled "Local Government Project Procedures and Qualification for the Texas Department of Transportation" and retains qualification in accordance with applicable TxDOT procedures. Upon request, the Local Government shall provide the certificate of qualification to the State. The individual who receives the training certificate may be an employee of the Local Government or an employee of a firm that has been contracted by the Local Government to perform oversight of the Project. The State in its discretion may deny reimbursement if the Local Government has not continuously designated in writing a qualified individual to work actively on or to directly oversee the Project.

B. The expected cash contributions from the federal government, the State, the Local Government, or other parties are shown in Attachment B. The State will pay for only those Project costs that have been approved by the Texas Transportation Commission. For projects with federal funds, the State and the federal government will not reimburse the Local Government for any work performed before the federal spending authority is formally obligated to the Project by the Federal Highway Administration (FHWA). After federal funds have been obligated, the State will send to the Local Government a copy of the formal documentation showing the obligation of funds including federal award information. The Local Government is responsible for 100% of the cost of any work performed under its direction or control before the federal spending authority is formally obligated.

C. Attachment B shows, by major cost categories, the cost estimates and the party responsible for performing the work for each category. These categories may include but are not limited to: (1) costs of real property; (2) costs of utility work; (3) costs of environmental assessment and remediation; (4) cost of preliminary engineering and design; (5) cost of construction and construction management; and (6) any other local project costs.

D. The State will be responsible for securing the federal and State share of the funding required for the development and construction of the local Project. If the

Local Government is due funds for expenses incurred, these funds will be reimbursed to the Local Government on a cost basis.

E. The Local Government will be responsible for all non-federal or non-State participation costs associated with the Project, unless otherwise provided for in this Agreement or approved otherwise in an amendment to this Agreement. For items of work subject to specified percentage funding, the Local Government shall only in those instances be responsible for all Project costs that are greater than the maximum State and federal participation specified in Attachment B and for overruns in excess of the amount specified in Attachment B to be paid by the Local Government.

F. The budget in Attachment B will clearly state all items subject to fixed price funding, specified percentage funding, and the periodic payment schedule, when periodic payments have been approved by the State.

G. When the Local Government bears the responsibility for paying cost overruns, the Local Government shall make payment to the State within thirty (30) days from the receipt of the State's written notification of additional funds being due.

H. When fixed price funding is used, the Local Government is responsible for the fixed price amount specified in Attachment B. Fixed prices are not subject to adjustment unless (1) differing site conditions are encountered; (2) further definition of the Local Government's requested scope of work identifies greatly differing costs from those estimated; (3) work requested by the Local Government is determined to be ineligible for federal participation; or (4) the adjustment is mutually agreed to by the State and the Local Government.

I. Prior to the performance of any engineering review work by the State, the Local Government will pay to the State the amount specified in Attachment B. At a minimum, this amount shall equal the Local Government's funding share for the estimated cost of preliminary engineering performed or reviewed by the State for the Project. At least sixty (60) days prior to the date set for receipt of the construction bids, the Local Government shall remit its remaining financial share for the State's estimated construction oversight and construction cost.

J. The State will not execute the contract for the construction of the Project until the required funding has been made available by the Local Government in accordance with this Agreement.

K. Whenever funds are paid by the Local Government to the State under this Agreement, the Local Government shall remit a check or warrant made payable to the "Texas Department of Transportation" or may use the State's Automated Clearing House (ACH) system for electronic transfer of funds in accordance with instructions provided by TxDOT's Finance Division. The funds shall be deposited and managed by the State and may only be applied by the State to the Project.

L. The State will not pay interest on any funds provided by the Local Government.

M. If a waiver for the collection of indirect costs for a service project has been granted under 43 TAC §15.56, the State will not charge the Local Government for the indirect costs the State incurs on the Project, unless this Agreement is

terminated at the request of the Local Government prior to completion of the Project.

N. If the Local Government is an Economically Disadvantaged County (EDC) and if the State has approved adjustments to the standard financing arrangement, this Agreement reflects those adjustments.

O. Where the Local Government is authorized to perform services under this Agreement and be reimbursed by the State, the Local Government is authorized to submit requests for reimbursement by submitting the original of an itemized invoice, in a form and containing all items required by the State, no more frequently than monthly and no later than ninety (90) days after costs are incurred. If the Local Government submits invoices more than ninety (90) days after the costs are incurred and if federal funding is reduced as a result, the State shall have no responsibility to reimburse the Local Government for those costs.

P. Upon completion of the Project, the State will perform a final accounting of the Project costs for all items of work with specified percentage funding. Any funds due by the Local Government, the State, or the federal government for these work items will be promptly paid by the owing party.

Q. The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under this Agreement or indirectly through a subcontract under this Agreement. Acceptance of funds directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

R. Payment under this Agreement beyond the end of the current fiscal biennium is subject to availability of appropriated funds. If funds are not appropriated, this Agreement shall be terminated immediately with no liability to either party.

5. Termination of This Agreement

This Agreement shall remain in effect until the Project is completed and accepted by all parties, unless:

A. The Agreement is terminated in writing with the mutual consent of the parties;

B. The Agreement is terminated by one party because of a breach, in which case any costs incurred because of the breach shall be paid by the breaching party;

C. The Local Government elects not to provide funding after the completion of preliminary engineering, specifications, and estimates (PS&E) and the Project does not proceed because of insufficient funds, in which case the Local Government agrees to reimburse the State for its reasonable actual costs incurred during the Project; or

D. The Agreement is terminated by the State because the parties are not able to execute a mutually agreeable amendment when the costs for Local Government requested items increase significantly due to differing site conditions,

determination that Local government requested work is ineligible for federal or state cost participation, or a more thorough definition of the Local Government's proposed work scope identifies greatly differing costs from those estimated. The State will reimburse Local Government remaining funds to the Local Government within ninety (90) days of termination; or

E. The Project is inactive for thirty-six (36) consecutive months or longer and no expenditures have been charged against federal funds, in which case the State may in its discretion terminate this Agreement.

6. Amendments

Amendments to this Agreement due to changes in the character of the work, terms of the Agreement, or responsibilities of the parties relating to the Project may be enacted through a mutually agreed upon, written amendment.

7. Remedies

This Agreement shall not be considered as specifying the exclusive remedy for any agreement default, but all remedies existing at law and in equity may be availed of by either party to this Agreement and shall be cumulative.

8. Utilities

The party named in Article 1, Responsible Parties, under AGREEMENT shall be responsible for the adjustment, removal, or relocation of utility facilities in accordance with applicable state laws, regulations, rules, policies, and procedures, including any cost to the State of a delay resulting from the Local Government's failure to ensure that utility facilities are adjusted, removed, or relocated before the scheduled beginning of construction. The Local Government will not be reimbursed with federal or State funds for the cost of required utility work. The Local Government must obtain advance approval for any variance from established procedures. Before a construction contract is let, the Local Government shall provide, at the State's request, a certification stating that the Local Government has completed the adjustment of all utilities that must be adjusted before construction is commenced.

9. Environmental Assessment and Mitigation

Development of a transportation project must comply with the National Environmental Policy Act and the National Historic Preservation Act of 1966, which require environmental clearance of federal-aid projects. The party named in Article 1, Responsible Parties, under AGREEMENT is responsible for the following:

A. The identification and assessment of any environmental problems associated with the development of a local project governed by this Agreement.

B. The cost of any environmental problem's mitigation and remediation.

C. Providing any public meetings or public hearings required for the environmental assessment process. Public hearings will not be held prior to the approval of the Project schematic.

D. The preparation of the NEPA documents required for the environmental clearance of this Project.

If the Local Government is responsible for the environmental assessment and mitigation, before the advertisement for bids, the Local Government shall provide to the State written documentation from the appropriate regulatory agency or agencies that all environmental clearances have been obtained.

10. Compliance with Accessibility Standards

All parties to this Agreement shall ensure that the plans for and the construction of all projects subject to this Agreement are in compliance with standards issued or approved by the Texas Department of Licensing and Regulation (TDLR) as meeting or consistent with minimum accessibility requirements of the Americans with Disabilities Act (P.L. 101-336) (ADA).

11. Architectural and Engineering Services

The party named in Article 1, Responsible Parties, under AGREEMENT has responsibility for the performance of architectural and engineering services. The engineering plans shall be developed in accordance with the applicable State's *Standard Specifications for Construction and Maintenance of Highways, Streets and Bridges* and the special specifications and special provisions related to it. For projects on the State highway system, the design shall, at a minimum conform to applicable State manuals. For projects not on the State highway system, the design shall, at a minimum, conform to applicable American Association of State Highway and Transportation Officials (AASHTO) design standards.

In procuring professional services, the parties to this Agreement must comply with federal requirements cited in 23 CFR Part 172 if the Project is federally funded and with Texas Government Code 2254, Subchapter A, in all cases. Professional contracts for federally funded projects must conform to federal requirements, specifically including the provision for participation by Disadvantaged Business Enterprises (DBEs), ADA, and environmental matters. If the Local Government is the responsible party, the Local Government shall submit its procurement selection process for prior approval by the State. All professional services contracts must be reviewed and approved by the State prior to execution by the Local Government.

12. Construction Responsibilities

The party named in Article 1, Responsible Parties, under AGREEMENT is responsible for the following:

A. Advertise for construction bids, issue bid proposals, receive and tabulate the bids, and award and administer the contract for construction of the Project. Administration of the contract includes the responsibility for construction engineering and for issuance of any change orders, supplemental agreements, amendments, or additional work orders that may become necessary subsequent

to the award of the construction contract. In order to ensure federal funding eligibility, projects must be authorized by the State prior to advertising for construction.

B. If the State is the responsible party, the State will use its approved contract letting and award procedures to let and award the construction contract.

C. If the Local Government is the responsible party, the Local Government shall submit its contract letting and award procedures to the State for review and approval prior to letting.

D. If the Local Government is the responsible party, the State must concur with the low bidder selection before the Local Government can enter into a contract with the vendor.

E. If the Local Government is the responsible party, the State must review and approve change orders.

F. Upon completion of the Project, the party responsible for constructing the Project will issue and sign a "Notification of Completion" acknowledging the Project's construction completion and submit certification(s) sealed by a professional engineer(s) licensed in the State of Texas.

G. For federally funded contracts, the parties to this Agreement will comply with federal construction requirements cited in 23 CFR Part 635 and with requirements cited in 23 CFR Part 633, and shall include the latest version of Form "FHWA-1273" in the contract bidding documents. If force account work will be performed, a finding of cost effectiveness shall be made in compliance with 23 CFR 635, Subpart B.

13. Project Maintenance

The Local Government shall be responsible for maintenance of locally owned roads and locally owned facilities after completion of the work. The State shall be responsible for maintenance of the State highway system after completion of the work if the work was on the State highway system, unless otherwise provided for in existing maintenance agreements with the Local Government.

14. Right of Way and Real Property

The party named in Article 1, Responsible Parties, under AGREEMENT is responsible for the provision and acquisition of any needed right of way or real property.

The Local Government shall be responsible for the following:

A. Right of way and real property acquisition shall be the responsibility of the Local Government. Title to right of way and other related real property must be acceptable to the State before funds may be expended for the improvement of the right of way or real property.

B. If the Local Government is the owner of any part of the Project site under this Agreement, the Local Government shall permit the State or its authorized representative access to occupy the site to perform all activities required to execute the work.

C. All parties to this Agreement will comply with and assume the costs for compliance with all the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Title 42 U.S.C.A. Section 4601 et seq., including those provisions relating to incidental expenses incurred by the property owners in conveying the real property to the Local Government and benefits applicable to the relocation of any displaced person as defined in 49 CFR Section 24.2(g). Documentation to support such compliance must be maintained and made available to the State and its representatives for review and inspection.

D. The Local Government shall assume all costs and perform necessary requirements to provide any necessary evidence of title or right of use in the name of the Local Government to the real property required for development of the Project. The evidence of title or rights shall be acceptable to the State, and be free and clear of all encroachments. The Local Government shall secure and provide easements and any needed rights of entry over any other land needed to develop the Project according to the approved Project plans. The Local Government shall be responsible for securing any additional real property required for completion of the Project.

E. In the event real property is donated to the Local Government after the date of the State's authorization, the Local Government will provide all documentation to the State regarding fair market value of the acquired property. The State will review the Local Government's appraisal, determine the fair market value and credit that amount towards the Local Government's financial share. If donated property is to be used as a funding match, it may not be provided by the Local Government. The State will not reimburse the Local Government for any real property acquired before execution of this Agreement and the obligation of federal spending authority.

F. The Local Government shall prepare real property maps, property descriptions, and other data as needed to properly describe the real property and submit them to the State for approval prior to the Local Government acquiring the real property. Tracings of the maps shall be retained by the Local Government for a permanent record.

G. The Local Government agrees to make a determination of property values for each real property parcel by methods acceptable to the State and to submit to the State a tabulation of the values so determined, signed by the appropriate Local Government representative. The tabulations shall list the parcel numbers, ownership, acreage and recommended compensation. Compensation shall be shown in the component parts of land acquired, itemization of improvements acquired, damages (if any) and the amounts by which the total compensation will be reduced if the owner retains improvements. This tabulation shall be accompanied by an explanation to support the determined values, together with a copy of information or reports used in calculating all determined values. Expenses incurred by the Local Government in performing this work may be eligible for reimbursement after the Local Government has received written

authorization by the State to proceed with determination of real property values. The State will review the data submitted and may base its reimbursement for parcel acquisitions on these values.

H. Reimbursement for real property costs will be made to the Local Government for real property purchased in an amount not to exceed eighty percent (80%) of the cost of the real property purchased in accordance with the terms and provisions of this Agreement. Reimbursement will be in an amount not to exceed eighty percent (80%) of the State's predetermined value of each parcel, or the net cost of the parcel, whichever is less. In addition, reimbursement will be made to the Local Government for necessary payments to appraisers, expenses incurred in order to assure good title, and costs associated with the relocation of displaced persons and personal property as well as incidental expenses.

I. If the Project requires the use of real property to which the Local Government will not hold title, a separate agreement between the owners of the real property and the Local Government must be executed prior to execution of this Agreement. The separate agreement must establish that the Project will be dedicated for public use for a period of not less than 10 (ten) years after completion. The separate agreement must define the responsibilities of the parties as to the use of the real property and operation and maintenance of the Project after completion. The separate agreement must be approved by the State prior to its execution. A copy of the executed agreement shall be provided to the State.

15. Insurance

If this Agreement authorizes the Local Government or its contractor to perform any work on State right of way, before beginning work, the entity performing the work shall provide the State with a fully executed copy of the State's Form 1560 Certificate of Insurance verifying the existence of coverage in the amounts and types specified on the Certificate of Insurance for all persons and entities working on State right of way. This coverage shall be maintained until all work on the State right of way is complete. If coverage is not maintained, all work on State right of way shall cease immediately, and the State may recover damages and all costs of completing the work.

16. Notices

All notices to either party shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to that party at the following address:

Local Government:	**State:**
City of Denton ATTN: City Manager 215 E. McKinney Denton, TX 76201	Texas Department of Transportation ATTN: Director of Contract Services 125 E. 11th Street Austin, TX 78701

All notices shall be deemed given on the date delivered in person or deposited in the mail, unless otherwise provided by this Agreement. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that notices shall be delivered personally or by certified U.S. mail, and that request shall be carried out by the other party.

17. Legal Construction

If one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions and this Agreement shall be construed as if it did not contain the invalid, illegal, or unenforceable provision.

18. Responsibilities of the Parties

The State and the Local Government agree that neither party is an agent, servant, or employee of the other party, and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

19. Ownership of Documents

Upon completion or termination of this Agreement, all documents prepared by the State shall remain the property of the State. All data and information prepared under this Agreement shall be made available to the State without restriction or limitation on their further use. All documents produced or approved or otherwise created by the Local Government shall be transmitted to the State, in the format directed by the State, on a monthly basis or as required by the State. The originals shall remain the property of the Local Government. .

20. Compliance with Laws

The parties to this Agreement shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Agreement. When required, the Local Government shall furnish the State with satisfactory proof of this compliance.

21. Sole Agreement

This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting the Agreement's subject matter.

22. Cost Principles

In order to be reimbursed with federal funds, the parties shall comply with the cost principles established in 2 CFR 200 that specify that all reimbursed costs are allowable, reasonable, and allocable to the Project.

23. Procurement and Property Management Standards

The parties to this Agreement shall adhere to the procurement and property management standards established in 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and to the Texas Uniform Grant Management Standards. The State must pre-approve the Local Government's procurement procedures for purchases to be eligible for state or federal funds.

24. Inspection of Books and Records

The parties to this Agreement shall maintain all books, documents, papers, accounting records, and other documentation relating to costs incurred under this Agreement and shall make such materials available to the State, the Local Government, and, if federally funded, the FHWA and the U.S. Office of the Inspector General or their duly authorized representatives for review and inspection at its office during the Agreement period and for seven (7) years from the date of final reimbursement by FHWA under this Agreement or until any impending litigation or claims are resolved. Additionally, the State, the Local Government, and the FHWA and their duly authorized representatives shall have access to all the governmental records that are directly applicable to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

25. Civil Rights Compliance

The parties to this Agreement are responsible for the following:

A. Compliance with Regulations: Both parties will comply with the Acts and the Regulations relative to Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation (USDOT), the Federal Highway Administration (FHWA), as they may be amended from time to time, which are herein incorporated by reference and made part of this Agreement.

B. Nondiscrimination: The Local Government, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Local Government will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

C. Solicitations for Subcontracts, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the Local Government for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier will be notified by the Local Government of the Local Government's obligations under this Agreement and the Acts and Regulations relative to Nondiscrimination on the grounds of race, color, or national origin.

D. Information and Reports: The Local Government will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant

thereto, and will permit access to its books, records, accounts, other sources of information, and facilities as may be determined by the State or the FHWA to be pertinent to ascertain compliance with such Acts, Regulations or directives. Where any information required of the Local Government is in the exclusive possession of another who fails or refuses to furnish this information, the Local Government will so certify to the State or the FHWA, as appropriate, and will set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of the Local Government's noncompliance with the Nondiscrimination provisions of this Agreement, the State will impose such contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:
   1. withholding of payments to the Local Government under the Agreement until the Local Government complies and/or
   2. cancelling, terminating, or suspending of the Agreement, in whole or in part.

F. Incorporation of Provisions: The Local Government will include the provisions of paragraphs (A) through (F) in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Local Government will take such action with respect to any subcontract or procurement as the State or the FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Local Government becomes involved in, or is threatened with, litigation with a subcontractor or supplier because of such direction, the Local Government may request the State to enter into such litigation to protect the interests of the State. In addition, the Local Government may request the United States to enter into such litigation to protect the interests of the United States.

26. Pertinent Non-Discrimination Authorities

During the performance of this Agreement, each party, for itself, its assignees, and successors in interest agree to comply with the following nondiscrimination statutes and authorities; including but not limited to:

A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (pro-hibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.

B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of federal or federal-aid programs and projects).

C. Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), as amended, (prohibits discrimination on the basis of sex).

D. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.) as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27.

E. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age).

F. Airport and Airway Improvement Act of 1982, (49 U.S.C. Chapter 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex).

G. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the federal-aid recipients, subrecipients and contractors, whether such programs or activities are federally funded or not).

H. Titles II and III of the Americans with Disabilities Act, which prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38.

I. The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex).

J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations.

K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, the parties must take reasonable steps to ensure that LEP persons have meaningful access to the programs (70 Fed. Reg. at 74087 to 74100).

L. Title IX of the Education Amendments of 1972, as amended, which prohibits the parties from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

27. Disadvantaged Business Enterprise (DBE) Program Requirements

If federal funds are used:

A. The parties shall comply with the Disadvantaged Business Enterprise Program requirements established in 49 CFR Part 26.

B. The Local Government shall adopt, in its totality, the State's federally approved DBE program.

C. The Local Government shall incorporate into its contracts with subproviders an appropriate DBE goal consistent with the State's DBE guidelines and in consideration of the local market, project size, and nature of the goods or services to be acquired. The Local Government shall submit its proposed scope

of services and quantity estimates to the State to allow the State to establish a DBE goal for each Local Government contract with a subprovider. The Local Government shall be responsible for documenting its actions.

D. The Local Government shall follow all other parts of the State's DBE program referenced in TxDOT Form 2395, Memorandum of Understanding Regarding the Adoption of the Texas Department of Transportation's Federally-Approved Disadvantaged Business Enterprise by Entity, and attachments found at web address http://ftp.dot.state.tx.us/pub/txdot-info/bop/dbe/mou/mou_attachments.pdf.

E. The Local Government shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any U.S. Department of Transportation (DOT)-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Local Government shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non-discrimination in award and administration of DOT-assisted contracts. The State's DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this Agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Local Government of its failure to carry out its approved program, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

F. Each contract the Local Government signs with a contractor (and each subcontract the prime contractor signs with a sub-contractor) must include the following assurance: *The contractor, sub-recipient, or sub-contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as the recipient deems appropriate*.

28. Debarment Certifications

If federal funds are used, the parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549, "Debarment and Suspension." By executing this Agreement, the Local Government certifies that it and its principals are not currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549 and further certifies that it will not do business with any party, to include principals, that is currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549. The parties to this Agreement shall require any party to a subcontract or purchase order awarded under

this Agreement to certify its eligibility to receive federal funds and, when requested by the State, to furnish a copy of the certification.

If state funds are used, the parties are prohibited from making any award to any party that is debarred under the Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter G, Rule §20.585 and the Texas Administrative Code, Title 43, Part 1, Chapter 9, Subchapter G.

29. Lobbying Certification

If federal funds are used, in executing this Agreement, each signatory certifies to the best of that signatory's knowledge and belief, that:

A. No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Local Government shall complete and submit the Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The parties shall require that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and all sub-recipients shall certify and disclose accordingly. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

30. Federal Funding Accountability and Transparency Act Requirements

If federal funds are used, the following requirements apply:

A. Any recipient of funds under this Agreement agrees to comply with the Federal Funding Accountability and Transparency Act (FFATA) and implementing regulations at 2 CFR Part 170, including Appendix A. This Agreement is subject to the following award terms: http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22705.pdf and http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22706.pdf.

B. The Local Government agrees that it shall:

1. Obtain and provide to the State a System for Award Management (SAM) number (Federal Acquisition Regulation, Part 4, Sub-part 4.11) if this award provides more than $25,000 in federal funding. The SAM number may be obtained by visiting the SAM website whose address is: https://www.sam.gov/portal/public/SAM/
2. Obtain and provide to the State a Data Universal Numbering System (DUNS) number, a unique nine-character number that allows federal government to track the distribution of federal money. The DUNS may be requested free of charge for all businesses and entities required to do so by visiting the Dun & Bradstreet (D&B) on-line registration website http://fedgov.dnb.com/webform; and
3. Report the total compensation and names of its top five executives to the State if:
   i. More than 80% of annual gross revenues are from the federal government, and those revenues are greater than $25,000,000; and
   ii. The compensation information is not already available through reporting to the U.S. Securities and Exchange Commission.

31. Single Audit Report

If federal funds are used:

A. The parties shall comply with the single audit report requirements stipulated in 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

B. If threshold expenditures of $1,000,000 or more are met during the fiscal year, the Local Government must submit a Single Audit Report and Management Letter (if applicable) to TxDOT's Compliance Division, 125 East 11th Street, Austin, TX 78701 or contact TxDOT's Compliance Division by email at singleaudits@txdot.gov.

C. If expenditures are less than the threshold during the Local Government's fiscal year, the Local Government must submit a statement to TxDOT's Compliance Division as follows: "We did not meet the $_____ expenditure threshold and therefore, are not required to have a single audit performed for FY _____."

D. For each year the Project remains open for federal funding expenditures, the Local Government will be responsible for filing a report or statement as described above. The required annual filing shall extend throughout the life of the Agreement, unless otherwise amended or the Project has been formally closed out and no charges have been incurred within the current fiscal year.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

32. Signatory Warranty

Each signatory warrants that the signatory has necessary authority to execute this Agreement on behalf of the entity represented.

Each party is signing this Agreement on the date stated under that party's signature.

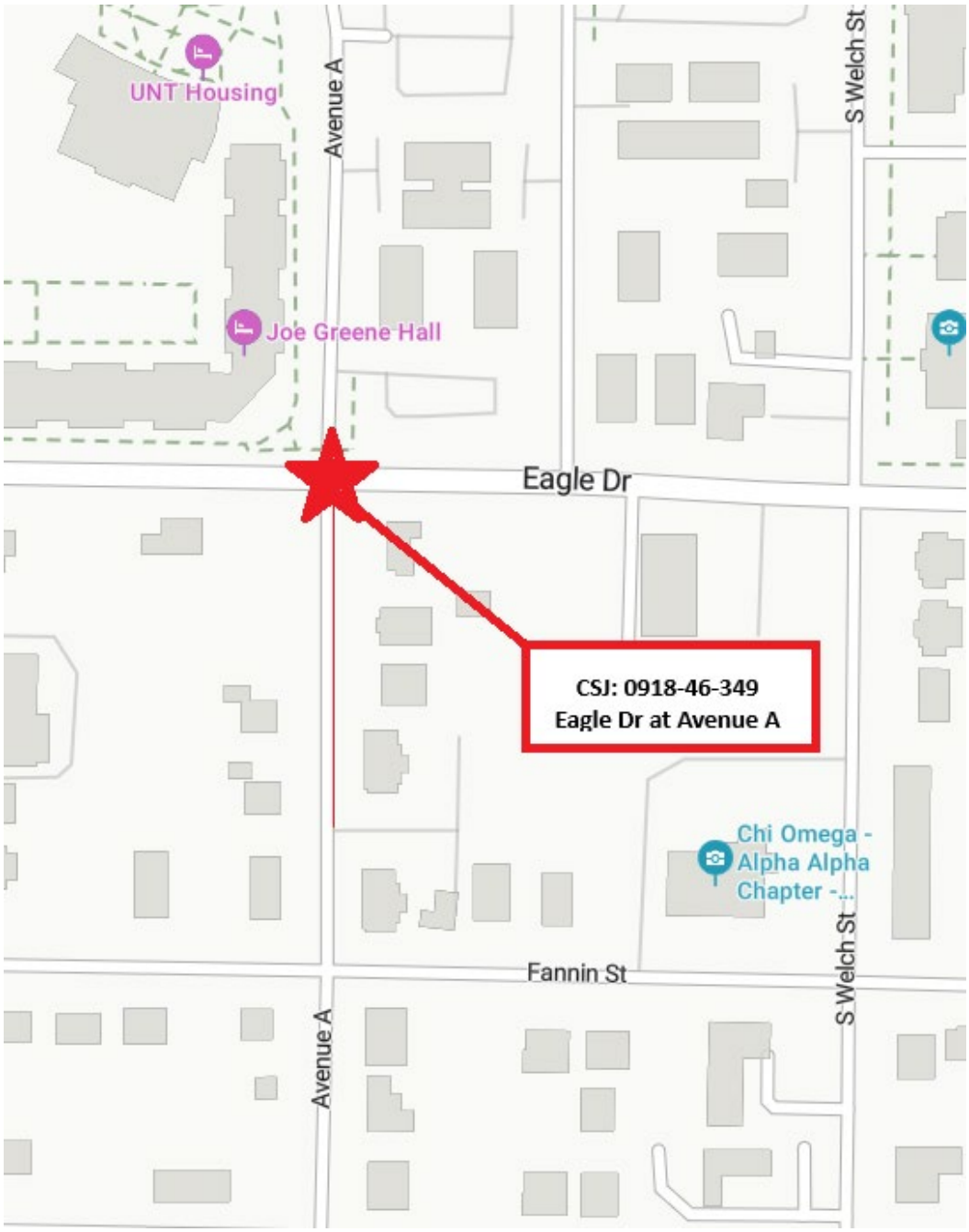
THE STATE OF TEXAS	THE LOCAL GOVERNMENT
Signature	Signature
Typed or Printed Name	Typed or Printed Name
Typed or Printed Title	Typed or Printed Title
Date	Date

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	15/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

ATTACHMENT A
LOCATION MAP SHOWING PROJECT
CSJ: 0135-10-069

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	15/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

ATTACHMENT A
LOCATION MAP SHOWING PROJECT
CSJ: 0918-46-349



TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	15/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

ATTACHMENT A
LOCATION MAP SHOWING PROJECT
CSJ: 2054-02-024

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

ATTACHMENT B
PROJECT BUDGET
CSJ: 0135-10-069

Costs will be allocated based on 90% Federal funding and 10% State funding until the Federal funding reaches the maximum obligated amount. The State will then be responsible for 100% of the cost overruns.

DESCRIPTION	TOTAL ESTIMATED COST	FEDERAL PARTICIPATION		STATE PARTICIPATION		LOCAL PARTICIPATION	
		%	Cost	%	Cost		Cost
Engineering (by Local)	$50,000.00	0%	$0	0%	$0	100%	$50,000.00
Construction (by State)	$745,060.00	90%	$670,554.00	10%	$74,506.00	0%	$0.00
Subtotal	**$795,060.00**		**$670,554.00**		**$74,506.00**		**$50,000.00**
Environmental Direct State Costs	$8,698.57	0%	$0	100%	$8,698.57	0%	$0
Right of Way Direct State Costs	$8,698.57	0%	$0	100%	$8,698.57	0%	$0
Engineering Direct State Costs	$8,698.58	0%	$0	100%	$8,698.58	0%	$0
Utility Direct State Costs	$8,698.58	0%	$0	100%	$8,698.58	0%	$0
Construction Direct State Costs	$34,794.30	0%	$0	100%	$34,794.30	0%	$0
Subtotal	**$69,588.60**		**$0**		**$69,588.60**		**$0**
Indirect State Cost – 5.51%	**$43,807.81**	0%	**$0**	100%	**$43,807.81**	0%	**$0**
TOTAL	**$908,456.41**		**$670,554.00**		**$187,902.41**		**$50,000.00**

Initial Payment by the Local Government to the State: **$0**
Payment by the Local Government to the State before Construction: **$0**
Estimated total payment by the Local Government to the State: **$0**
This is an estimate. The final amount of Local Government participation will be based on actual costs.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

ATTACHMENT B
PROJECT BUDGET
CSJ: 0918-46-349

Costs will be allocated based on 100% Federal funding and 0% State funding until the Federal funding reaches the maximum obligated amount. The Local Government will then be responsible for 100% of the cost overruns.

DESCRIPTION	TOTAL ESTIMATED COST	FEDERAL PARTICIPATION		STATE PARTICIPATION		LOCAL PARTICIPATION	
		%	Cost	%	Cost		Cost
Engineering (by Local)	$50,000.00	0%	$0	0%	$0	100%	$50,000.00
Construction (by State)	$614,703.00	100%	$614,702.00	0%	$0	0%	$1.00
Subtotal	**$664,703.00**		**$614,702.00**		**$0**		**$50,001.00**
Environmental Direct State Costs	$7,176.64	0%	$0	0%	$0	100%	$7,176.64
Right of Way Direct State Costs	$7,176.64	0%	$0	0%	$0	100%	$7,176.64
Engineering Direct State Costs	$7,176.65	0%	$0	0%	$0	100%	$7,176.65
Utility Direct State Costs	$7,176.65	0%	$0	0%	$0	100%	$7,176.65
Construction Direct State Costs	$28,706.59	0%	$0	0%	$0	100%	$28,706.59
Subtotal	**$57,413.17**		**$0**		**$0**		**$57,413.17**
Indirect State Cost – 5.51%	**$36,625.08**	0%	**$0**	100%	**$36,625.08**	0%	**$0**
TOTAL	**$758,741.25**		**$614,702.00**		**$36,625.08**		**$107,414.17**

Initial Payment by the Local Government to the State: **$28,706.58**
Payment by the Local Government to the State before Construction: **$28,706.59**
Estimated total payment by the Local Government to the State: **$57,413.17**
This is an estimate. The final amount of Local Government participation will be based on actual costs.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name	US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.				*AFA Not Used For Research & Development*	

ATTACHMENT B
PROJECT BUDGET
CSJ: 2054-02-024

Costs will be allocated based on 90% Federal funding and 10% State funding until the Federal funding reaches the maximum obligated amount. The State will then be responsible for 100% of the cost overruns.

DESCRIPTION	TOTAL ESTIMATED COST	FEDERAL PARTICIPATION		STATE PARTICIPATION		LOCAL PARTICIPATION	
		%	Cost	%	Cost		Cost
Engineering (by Local)	$50,000.00	0%	$0	0%	$0	100%	$50,000.00
Construction (by State)	$652,797.00	90%	$587,517.30	10%	$65,279.70	0%	$0.00
Subtotal	**$702,797.00**		**$587,517.30**		**$65,279.70**		**$50,000.00**
Environmental Direct State Costs	$7,621.40	0%	$0	100%	$7,621.40	0%	$0
Right of Way Direct State Costs	$7,621.40	0%	$0	100%	$7,621.40	0%	$0
Engineering Direct State Costs	$7,621.41	0%	$0	100%	$7,621.41	0%	$0
Utility Direct State Costs	$7,621.41	0%	$0	100%	$7,621.41	0%	$0
Construction Direct State Costs	$30,485.62	0%	$0	100%	$30,485.62	0%	$0
Subtotal	**$60,971.24**		**$0**		**$60,971.24**		**$0**
Indirect State Cost – 5.51%	**$38,724.11**	0%	**$0**	100%	**$38,724.11**	0%	**$0**
TOTAL	**$802,492.35**		**$587,517.30**		**$164,975.05**		**$50,000.00**
GRAND TOTAL	**$2,469,690.01**		**$1,872,773.30**		**$389,502.54**		**$207,414.17**

Initial Payment by the Local Government to the State: **$0**
Payment by the Local Government to the State before Construction: **$0**
Estimated total payment by the Local Government to the State: **$0**
This is an estimate. The final amount of Local Government participation will be based on actual costs.

GRAND TOTAL
Initial Payment by the Local Government to the State: **$28,706.58**
Payment by the Local Government to the State before Construction: **$28,706.59**
Estimated total payment by the Local Government to the State: **$57,413.17**
This is an estimate. The final amount of Local Government participation will be based on actual costs.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

ATTACHMENT C
RESOLUTION, ORDINANCE, OR COMMISSIONERS COURT ORDER

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER OR DESIGNEE TO EXECUTE AND DELIVER AN ADVANCE FUNDING AGREEMENT ("AFA") FOR A HIGHWAY SAFETY IMPROVEMENT ON-SYSTEM PROJECT, BETWEEN THE CITY OF DENTON ("City") AND THE TEXAS DEPARTMENT OF TRANSPORTATION (TxDOT), REGARDING THE CONSTRUCTION OF TRAFFIC SIGNALS ON US 377 AT NORTH BELL AVENUE, EAGLE DRIVE AT AVENUE A, AND FM 2181 AT HOBSON LANE; CSJ 0135-10-069 CONFIRMING EXPENSES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Texas Transportation Commission has codified 43 TAC, Rules 15.50-15.56 that describe federal, state, and local responsibilities for cost participation in highway improvement and other transportation projects; and

WHEREAS, the City desired to construct the traffic signals on US 377 at North Bell Avenue, Eagle Drive at Avenue A, and FM 2181 at Hobson Lane (the "Project"); and

WHEREAS, the Project scope of work consists of improving traffic signal, installing flashing yellow arrow, safety lighting at intersection on US 377 at North Bell Avenue and Eagle Drive at Avenue A; and improving traffic signals, installing flashing yellow arrows, installing sidewalks on FM 2181 at Hobson Lane; and

WHEREAS, TxDOT is willing to fund the construction costs for the Project as part of the Highway Safety Improvement Program ("HSIP") funding; and

WHEREAS, the US 377 at North Bell Avenue and FM 2181 at Hobson Lane considered as On-system signals; and Eagle Drive at Avenue A considered Off-system signals; and

WHEREAS, the State is authorized to enter into an agreement with the City for the Project pursuant to Transportation Code § 221.002 and have prepared the attached Advance Funding Agreement for signal Safety Improvement (the "Agreement"); and

WHEREAS, the City will not be responsible for any costs of construction for any On-system projects because construction costs will be allocated based on 90% Federal funding and 10% State funding until the Federal funding reaches the maximum obligated amount. However, the City will then be responsible for 100% of the cost overruns, if any based on final bid for construction; and

WHEREAS, the City will not be responsible for any costs of construction for any Off-system projects because construction costs will be allocated based on 90% Federal funding and 10% City funding until the Federal funding reaches the maximum obligated amount. However, the City will then be responsible for 100% of the cost overruns, if any based on final bid for construction; and

WHEREAS, the City does not expect to incur additional expenses as a result of the scope of the Agreement;

NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals contained in the preamble of this ordinance are hereby incorporated into the body of this ordinance are true and correct.

SECTION 2. The City Manager, or their designated, is hereby authorized to execute the AFA for Highway Safety Improvement Project attached hereto as **Exhibit "A"** Between TxDOT; and The City of Denton, Texas, For Traffic Signal Device construction.

SECTION 3. The City Manager is further authorized to carry out all duties and agreements to be performed by the City under the AFA.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by_____and seconded by_____. The ordinance was passed and approved by the following vote [____-____]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villareal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____

CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Exhibit A

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

STATE OF TEXAS §

COUNTY OF TRAVIS §

ADVANCE FUNDING AGREEMENT
For
Highway Safety Improvement Project
Both On-System and Off-System

THIS AGREEMENT (Agreement) is made by and between the State of Texas, acting by and through the **Texas Department of Transportation** called the "State", and the **City of Denton**, acting by and through its duly authorized officials, called the "Local Government". The State and Local Government shall be collectively referred to as "the parties" hereinafter.

WITNESSETH

WHEREAS, federal law establishes federally funded programs for transportation improvements to implement its public purposes, and

WHEREAS, the Texas Transportation Code, Section 201.103 establishes that the State shall design, construct and operate a system of highways in cooperation with local governments, and Section 222.052 authorizes the Texas Transportation Commission to accept contributions from political subdivisions for development and construction of public roads and the state highway system within the political subdivision, and

WHEREAS, federal and state laws require local governments to meet certain contract standards relating to the management and administration of State and federal funds, and

WHEREAS, the Texas Transportation Commission has codified 43 TAC, Rules 15.50-15.56 that describe federal, state, and local responsibilities for cost participation in highway improvement and other transportation projects, and

WHEREAS, the Texas Transportation Commission passed Minute Order Number **{Enter MO #}** authorizing the State to undertake and complete a highway improvement or other transportation project generally described as **{Enter Description of Improvement}.** The portion of the project work covered by this Agreement is identified in the Agreement, Article 3, Scope of Work (Project), and

{The following clause is used only when AFA is for preliminary engineering and the project has been authorized for preliminary engineering, but not construction. Otherwise delete this clause.}

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name	US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.				*AFA Not Used For Research & Development*	

WHEREAS, the Texas Transportation Commission has not authorized funding for the construction of the highway improvement or other transportation project and the project is not currently listed and approved for construction in the Unified Transportation Program (UTP) or Statewide Transportation Improvement Program (STIP). This Agreement does not represent a commitment to future project funding for any project elements, including construction, not specifically outlined in the Agreement. Costs not specifically identified as reimbursable under this Agreement will not be requested or reimbursed.

WHEREAS, the Governing Body of the Local Government has approved entering into this Agreement by resolution, ordinance, or commissioners court order dated **{Enter Date of Resolution}**, which is attached to and made a part of this Agreement as Attachment C, Resolution, Ordinance, or Commissioners Court Order (Attachment C). A map showing the Project location appears in Attachment A, Location Map Showing Project (Attachment A), which is attached to and made a part of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties, to be by them respectively kept and performed as set forth in this Agreement, it is agreed as follows:

AGREEMENT

1. Responsible Parties:

For the Project covered by this Agreement, the parties shall be responsible for the following work as stated in the article of the Agreement referenced in the table below:

1	**Local Government***	Utilities	Article 8
2.	**Local Government***	Environmental Assessment and Mitigation	Article 9
3.	**Local Government**	Architectural and Engineering Services	Article 11
4.	**State**	Construction Responsibilities	Article 12
5.	**Local Government***	Right of Way and Real Property	Article 14

An asterisk next to the party responsible for specific work in the above table indicates that the associated specific work is not anticipated as part of the Project and is therefore not included in the budget; however, the party indicated will be responsible for that specific work if that work is not the subject of another agreement and the State determines that the specific work has become necessary to successful completion of the Project.

2. Period of the Agreement

This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed. This Agreement shall remain in effect until the Project is completed or unless terminated as provided below.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

3. Scope of Work

The scope of work for the Project consists of improve traffic signal, install flashing yellow arrow, safety lighting at intersection (CSJs: 0135-10-069 and 0918-46-349), improve traffic signals, install flashing yellow arrow, install sidewalks (CSJ: 2054-02-024).

4. Project Sources and Uses of Funds

The total estimated cost of the Project is shown in Attachment B, Project Budget (Attachment B) which is attached to and made a part of this Agreement.

A. If the Local Government will perform any work under this Agreement for which reimbursement will be provided by or through the State, the Local Government must complete training. If federal funds are being used, the training must be completed before federal spending authority is obligated. Training is complete when at least one individual who is working actively and directly on the Project successfully completes and receives a certificate for the course entitled "Local Government Project Procedures and Qualification for the Texas Department of Transportation" and retains qualification in accordance with applicable TxDOT procedures. Upon request, the Local Government shall provide the certificate of qualification to the State. The individual who receives the training certificate may be an employee of the Local Government or an employee of a firm that has been contracted by the Local Government to perform oversight of the Project. The State in its discretion may deny reimbursement if the Local Government has not continuously designated in writing a qualified individual to work actively on or to directly oversee the Project.

B. The expected cash contributions from the federal government, the State, the Local Government, or other parties are shown in Attachment B. The State will pay for only those Project costs that have been approved by the Texas Transportation Commission. For projects with federal funds, the State and the federal government will not reimburse the Local Government for any work performed before the federal spending authority is formally obligated to the Project by the Federal Highway Administration (FHWA). After federal funds have been obligated, the State will send to the Local Government a copy of the formal documentation showing the obligation of funds including federal award information. The Local Government is responsible for 100% of the cost of any work performed under its direction or control before the federal spending authority is formally obligated.

C. Attachment B shows, by major cost categories, the cost estimates and the party responsible for performing the work for each category. These categories may include but are not limited to: (1) costs of real property; (2) costs of utility work; (3) costs of environmental assessment and remediation; (4) cost of preliminary engineering and design; (5) cost of construction and construction management; and (6) any other local project costs.

D. The State will be responsible for securing the federal and State share of the funding required for the development and construction of the local Project. If the

Local Government is due funds for expenses incurred, these funds will be reimbursed to the Local Government on a cost basis.

E. The Local Government will be responsible for all non-federal or non-State participation costs associated with the Project, unless otherwise provided for in this Agreement or approved otherwise in an amendment to this Agreement. For items of work subject to specified percentage funding, the Local Government shall only in those instances be responsible for all Project costs that are greater than the maximum State and federal participation specified in Attachment B and for overruns in excess of the amount specified in Attachment B to be paid by the Local Government.

F. The budget in Attachment B will clearly state all items subject to fixed price funding, specified percentage funding, and the periodic payment schedule, when periodic payments have been approved by the State.

G. When the Local Government bears the responsibility for paying cost overruns, the Local Government shall make payment to the State within thirty (30) days from the receipt of the State's written notification of additional funds being due.

H. When fixed price funding is used, the Local Government is responsible for the fixed price amount specified in Attachment B. Fixed prices are not subject to adjustment unless (1) differing site conditions are encountered; (2) further definition of the Local Government's requested scope of work identifies greatly differing costs from those estimated; (3) work requested by the Local Government is determined to be ineligible for federal participation; or (4) the adjustment is mutually agreed to by the State and the Local Government.

I. Prior to the performance of any engineering review work by the State, the Local Government will pay to the State the amount specified in Attachment B. At a minimum, this amount shall equal the Local Government's funding share for the estimated cost of preliminary engineering performed or reviewed by the State for the Project. At least sixty (60) days prior to the date set for receipt of the construction bids, the Local Government shall remit its remaining financial share for the State's estimated construction oversight and construction cost.

J. The State will not execute the contract for the construction of the Project until the required funding has been made available by the Local Government in accordance with this Agreement.

K. Whenever funds are paid by the Local Government to the State under this Agreement, the Local Government shall remit a check or warrant made payable to the "Texas Department of Transportation" or may use the State's Automated Clearing House (ACH) system for electronic transfer of funds in accordance with instructions provided by TxDOT's Finance Division. The funds shall be deposited and managed by the State and may only be applied by the State to the Project.

L. The State will not pay interest on any funds provided by the Local Government.

M. If a waiver for the collection of indirect costs for a service project has been granted under 43 TAC §15.56, the State will not charge the Local Government for the indirect costs the State incurs on the Project, unless this Agreement is

terminated at the request of the Local Government prior to completion of the Project.

N. If the Local Government is an Economically Disadvantaged County (EDC) and if the State has approved adjustments to the standard financing arrangement, this Agreement reflects those adjustments.

O. Where the Local Government is authorized to perform services under this Agreement and be reimbursed by the State, the Local Government is authorized to submit requests for reimbursement by submitting the original of an itemized invoice, in a form and containing all items required by the State, no more frequently than monthly and no later than ninety (90) days after costs are incurred. If the Local Government submits invoices more than ninety (90) days after the costs are incurred and if federal funding is reduced as a result, the State shall have no responsibility to reimburse the Local Government for those costs.

P. Upon completion of the Project, the State will perform a final accounting of the Project costs for all items of work with specified percentage funding. Any funds due by the Local Government, the State, or the federal government for these work items will be promptly paid by the owing party.

Q. The state auditor may conduct an audit or investigation of any entity receiving funds from the State directly under this Agreement or indirectly through a subcontract under this Agreement. Acceptance of funds directly under this Agreement or indirectly through a subcontract under this Agreement acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

R. Payment under this Agreement beyond the end of the current fiscal biennium is subject to availability of appropriated funds. If funds are not appropriated, this Agreement shall be terminated immediately with no liability to either party.

5. Termination of This Agreement

This Agreement shall remain in effect until the Project is completed and accepted by all parties, unless:

A. The Agreement is terminated in writing with the mutual consent of the parties;

B. The Agreement is terminated by one party because of a breach, in which case any costs incurred because of the breach shall be paid by the breaching party;

C. The Local Government elects not to provide funding after the completion of preliminary engineering, specifications, and estimates (PS&E) and the Project does not proceed because of insufficient funds, in which case the Local Government agrees to reimburse the State for its reasonable actual costs incurred during the Project; or

D. The Agreement is terminated by the State because the parties are not able to execute a mutually agreeable amendment when the costs for Local Government requested items increase significantly due to differing site conditions,

determination that Local government requested work is ineligible for federal or state cost participation, or a more thorough definition of the Local Government's proposed work scope identifies greatly differing costs from those estimated. The State will reimburse Local Government remaining funds to the Local Government within ninety (90) days of termination; or

E. The Project is inactive for thirty-six (36) consecutive months or longer and no expenditures have been charged against federal funds, in which case the State may in its discretion terminate this Agreement.

6. Amendments

Amendments to this Agreement due to changes in the character of the work, terms of the Agreement, or responsibilities of the parties relating to the Project may be enacted through a mutually agreed upon, written amendment.

7. Remedies

This Agreement shall not be considered as specifying the exclusive remedy for any agreement default, but all remedies existing at law and in equity may be availed of by either party to this Agreement and shall be cumulative.

8. Utilities

The party named in Article 1, Responsible Parties, under AGREEMENT shall be responsible for the adjustment, removal, or relocation of utility facilities in accordance with applicable state laws, regulations, rules, policies, and procedures, including any cost to the State of a delay resulting from the Local Government's failure to ensure that utility facilities are adjusted, removed, or relocated before the scheduled beginning of construction. The Local Government will not be reimbursed with federal or State funds for the cost of required utility work. The Local Government must obtain advance approval for any variance from established procedures. Before a construction contract is let, the Local Government shall provide, at the State's request, a certification stating that the Local Government has completed the adjustment of all utilities that must be adjusted before construction is commenced.

9. Environmental Assessment and Mitigation

Development of a transportation project must comply with the National Environmental Policy Act and the National Historic Preservation Act of 1966, which require environmental clearance of federal-aid projects. The party named in Article 1, Responsible Parties, under AGREEMENT is responsible for the following:

A. The identification and assessment of any environmental problems associated with the development of a local project governed by this Agreement.

B. The cost of any environmental problem's mitigation and remediation.

C. Providing any public meetings or public hearings required for the environmental assessment process. Public hearings will not be held prior to the approval of the Project schematic.

D. The preparation of the NEPA documents required for the environmental clearance of this Project.

If the Local Government is responsible for the environmental assessment and mitigation, before the advertisement for bids, the Local Government shall provide to the State written documentation from the appropriate regulatory agency or agencies that all environmental clearances have been obtained.

10. Compliance with Accessibility Standards

All parties to this Agreement shall ensure that the plans for and the construction of all projects subject to this Agreement are in compliance with standards issued or approved by the Texas Department of Licensing and Regulation (TDLR) as meeting or consistent with minimum accessibility requirements of the Americans with Disabilities Act (P.L. 101-336) (ADA).

11. Architectural and Engineering Services

The party named in Article 1, Responsible Parties, under AGREEMENT has responsibility for the performance of architectural and engineering services. The engineering plans shall be developed in accordance with the applicable State's *Standard Specifications for Construction and Maintenance of Highways, Streets and Bridges* and the special specifications and special provisions related to it. For projects on the State highway system, the design shall, at a minimum conform to applicable State manuals. For projects not on the State highway system, the design shall, at a minimum, conform to applicable American Association of State Highway and Transportation Officials (AASHTO) design standards.

In procuring professional services, the parties to this Agreement must comply with federal requirements cited in 23 CFR Part 172 if the Project is federally funded and with Texas Government Code 2254, Subchapter A, in all cases. Professional contracts for federally funded projects must conform to federal requirements, specifically including the provision for participation by Disadvantaged Business Enterprises (DBEs), ADA, and environmental matters. If the Local Government is the responsible party, the Local Government shall submit its procurement selection process for prior approval by the State. All professional services contracts must be reviewed and approved by the State prior to execution by the Local Government.

12. Construction Responsibilities

The party named in Article 1, Responsible Parties, under AGREEMENT is responsible for the following:

A. Advertise for construction bids, issue bid proposals, receive and tabulate the bids, and award and administer the contract for construction of the Project. Administration of the contract includes the responsibility for construction engineering and for issuance of any change orders, supplemental agreements, amendments, or additional work orders that may become necessary subsequent

to the award of the construction contract. In order to ensure federal funding eligibility, projects must be authorized by the State prior to advertising for construction.

B. If the State is the responsible party, the State will use its approved contract letting and award procedures to let and award the construction contract.

C. If the Local Government is the responsible party, the Local Government shall submit its contract letting and award procedures to the State for review and approval prior to letting.

D. If the Local Government is the responsible party, the State must concur with the low bidder selection before the Local Government can enter into a contract with the vendor.

E. If the Local Government is the responsible party, the State must review and approve change orders.

F. Upon completion of the Project, the party responsible for constructing the Project will issue and sign a "Notification of Completion" acknowledging the Project's construction completion and submit certification(s) sealed by a professional engineer(s) licensed in the State of Texas.

G. For federally funded contracts, the parties to this Agreement will comply with federal construction requirements cited in 23 CFR Part 635 and with requirements cited in 23 CFR Part 633, and shall include the latest version of Form "FHWA-1273" in the contract bidding documents. If force account work will be performed, a finding of cost effectiveness shall be made in compliance with 23 CFR 635, Subpart B.

13. Project Maintenance

The Local Government shall be responsible for maintenance of locally owned roads and locally owned facilities after completion of the work. The State shall be responsible for maintenance of the State highway system after completion of the work if the work was on the State highway system, unless otherwise provided for in existing maintenance agreements with the Local Government.

14. Right of Way and Real Property

The party named in Article 1, Responsible Parties, under AGREEMENT is responsible for the provision and acquisition of any needed right of way or real property.

The Local Government shall be responsible for the following:

A. Right of way and real property acquisition shall be the responsibility of the Local Government. Title to right of way and other related real property must be acceptable to the State before funds may be expended for the improvement of the right of way or real property.

B. If the Local Government is the owner of any part of the Project site under this Agreement, the Local Government shall permit the State or its authorized representative access to occupy the site to perform all activities required to execute the work.

C. All parties to this Agreement will comply with and assume the costs for compliance with all the requirements of Title II and Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Title 42 U.S.C.A. Section 4601 et seq., including those provisions relating to incidental expenses incurred by the property owners in conveying the real property to the Local Government and benefits applicable to the relocation of any displaced person as defined in 49 CFR Section 24.2(g). Documentation to support such compliance must be maintained and made available to the State and its representatives for review and inspection.

D. The Local Government shall assume all costs and perform necessary requirements to provide any necessary evidence of title or right of use in the name of the Local Government to the real property required for development of the Project. The evidence of title or rights shall be acceptable to the State, and be free and clear of all encroachments. The Local Government shall secure and provide easements and any needed rights of entry over any other land needed to develop the Project according to the approved Project plans. The Local Government shall be responsible for securing any additional real property required for completion of the Project.

E. In the event real property is donated to the Local Government after the date of the State's authorization, the Local Government will provide all documentation to the State regarding fair market value of the acquired property. The State will review the Local Government's appraisal, determine the fair market value and credit that amount towards the Local Government's financial share. If donated property is to be used as a funding match, it may not be provided by the Local Government. The State will not reimburse the Local Government for any real property acquired before execution of this Agreement and the obligation of federal spending authority.

F. The Local Government shall prepare real property maps, property descriptions, and other data as needed to properly describe the real property and submit them to the State for approval prior to the Local Government acquiring the real property. Tracings of the maps shall be retained by the Local Government for a permanent record.

G. The Local Government agrees to make a determination of property values for each real property parcel by methods acceptable to the State and to submit to the State a tabulation of the values so determined, signed by the appropriate Local Government representative. The tabulations shall list the parcel numbers, ownership, acreage and recommended compensation. Compensation shall be shown in the component parts of land acquired, itemization of improvements acquired, damages (if any) and the amounts by which the total compensation will be reduced if the owner retains improvements. This tabulation shall be accompanied by an explanation to support the determined values, together with a copy of information or reports used in calculating all determined values. Expenses incurred by the Local Government in performing this work may be eligible for reimbursement after the Local Government has received written

authorization by the State to proceed with determination of real property values. The State will review the data submitted and may base its reimbursement for parcel acquisitions on these values.

H. Reimbursement for real property costs will be made to the Local Government for real property purchased in an amount not to exceed eighty percent (80%) of the cost of the real property purchased in accordance with the terms and provisions of this Agreement. Reimbursement will be in an amount not to exceed eighty percent (80%) of the State's predetermined value of each parcel, or the net cost of the parcel, whichever is less. In addition, reimbursement will be made to the Local Government for necessary payments to appraisers, expenses incurred in order to assure good title, and costs associated with the relocation of displaced persons and personal property as well as incidental expenses.

I. If the Project requires the use of real property to which the Local Government will not hold title, a separate agreement between the owners of the real property and the Local Government must be executed prior to execution of this Agreement. The separate agreement must establish that the Project will be dedicated for public use for a period of not less than 10 (ten) years after completion. The separate agreement must define the responsibilities of the parties as to the use of the real property and operation and maintenance of the Project after completion. The separate agreement must be approved by the State prior to its execution. A copy of the executed agreement shall be provided to the State.

15. Insurance

If this Agreement authorizes the Local Government or its contractor to perform any work on State right of way, before beginning work, the entity performing the work shall provide the State with a fully executed copy of the State's Form 1560 Certificate of Insurance verifying the existence of coverage in the amounts and types specified on the Certificate of Insurance for all persons and entities working on State right of way. This coverage shall be maintained until all work on the State right of way is complete. If coverage is not maintained, all work on State right of way shall cease immediately, and the State may recover damages and all costs of completing the work.

16. Notices

All notices to either party shall be delivered personally or sent by certified or U.S. mail, postage prepaid, addressed to that party at the following address:

Local Government:	**State:**
City of Denton ATTN: City Manager 215 E. McKinney Denton, TX 76201	Texas Department of Transportation ATTN: Director of Contract Services 125 E. 11th Street Austin, TX 78701

All notices shall be deemed given on the date delivered in person or deposited in the mail, unless otherwise provided by this Agreement. Either party may change the above address by sending written notice of the change to the other party. Either party may request in writing that notices shall be delivered personally or by certified U.S. mail, and that request shall be carried out by the other party.

17. Legal Construction

If one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions and this Agreement shall be construed as if it did not contain the invalid, illegal, or unenforceable provision.

18. Responsibilities of the Parties

The State and the Local Government agree that neither party is an agent, servant, or employee of the other party, and each party agrees it is responsible for its individual acts and deeds as well as the acts and deeds of its contractors, employees, representatives, and agents.

19. Ownership of Documents

Upon completion or termination of this Agreement, all documents prepared by the State shall remain the property of the State. All data and information prepared under this Agreement shall be made available to the State without restriction or limitation on their further use. All documents produced or approved or otherwise created by the Local Government shall be transmitted to the State, in the format directed by the State, on a monthly basis or as required by the State. The originals shall remain the property of the Local Government. .

20. Compliance with Laws

The parties to this Agreement shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of this Agreement. When required, the Local Government shall furnish the State with satisfactory proof of this compliance.

21. Sole Agreement

This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings or written or oral agreements respecting the Agreement's subject matter.

22. Cost Principles

In order to be reimbursed with federal funds, the parties shall comply with the cost principles established in 2 CFR 200 that specify that all reimbursed costs are allowable, reasonable, and allocable to the Project.

23. Procurement and Property Management Standards

The parties to this Agreement shall adhere to the procurement and property management standards established in 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and to the Texas Uniform Grant Management Standards. The State must pre-approve the Local Government's procurement procedures for purchases to be eligible for state or federal funds.

24. Inspection of Books and Records

The parties to this Agreement shall maintain all books, documents, papers, accounting records, and other documentation relating to costs incurred under this Agreement and shall make such materials available to the State, the Local Government, and, if federally funded, the FHWA and the U.S. Office of the Inspector General or their duly authorized representatives for review and inspection at its office during the Agreement period and for seven (7) years from the date of final reimbursement by FHWA under this Agreement or until any impending litigation or claims are resolved. Additionally, the State, the Local Government, and the FHWA and their duly authorized representatives shall have access to all the governmental records that are directly applicable to this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions.

25. Civil Rights Compliance

The parties to this Agreement are responsible for the following:

A. Compliance with Regulations: Both parties will comply with the Acts and the Regulations relative to Nondiscrimination in Federally-assisted programs of the U.S. Department of Transportation (USDOT), the Federal Highway Administration (FHWA), as they may be amended from time to time, which are herein incorporated by reference and made part of this Agreement.

B. Nondiscrimination: The Local Government, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The Local Government will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the Agreement covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21.

C. Solicitations for Subcontracts, Including Procurement of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by the Local Government for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier will be notified by the Local Government of the Local Government's obligations under this Agreement and the Acts and Regulations relative to Nondiscrimination on the grounds of race, color, or national origin.

D. Information and Reports: The Local Government will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant

thereto, and will permit access to its books, records, accounts, other sources of information, and facilities as may be determined by the State or the FHWA to be pertinent to ascertain compliance with such Acts, Regulations or directives. Where any information required of the Local Government is in the exclusive possession of another who fails or refuses to furnish this information, the Local Government will so certify to the State or the FHWA, as appropriate, and will set forth what efforts it has made to obtain the information.

E. Sanctions for Noncompliance: In the event of the Local Government's noncompliance with the Nondiscrimination provisions of this Agreement, the State will impose such contract sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:
   1. withholding of payments to the Local Government under the Agreement until the Local Government complies and/or
   2. cancelling, terminating, or suspending of the Agreement, in whole or in part.

F. Incorporation of Provisions: The Local Government will include the provisions of paragraphs (A) through (F) in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The Local Government will take such action with respect to any subcontract or procurement as the State or the FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Local Government becomes involved in, or is threatened with, litigation with a subcontractor or supplier because of such direction, the Local Government may request the State to enter into such litigation to protect the interests of the State. In addition, the Local Government may request the United States to enter into such litigation to protect the interests of the United States.

26. Pertinent Non-Discrimination Authorities

During the performance of this Agreement, each party, for itself, its assignees, and successors in interest agree to comply with the following nondiscrimination statutes and authorities; including but not limited to:

A. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (pro-hibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.

B. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of federal or federal-aid programs and projects).

C. Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), as amended, (prohibits discrimination on the basis of sex).

D. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.) as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27.

E. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age).

F. Airport and Airway Improvement Act of 1982, (49 U.S.C. Chapter 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex).

G. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the federal-aid recipients, subrecipients and contractors, whether such programs or activities are federally funded or not).

H. Titles II and III of the Americans with Disabilities Act, which prohibits discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131-12189) as implemented by Department of Transportation regulations at 49 C.F.R. parts 37 and 38.

I. The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex).

J. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations.

K. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, the parties must take reasonable steps to ensure that LEP persons have meaningful access to the programs (70 Fed. Reg. at 74087 to 74100).

L. Title IX of the Education Amendments of 1972, as amended, which prohibits the parties from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq.).

27. Disadvantaged Business Enterprise (DBE) Program Requirements

If federal funds are used:

A. The parties shall comply with the Disadvantaged Business Enterprise Program requirements established in 49 CFR Part 26.

B. The Local Government shall adopt, in its totality, the State's federally approved DBE program.

C. The Local Government shall incorporate into its contracts with subproviders an appropriate DBE goal consistent with the State's DBE guidelines and in consideration of the local market, project size, and nature of the goods or services to be acquired. The Local Government shall submit its proposed scope

of services and quantity estimates to the State to allow the State to establish a DBE goal for each Local Government contract with a subprovider. The Local Government shall be responsible for documenting its actions.

D. The Local Government shall follow all other parts of the State's DBE program referenced in TxDOT Form 2395, Memorandum of Understanding Regarding the Adoption of the Texas Department of Transportation's Federally-Approved Disadvantaged Business Enterprise by Entity, and attachments found at web address http://ftp.dot.state.tx.us/pub/txdot-info/bop/dbe/mou/mou_attachments.pdf.

E. The Local Government shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any U.S. Department of Transportation (DOT)-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Local Government shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non-discrimination in award and administration of DOT-assisted contracts. The State's DBE program, as required by 49 CFR Part 26 and as approved by DOT, is incorporated by reference in this Agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this Agreement. Upon notification to the Local Government of its failure to carry out its approved program, the State may impose sanctions as provided for under 49 CFR Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

F. Each contract the Local Government signs with a contractor (and each subcontract the prime contractor signs with a sub-contractor) must include the following assurance: *The contractor, sub-recipient, or sub-contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as the recipient deems appropriate*.

28. Debarment Certifications

If federal funds are used, the parties are prohibited from making any award at any tier to any party that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549, "Debarment and Suspension." By executing this Agreement, the Local Government certifies that it and its principals are not currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549 and further certifies that it will not do business with any party, to include principals, that is currently debarred, suspended, or otherwise excluded from or ineligible for participation in Federal Assistance Programs under Executive Order 12549. The parties to this Agreement shall require any party to a subcontract or purchase order awarded under

this Agreement to certify its eligibility to receive federal funds and, when requested by the State, to furnish a copy of the certification.

If state funds are used, the parties are prohibited from making any award to any party that is debarred under the Texas Administrative Code, Title 34, Part 1, Chapter 20, Subchapter G, Rule §20.585 and the Texas Administrative Code, Title 43, Part 1, Chapter 9, Subchapter G.

29. Lobbying Certification

If federal funds are used, in executing this Agreement, each signatory certifies to the best of that signatory's knowledge and belief, that:

A. No federal appropriated funds have been paid or will be paid by or on behalf of the parties to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with federal contracts, grants, loans, or cooperative agreements, the signatory for the Local Government shall complete and submit the Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The parties shall require that the language of this certification shall be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and all sub-recipients shall certify and disclose accordingly. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Title 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

30. Federal Funding Accountability and Transparency Act Requirements

If federal funds are used, the following requirements apply:

A. Any recipient of funds under this Agreement agrees to comply with the Federal Funding Accountability and Transparency Act (FFATA) and implementing regulations at 2 CFR Part 170, including Appendix A. This Agreement is subject to the following award terms: http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22705.pdf and http://www.gpo.gov/fdsys/pkg/FR-2010-09-14/pdf/2010-22706.pdf.

B. The Local Government agrees that it shall:

1. Obtain and provide to the State a System for Award Management (SAM) number (Federal Acquisition Regulation, Part 4, Sub-part 4.11) if this award provides more than $25,000 in federal funding. The SAM number may be obtained by visiting the SAM website whose address is: https://www.sam.gov/portal/public/SAM/
2. Obtain and provide to the State a Data Universal Numbering System (DUNS) number, a unique nine-character number that allows federal government to track the distribution of federal money. The DUNS may be requested free of charge for all businesses and entities required to do so by visiting the Dun & Bradstreet (D&B) on-line registration website http://fedgov.dnb.com/webform; and
3. Report the total compensation and names of its top five executives to the State if:
   i. More than 80% of annual gross revenues are from the federal government, and those revenues are greater than $25,000,000; and
   ii. The compensation information is not already available through reporting to the U.S. Securities and Exchange Commission.

31. Single Audit Report

If federal funds are used:

A. The parties shall comply with the single audit report requirements stipulated in 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

B. If threshold expenditures of $1,000,000 or more are met during the fiscal year, the Local Government must submit a Single Audit Report and Management Letter (if applicable) to TxDOT's Compliance Division, 125 East 11th Street, Austin, TX 78701 or contact TxDOT's Compliance Division by email at singleaudits@txdot.gov.

C. If expenditures are less than the threshold during the Local Government's fiscal year, the Local Government must submit a statement to TxDOT's Compliance Division as follows: "We did not meet the $_____ expenditure threshold and therefore, are not required to have a single audit performed for FY _____."

D. For each year the Project remains open for federal funding expenditures, the Local Government will be responsible for filing a report or statement as described above. The required annual filing shall extend throughout the life of the Agreement, unless otherwise amended or the Project has been formally closed out and no charges have been incurred within the current fiscal year.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

32. Signatory Warranty

Each signatory warrants that the signatory has necessary authority to execute this Agreement on behalf of the entity represented.

Each party is signing this Agreement on the date stated under that party's signature.

THE STATE OF TEXAS	THE LOCAL GOVERNMENT
Signature	Signature
Typed or Printed Name	Typed or Printed Name
Typed or Printed Title	Typed or Printed Title
Date	Date

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	15/DAL	Code Chart 64#	11400			
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ATTACHMENT A
LOCATION MAP SHOWING PROJECT
CSJ: 0135-10-069

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
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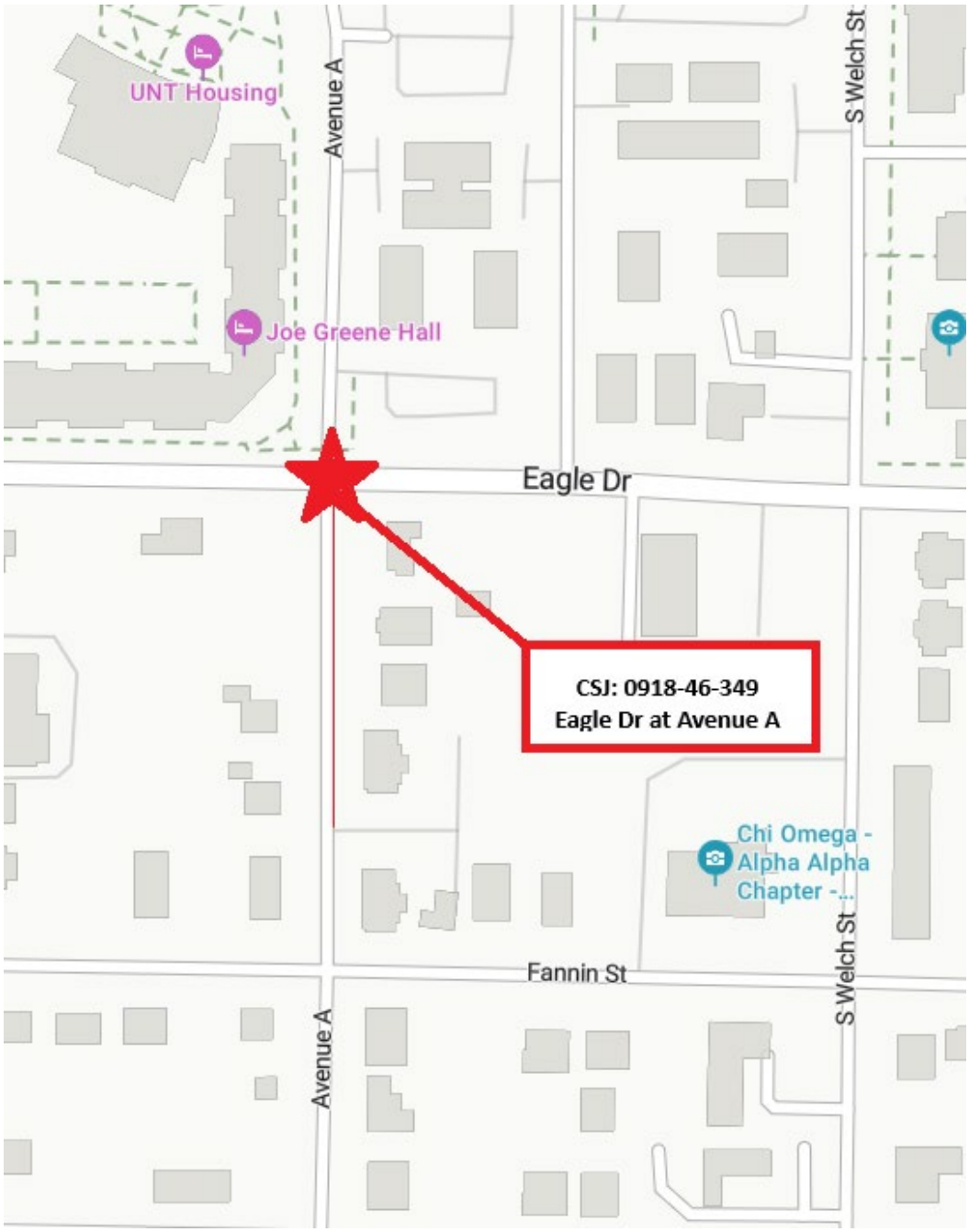
ATTACHMENT A
LOCATION MAP SHOWING PROJECT
CSJ: 0918-46-349



TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
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ATTACHMENT A
LOCATION MAP SHOWING PROJECT
CSJ: 2054-02-024

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

ATTACHMENT B
PROJECT BUDGET
CSJ: 0135-10-069

Costs will be allocated based on 90% Federal funding and 10% State funding until the Federal funding reaches the maximum obligated amount. The State will then be responsible for 100% of the cost overruns.

DESCRIPTION	TOTAL ESTIMATED COST	FEDERAL PARTICIPATION		STATE PARTICIPATION		LOCAL PARTICIPATION	
		%	Cost	%	Cost		Cost
Engineering (by Local)	$50,000.00	0%	$0	0%	$0	100%	$50,000.00
Construction (by State)	$745,060.00	90%	$670,554.00	10%	$74,506.00	0%	$0.00
Subtotal	**$795,060.00**		**$670,554.00**		**$74,506.00**		**$50,000.00**
Environmental Direct State Costs	$8,698.57	0%	$0	100%	$8,698.57	0%	$0
Right of Way Direct State Costs	$8,698.57	0%	$0	100%	$8,698.57	0%	$0
Engineering Direct State Costs	$8,698.58	0%	$0	100%	$8,698.58	0%	$0
Utility Direct State Costs	$8,698.58	0%	$0	100%	$8,698.58	0%	$0
Construction Direct State Costs	$34,794.30	0%	$0	100%	$34,794.30	0%	$0
Subtotal	**$69,588.60**		**$0**		**$69,588.60**		**$0**
Indirect State Cost – 5.51%	**$43,807.81**	0%	**$0**	100%	**$43,807.81**	0%	**$0**
TOTAL	**$908,456.41**		**$670,554.00**		**$187,902.41**		**$50,000.00**

Initial Payment by the Local Government to the State: **$0**
Payment by the Local Government to the State before Construction: **$0**
Estimated total payment by the Local Government to the State: **$0**
This is an estimate. The final amount of Local Government participation will be based on actual costs.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
AFA CSJs	0135-10-069, 0918-46-349, 2054-02-024				CFDA Title	Highway Planning and Construction
District #	18/DAL	Code Chart 64#	11400			
Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

ATTACHMENT B
PROJECT BUDGET
CSJ: 0918-46-349

Costs will be allocated based on 100% Federal funding and 0% State funding until the Federal funding reaches the maximum obligated amount. The Local Government will then be responsible for 100% of the cost overruns.

DESCRIPTION	TOTAL ESTIMATED COST	FEDERAL PARTICIPATION		STATE PARTICIPATION		LOCAL PARTICIPATION	
		%	Cost	%	Cost		Cost
Engineering (by Local)	$50,000.00	0%	$0	0%	$0	100%	$50,000.00
Construction (by State)	$614,703.00	100%	$614,702.00	0%	$0	0%	$1.00
Subtotal	**$664,703.00**		**$614,702.00**		**$0**		**$50,001.00**
Environmental Direct State Costs	$7,176.64	0%	$0	0%	$0	100%	$7,176.64
Right of Way Direct State Costs	$7,176.64	0%	$0	0%	$0	100%	$7,176.64
Engineering Direct State Costs	$7,176.65	0%	$0	0%	$0	100%	$7,176.65
Utility Direct State Costs	$7,176.65	0%	$0	0%	$0	100%	$7,176.65
Construction Direct State Costs	$28,706.59	0%	$0	0%	$0	100%	$28,706.59
Subtotal	**$57,413.17**		**$0**		**$0**		**$57,413.17**
Indirect State Cost – 5.51%	**$36,625.08**	0%	**$0**	100%	**$36,625.08**	0%	**$0**
TOTAL	**$758,741.25**		**$614,702.00**		**$36,625.08**		**$107,414.17**

Initial Payment by the Local Government to the State: **$28,706.58**
Payment by the Local Government to the State before Construction: **$28,706.59**
Estimated total payment by the Local Government to the State: **$57,413.17**
This is an estimate. The final amount of Local Government participation will be based on actual costs.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
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ATTACHMENT B
PROJECT BUDGET
CSJ: 2054-02-024

Costs will be allocated based on 90% Federal funding and 10% State funding until the Federal funding reaches the maximum obligated amount. The State will then be responsible for 100% of the cost overruns.

DESCRIPTION	TOTAL ESTIMATED COST	FEDERAL PARTICIPATION		STATE PARTICIPATION		LOCAL PARTICIPATION	
		%	Cost	%	Cost		Cost
Engineering (by Local)	$50,000.00	0%	$0	0%	$0	100%	$50,000.00
Construction (by State)	$652,797.00	90%	$587,517.30	10%	$65,279.70	0%	$0.00
Subtotal	**$702,797.00**		**$587,517.30**		**$65,279.70**		**$50,000.00**
Environmental Direct State Costs	$7,621.40	0%	$0	100%	$7,621.40	0%	$0
Right of Way Direct State Costs	$7,621.40	0%	$0	100%	$7,621.40	0%	$0
Engineering Direct State Costs	$7,621.41	0%	$0	100%	$7,621.41	0%	$0
Utility Direct State Costs	$7,621.41	0%	$0	100%	$7,621.41	0%	$0
Construction Direct State Costs	$30,485.62	0%	$0	100%	$30,485.62	0%	$0
Subtotal	**$60,971.24**		**$0**		**$60,971.24**		**$0**
Indirect State Cost – 5.51%	**$38,724.11**	0%	**$0**	100%	**$38,724.11**	0%	**$0**
TOTAL	**$802,492.35**		**$587,517.30**		**$164,975.05**		**$50,000.00**
GRAND TOTAL	**$2,469,690.01**		**$1,872,773.30**		**$389,502.54**		**$207,414.17**

Initial Payment by the Local Government to the State: **$0**
Payment by the Local Government to the State before Construction: **$0**
Estimated total payment by the Local Government to the State: **$0**
This is an estimate. The final amount of Local Government participation will be based on actual costs.

GRAND TOTAL
Initial Payment by the Local Government to the State: **$28,706.58**
Payment by the Local Government to the State before Construction: **$28,706.59**
Estimated total payment by the Local Government to the State: **$57,413.17**
This is an estimate. The final amount of Local Government participation will be based on actual costs.

TxDOT:					Federal Highway Administration:	
CCSJ #	0135-10-069	AFA ID	Z00010597		CFDA No.	20.205
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Project Name		US 377 at N Bell Ave in City of Denton, Eagle Dr at Ave A in the City of Denton, FM 2181 at Hobson Ln.			*AFA Not Used For Research & Development*	

ATTACHMENT C
RESOLUTION, ORDINANCE, OR COMMISSIONERS COURT ORDER

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Development Services, Finance

ACM: Kenneth Hedges

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas authorizing the City Manager to execute the Innovative Finance and Asset Concession (IFAC) grant program Cooperative Agreement with the U.S. Department of Transportation (USDOT), to receive funding in the amount of One Million Dollars ($1,000,000.00) for the implementation of the Intelligent Transportation System (ITS) Master Plan, and providing an effective date.

BACKGROUND

Transportation Services is aiming to implement the Intelligent Transportation Systems (ITS) Master Plan for the City of Denton, is a comprehensive roadmap for planning, implementing, operating, and maintaining Citywide Intelligent Transportation Systems, Smart Mobility, and ITS communications assets. The ITS plan will enable the City of Denton to evolve its current system into one that meets the mobility, safety, and quality of life needs of the city and addresses any future ITS needs in successive and phased planning horizons. To execute this plan Transportation Services applied for the Innovative Finance and Asset Concession (IFAC) Grant Program.
On June 15, 2026, USDOT awarded the City of Denton $ 1 million as reimbursement for implementing the ITS Master Plan. The IFAC Agreement is an Agreement between the City of Denton and USDOT.

RECOMMENDATION

Staff recommends approval of the execution of the IFAC Agreement with USDOT.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

September 30, 2025- City Council approved ordinance 25-1639 authorizing the submission of the application for the grant.

FISCAL INFORMATION

USDOT's IFAC grant program awarded the City of Denton $ 1 million as reimbursement for implementing the ITS Master Plan.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – IFAC Cooperative Agreement
Exhibit 3 – Draft Ordinance

Respectfully submitted:
Farhan Butt, Ph.D., P.E., M. ASCE
Director of Transportation Services

Prepared By:
Sahar Esfandyari, Ph.D., AICP

Senior Transportation Planner

Innovative Finance and Asset Concession Grant Program Cooperative Agreement

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COOPERATIVE AGREEMENT TERMS AND CONDITIONS

This Cooperative Agreement (Agreement) funds and sets out the terms and conditions (Provisions) governing a collaborative effort between the Department of Transportation (DOT) and the **«Applicant_Name_Preferred»** (Recipient) for project**, «Project_Name»**.

This is a cost reimbursement Cooperative Agreement. The responsibility for conducting activities under this Agreement lies primarily with the organization named in this Agreement (Recipient). DOT, through its designated representatives, shall consult and coordinate in the conduct of the activities performed during the period of this Agreement. By signing the signature page, the Recipient accepts the terms and conditions, as stated.

APPLICABLE AUTHORITIES

Unless otherwise noted, this Agreement incorporates the provisions from DOT's Notice of Funding Opportunity (NOFO**)** for the **Innovative Finance and Asset Concession Grant Program (IFACGP or the Program)** for the Fiscal Years 2024, 2025 and 2026, the Recipient's federal assistance application submitted in response to the NOFO, and the documents submitted to DOT to execute this Agreement.

This Agreement requires the Recipient to comply with the applicable requirements of part 200 of Title II of the Code of Federal Regulations (2 CFR part 200) and the DOT's implementation of those requirements at 2 CFR part 1201. Program Evaluation is encouraged for grant recipients and subrecipients, however is not required.

ADDITIONAL AUTHORITIES

The authority for funding this Agreement incorporates Public Law No. 117-58, the Consolidated Appropriations Act, 2022, Section 71001 of the Infrastructure Investment and Jobs Act (Pub. L. 117-58).

SUBPART A. GENERAL PROVISIONS

The purpose and scope of this Agreement is to facilitate and evaluate public-private partnerships in which the private sector partner could assume a greater role in project planning, development, financing, construction, maintenance, and operation, including by assisting eligible entities in entering into Asset Concessions consistent with the Budget Details of the award and the eligible activities and requirements outlined in the NOFO through technical assistance or expert services, as amended by this Agreement. All activities, services, and products completed under this Agreement must align with this general scope and purpose. The Recipient is expected to implement the project via a proposal and quarterly reporting, which require collaboration with and approval by DOT's Grant Management Specialist (GMS) and DOT's Grant Technical Advisor (GTA). Approved work products are incorporated by reference in this Agreement. The award must not be used in the implementation of any other matters not set forth in this Agreement, except as may be reasonably related or incidental to the implementation of the purpose and scope of this Agreement.

Definitions

This Agreement applies and incorporates the same meaning of terms, defined directly, or incorporated by

reference, in the NOFO and at 2 CFR 200.1, unless otherwise specified within the applicable and additional authorities (above) or within these Provisions.

Order of Precedence

In the event of an inconsistency in the provision or execution of this Agreement, the following order of precedence applies: (a) applicable Federal laws and regulations, (b) these Provisions, and (c) work products approved by DOT.

Flow Down Requirement

The Recipient is legally and financially responsible for all aspects of the activities funded under this Agreement, including funds provided to contractors (including consultants) and subrecipients as referenced in 2 CFR 200.332. Further, as required by 2 CFR 200.327, in all applicable contracts, the Recipient must include and require compliance with the provisions at Appendix II of 2 CFR part 200.

Period of Performance

The Period of Performance (POP) for this Agreement is included on the award document signature page. Performance period extensions shall be made consistent with 2 CFR 200.308 and 2 CFR 200.309.

Contracting

Prior approval of all contracting services will be required in coordination with DOT's Grant Program Manager (GPM), along with final GPM approval. Procurements for and contracts with grantee-contracted advisors procured for this award must comply with the requirements set forth in the 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**;** also refer to contractor determinations in 2 CFR 200.331.

Budget

DOT's financial obligations to the Recipient will not exceed the amount of federal funding awarded to date, as reflected on the signature page of this agreement. DOT is not liable for any costs the Recipient incurs in anticipation of receiving additional funds from DOT or any costs the Recipient incurs in a manner inconsistent with the terms of this Agreement.

Budget Period

The budget period for the award is 36 months in length beginning on the start date of the performance period. The Recipient is authorized to expend funds awarded based on DOT-approved work products. Requested budget period extensions for both the award and the work product must be made consistent with 2 CFR 200.308.

Cost Sharing or Matching Funds

The maximum value of cooperative agreements is $2 million. Cooperative agreements of up to $1 million are offered at 100 percent federal share (no required non-federal match). Amounts in excess of $1 million are offered at 50 percent federal share (50 percent required non-federal match). For example, a cooperative agreement of $2 million in federal aid would be matched by $1 million of non-federal funds, supporting a $3 million effort.

Direct Assistance

If the Proposed Activities include direct assistance for an Asset Concession, the following conditions apply:

(1) the Asset Concession shall not prohibit, discourage, or make it more difficult for a Recipient to construct new infrastructure, to provide or expand transportation services, or to manage associated infrastructure in publicly beneficial ways, along a transportation corridor or in the proximity of a transportation facility that was a part of the Asset Concession;

(2) the Recipient shall have adopted binding rules to publish all major business terms of the proposed Asset Concession not later than the date that is 30 days before entering into the Asset Concession, to enable public review, including a certification of public interest based on the results of an assessment under subparagraph (4);

(3) the Asset Concession shall not result in displacement, job loss, or wage reduction for the existing workforce of the Recipient or other public entities;

(4) the Recipient or the concessionaire shall carry out a value-for-money analysis, or similar assessment, to compare the aggregate costs and benefits to the Recipient of the Asset Concession against alternative options to determine whether the Asset Concession generates additional public benefits and serves the public interest;

(5) the full amount of any Asset Concession payment received by the Recipient under the Asset Concession, less any amount paid for transaction costs relating to the Asset Concession, shall be used to pay infrastructure costs of the Recipient; and

(6) the terms of the Asset Concession shall not result in any increase in costs under the asset concession being shifted to taxpayers the annual household income of whom is less than $400,000 per year, including through taxes, user fees, tolls, or any other measure, for use of an approved infrastructure asset.

(7) Not later than three years after the date on which a Recipient enters into an Asset Concession as a result of a grant under this section—

i. the Recipient shall hire an independent auditor to evaluate the performance of the concessionaire based on the requirements described in subparagraphs (1) through (6); and

ii. the independent auditor shall submit to the Recipient, and make publicly available, a report describing the results of the audit under subparagraph (i).

Role of the Recipient

The Recipient must:

(1) Comply with the terms and conditions of this Agreement;
(2) Collaborate with DOT staff in implementation and monitoring of the project, including identifying specific metrics and deliverables within the first 90 days of Period of Performance;
(3) Comply with IFACGP deliverable table below:

Deliverable	Approximate Due Date	Section 508 Compliant?
Kick-off Meeting Conduct a kick-off meeting with USDOT at a mutually agreed-upon location, date and time.	Within 4 weeks of Period of Performance Start Date	No
Reporting & Meeting Submit semi-annual Performance Goals Progress report and quarterly Federal Financial (SF-425) and Quarterly Narrative reports to document activities performed, anticipated activities, progress toward meeting performance goals and metrics, and any changes to schedule or anticipated issues. Quarterly meetings or as needed to discuss the quarterly report, performance goals report, work plan updates, and project status will be coordinated and scheduled by the Grant Program Manager. For grants with asset scanning activities, provide asset information including, but not limited to, asset description, current use, potential zoning uses, objectives for the asset, any known environmental, technical, or financial issues, and market analysis to be shared by DOT with private entities for potential project analysis, business plan development, and contact information to share proposals with potential project sponsors.	Semi-annual reporting is due 30 days after the end of the Federal Fiscal Year Q2 and Q4. Quarterly reporting is due 30 days after the end of every Federal Fiscal quarter. Asset Information at completion of asset scan activities	Yes
Project Management Plan The Recipient shall submit to USDOT's GTA for approval a Project Management Plan, which shall include, at a minimum: a) A **Statement of Work**, with a description of **Tasks and Sub-Tasks** by which the project work activities will be organized, executed, and monitored; b) A **Project Schedule** (Gantt Chart or equivalent) displaying begin and end times for each Task and Sub-Task, plus achievement of Project Milestones; c) **A Project Budget,** displaying planned expenditures for each Task, with a further breakdown by Cost Element for each Task, and by the federal share vs. non-federal share, if applicable. d) A description of major **Project Milestones**, including key Reports, start of operations of important systems or subsystems, and other important deliverables or events; e) A **Risk Management Plan,** which includes identification and assessment and of all known risks, assignment of risk roles and responsibilities, processes for monitoring and controlling risks, and a risk registry;	Within 45 days of Period of Performance Start Date	No

Closeout Report Submit a closeout report to the Build America Bureau that describes the findings and effectiveness of the program. The specific format and contents of this report shall be discussed during the kickoff meeting and approved by the Grant Program Manager (GPM), Grants Technical Advisor (GTA), and Grant Management Specialist (GMS).	Within 120 calendar days after the performance period or termination of this Agreement	Yes

Role of DOT's Grant Program Director (GPD)

The GPD is the DOT official authorized to execute and/or administer this award. The GPD is identified as the DOT official on the award document. The GPD is responsible for approving awards and amendments that obligate or de-obligate funds, suspending and terminating awards, and performing other responsibilities that are set forth in this Agreement.

Role of DOT's Grant Program Manager (GPM)

The GPM is responsible for oversight of the Grant Management Team (GTA & GMS) activities to include but not limited to, all financial and administrative aspects of the award and all business management aspects of the award.

Role of DOT's Grant Technical Advisor (GTA)

The GTA will have overall responsibility for monitoring the conduct and progress of the project, including conducting site visits, and reviewing financial and performance reports with the Grant Management Specialist (GMS) and other appropriate DOT staff. The GTA will provide substantial input, in collaboration with both the Recipient and DOT subject matter experts, in the planning and implementation of work products approved by the Grant Team. The GTA will provide written recommendations to the Grant Team regarding work product approval and performance period extensions. Also, the GTA will participate in the acceptance and publication of work products and materials, to make them available to the public.

Role of DOT's Grant Management Specialist (GMS)

The GMS is responsible for all financial and administrative aspects of the award. The GMS will also assist the GTA in monitoring the conduct and progress of the project, including conducting site visits, and reviewing financial and performance reports. Further, the GMS will ensure that the award is operated in compliance with this Agreement. Questions concerning the applicability of regulations and policies to this Agreement, and all requests for required prior approvals, such as requests for permission to expend funds for certain items, should be directed to the GMS. Required approvals, including work product approvals, must be provided in writing to the Grant Team to include: GPD, GPM, GTA, & GMS. The GMS will be responsible for communicating the required approvals.

Degree of DOT Involvement

The DOT anticipates substantial Federal involvement with the Recipient during performance period of this project. The anticipated Federal involvement will include:

- Review of deliverables as defined by the proposal from the Recipient
- Reviewing draft project documents and plans for approval and comment
- Reviewing semi-annual performance reports and final reports from the Recipient
- Convening quarterly meetings with the recipient to review project activities, schedule, and progress toward the scope of work

- Identifying relevant federal technical assistance programs aligned with the IFACGP efforts to share with grantee as additional funding, finance, and technical assistance opportunities.
- Assigning federal agency staff to serve as liaisons with grantee.
- Reviewing and approving changes in key personnel or scope changes
- Oversight of ongoing compliance with applicable federal regulations
- Budget oversight, including reviewing and reimbursing monthly invoices for incurred costs and receiving notification when budgets are 50% and 90% expended.

Monitoring and Reporting Requirements

(1) **Requirements**. This Agreement incorporates the reporting requirements of 2 CFR 200.512 (Report submission), 2 CFR 200.328 (Financial reporting), 2 CFR 200.329 (Monitoring and reporting program performance), and 2 CFR 200.330 (Reporting on real property). Accordingly, the reporting frequencies are identified below. DOT may adjust these frequencies to respond to award management deficiencies or to implement requirements of the applicable authorities. Failure to comply with these reporting requirements is considered a material noncompliance.

Reporting Requirements for Recipients	Frequency
Project Management Reporting	
• Performance Report	SA
• Narrative Report	Q
• Financial Report (SF-425)	Q
Closeout Reporting	
• Final Performance Report	F
• Final Property Report (SF-428 & SF-428B)	F
Other Reporting (where applicable)	
• Intellectual Property Report	A
• Invention Report	Y
• Equipment/Property Report (SF-428)	Y
• Annual Financial Statement Audit (not the same as a Single Audit)	RA
A – Within a week after the event F – Final; within 120 calendar days after the performance period or termination of this Agreement, whichever is first. Q – Quarterly; within the 30 days following the end of the Federal fiscal year quarters SA – Semi-Annually; within the 30 days following the end of two Federal fiscal year quarters Y – Yearly; within 90 calendar days after the end of the annual report period RA - Within 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period.	

(2) **Performance reporting**. The Recipient will include the requirements of the "Performance Goals and Measurements" provision, of this Agreement, in its work products and track for inclusion in its performance report for each work product.

(3) **Submission to DOT**. The Recipient must submit reports to both the GTA and GMS, in a manner directed by DOT and provided guidance in Attachment 1.

(4) **Restrictions**. Reports submitted in non-DOT systems must not contain any Protected Personal

Identifiable Information (PII), limited rights data (proprietary data), classified information, information subject to export control classification, or other information not subject to release.

Site Visits and Desk Review

DOT may perform site visits and desk reviews, as per 2 CFR 200.329(f), to monitor project progress and to ensure full accountability for Federal funds and compliance with this Agreement.

Unauthorized Promotion or Endorsement of Goods or Services

While receiving technical assistance, the Recipient or any of its personnel will not sell or promote its own or any other products or services. Neither the Recipient nor its personnel may imply that DOT endorses any product or service produced by non-DOT funding, nor use the name of DOT or any division of DOT to sell any product or service. For funding jointly administered by DOT and another Federal agency, the Recipient provides the same assurances to both agencies.

Work Products

(1) **Sharing Work Products**. The Recipient agrees to make available to the public the work products produced under this Agreement. Work products include studies, plans, market analyses, estimates, schedules, agreements, asset information, public outreach materials, performance reports, audits and any other documents produced while effectuating the purpose of this Agreement. Work products will be made publicly available in a manner and location determined by DOT.

(2) **Draft and Final Products**. The GTA and GMS may review and will accept or deny draft and final products. The Recipient must submit to the GTA and the GMS draft and final products developed under this Agreement. DOT will determine the manner in which products are submitted. Deliverables, quotations therefrom, paraphrasing, and disclosures of draft or interim findings must not be published by the Recipient or other participants in the work without DOT approval. In addition, except for open-source code, DOT reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work products, in whole or in part (including creating derivative works), for federal government purposes and to authorize others to do so, DOT's license applies to: (1) the copyright in any work developed under this award, sub-award, or contract awarded under this cooperative agreement; and (2) any rights of copyright to which the Recipient or its personnel, including contractors, purchases ownership with award funds from this Agreement. In addition, DOT may make any work that was developed under this Agreement publicly available by any means without restriction, including on a DOT website, or social media account, as a hard copy, or in electronic form. DOT also reserves the right, at its discretion, not to publish deliverables and other materials (e.g., reports, publications, manuals, and training curricula) developed under this cooperative agreement as DOT resources.

(3) **Acknowledgment of Support**. Products, including tools, publications, training materials, and online resources (material), developed under this Agreement, may include the DOT's logo, provided the GMS has approved the products and provides written permission to use the DOT logo. In addition, the Recipient must include the following acknowledgment and disclaimer on all products unless another version is authorized:

"This material is based upon work supported, in whole or in part, by Federal award number [insert award number] awarded to [name of Recipient] by the U.S. Department of Transportation."

The substance and findings of the work are dedicated to the public. Neither the United States Government nor any of its employees make any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately-owned rights. Reference herein to any individuals, agencies, companies, products, process, services, service by trade name, trademark, manufacturer, or otherwise does not constitute or imply an endorsement, recommendation, or favoring by the author(s), contributor(s), the U.S. Government, or any agency thereof. Opinions contained herein are those of the author(s) and do not necessarily reflect the official position of, or a position that is endorsed by, DOT or any Federal agency.

News Releases

All press releases or public issuances regarding the underlying Project made during the performance period for this Agreement must be reviewed and approved by DOT before release.

Property Standards

The property standards at 2 CFR 200.310 through 200.316, as modified by 2 CFR 1201.313, apply to this Agreement and set forth the requirements for insurance coverage, real property, equipment, supplies, intangible property, and other property.

Intangible Property

(1) This Agreement incorporates the requirements of 2 CFR 200.315.

(2) DOT will not retain exclusive rights to technical data, software, and analytic code previously developed by the Recipient or its personnel and used in the performance of work supported by this award. Computer software and "open-source" code available to the public prior to the work of this award may remain in the public domain.

Computer Software

(1) Software, especially computer software used for online products, must be commercially available off-the-shelf.

(2) Requests for exceptions to computer software standards must be submitted in writing to DOT.

Record Retention and Access to Records Monitoring

This Agreement incorporates the requirements at:

- 200.334 Retention requirements for records.
- 200.335 Requests for transfer of records.
- 200.336 Methods for collection, transmission, and storage of information.
- 200.337 Access to records.

Restrictions on Public Access to Records and Privacy Act

This Agreement incorporates the requirements of 2 CFR 200.338. In the event of improper use or disclosure of protected personally identifiable information, the Recipient agrees to immediately report the incident to the GMS.

Performance Goals and Measurements

To implement 2 CFR 200.301, 2 CFR 200.329, and the applicable authorities, in collaboration with the responsible DOT parties to this Agreement, the Recipient must develop a specific performance plan based on DOT-provided performance measures. The Recipient's performance plan must track progress and report on the effectiveness of each deliverable. The Recipient must propose, track and report project accomplishments against the following performance measures:

Goal	Metric
Goal 1: Provide benefits to the community through transportation projects.	• Increase collaboration with the private sector during project planning
Goal 2: Increase grant recipient's capacity, knowledge, and skills to execute transportation projects.	• Hire staff and/or procure consultants to serve as advisors within six months of the project's performance period start date
Goal 3: Engage, educate, and listen to the community throughout the project planning process.	• Conduct at minimum one stakeholder outreach initiative • Create a best practices document based on learnings from the project
Goal 4: Advance the transformational project(s) closer to delivery.	• Complete all planned asset analyses for all existing assets • Provide an implementation plan or next steps for each asset at the conclusion of the project

SUBPART B. FINANCIAL PROVISIONS

Basic Considerations

This Agreement, including the work products, incorporates the basic cost principles of 2 CFR part 200:

- 200.402 Composition of costs.
- 200.403 Factors affecting allowability of costs.
- 200.404 Reasonable costs.
- 200.405 Allocable costs.
- 200.406 Applicable credits.
- 200.407 Prior written approval (prior approval).
- 200.408 Limitation on allowance of costs.
- 200.409 Special considerations.
- 200.410 Collection of unallowable costs.
- 200.411 Adjustment of previously negotiated indirect (F&A) cost rates containing unallowable costs.

Failure to provide adequate supporting documentation may result in a determination by DOT that those costs are unallowable.

Labor Rates

This Agreement incorporates the labor rate submitted in the recipient's cost estimate. These rates are used for the purposes of determining reasonableness of direct labor costs, in accordance with 2 CFR part 200, including 2 CFR 200.404. All direct labor costs charged to this award require DOT approval, unless otherwise authorized by the GMS.

Indirect Costs

(1) This Agreement incorporates the requirements of 2 CFR 200.414 and the NOFO.

(2) If indirect costs are included in the budget, the Recipient must include documentation to support the indirect cost rate it is using. The Recipient is only entitled to reimbursement of indirect costs. The Recipient may use a current Federally-approved and negotiated indirect cost rate agreement with DOT concurrence. If the Recipient does not have a negotiated indirect cost rate agreement, it must submit its first indirect cost rate proposal to its cognizant federal agency for review and approval. The Recipient may elect to use, if eligible, up to 15 percent de minimis rate per 2 CFR 200.414(f).

(3) If the Recipient is seeking reimbursement of indirect costs, the Recipient is responsible for maintaining an approved rate for the life of the award. The Recipient is required to reconcile the difference between its provisional indirect cost rate and final rate for the same year. The Recipient is not entitled to more than the unspent award amount, for underpayments.

Pre-Award Costs

The Recipient will incur pre-award costs at its own risk, after the date of the DOT selection announcement and prior to the start date of the award performance period.

The incurrence of pre-award costs in anticipation of an award imposes no obligation on DOT either to make the award or to increase the amount of the approved budget, if the award is made for less than the amount anticipated and is inadequate to cover the pre-award costs incurred.

Program Income

Pursuant to 2 CFR 200.307(a), any program income earned during the award period, as a result of award activities, must be added to the funds committed to the award and used to further eligible activities supported by this Agreement. Program income earned after the award must be returned to the Federal government. Before using program income, any affected work product shall be revised and approved by DOT to include the use of program income.

Profit or Fee

No increment (fee or profit) above cost may be paid to the Recipient or subrecipient under this award, except as otherwise expressly provided by law. The term "subrecipient" does not include the Recipient's procurement of goods and services, such as maintenance contracts for equipment or facilities, contracts for communication services, etc.

Federal Payment

(1) **Payment Method**. Payment by reimbursement is the only payment method under this Agreement. This Agreement incorporates the payment requirements of 2 CFR 200.305. The Debt Collection Improvement Act of 1996 requires payment be made by electronic funds

transfer. Electronic transfer shall be made from DOT's Delphi system to the Recipient's bank account on file with DOT. DOT will reimburse labor and direct costs incurred by the Recipient, including subcontractors. See attachment 3 for billing requirements.

(2) **Labor and Direct Costs**. DOT will reimburse labor and direct costs incurred by the Recipient, including subcontractors. Recipient should maintain a system for recording all project costs. Invoices may be transmitted to DOT monthly.

(3) **Reimbursement Limitation**. DOT financial obligations to the Recipient are limited by the amount of federal funding awarded to date as reflected on the award document. If the Recipient incurs costs in anticipation of receiving additional funds from DOT, it does so at its own risk.

(4) **Timing of Submittals**. Invoices should be transmitted to DOT monthly with a completed SF270, all corresponding invoices, and timesheets.

(5) **Payment approval**. Consistent with 2 CFR 200.305(b)(3), DOT will determine approval of payment requests submitted through Delphi as soon as practical, but not later than 30 days after the Recipient's request is received, unless the billing is improper, or an extenuating circumstance requires additional DOT time to approve a payment request.

(6) **Unauthorized Drawdown of Federal Funds**. The Recipient must immediately refund DOT any amounts drawn down in excess of the authorized amounts. The Recipient and subrecipients shall promptly, but at least quarterly, remit to DOT interest earned on advances drawn in excess of disbursement needs and shall comply with the procedure for remitting interest earned to the Federal government per 2 CFR 200.305, as applicable. The GPD, in collaboration with the Technical Assistance Division, will determine the appropriate refund method.

Financial Management and Internal Controls

This Agreement incorporates the financial management systems requirements in 2 CFR 200.302, and internal controls set forth in 2 CFR 200.303.

Audit

(1) **Single or Program-Specific Audits**. This Agreement incorporates the audit requirements of 2 CFR 200.501, 2 CFR 200.514 and 2 CFR 200.507.

DOT may require the Recipient to complete a Program-Specific Audit in accordance with 2 CFR 200.507. Audits must be guided by Appendix XI of 2 CFR part 200.

(2) **Financial Statement Audit Required**. DOT may require the Recipient to have an annual financial statement audit conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS).

(3) Audits must be submitted in a manner either described at 2 CFR 200 Subpart F or reference in this Agreement, within 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. This requirement applies to all Recipients, including commercial and not-for-profit organizations.

(4) Failure to comply with these audit requirements is considered material noncompliance.

(5) DOT will reimburse the Recipient for eligible costs associated with audits allowed by this Agreement as indicated within the Recipient's award budget.

Transportation and Travel

This Agreement incorporates the requirements of 2 CFR 200.475. All travel activities require prior approval from the GMS, as per 2 CFR 200.407.

SUBPART C. MISCELLANEOUS PROVISIONS

Federal Law and Public Policy Requirements

(1) The Recipient shall ensure that Federal funding is expended in full accordance with the United States Constitution, Federal law, and statutory and public policy requirements: including but not limited to, those protecting free speech, religious liberty, public welfare, the environment, and prohibiting discrimination.

(2) The Recipient hereby agrees that, as a condition of receiving any Federal financial assistance under this agreement, it will certify that it will comply with the assurances listed in Attachment 4 of this agreement. The Recipient must sign each of the assurances located in Attachment 4. The assurances attached cover the following:

- Certification regarding debarment, suspension, and other responsibility matters
- Requirements regarding delinquent tax liability or a felony conviction under any federal law
- Recipient policy to ban text messaging while driving - DOT Order 3902.10
- Certification regarding drug-free work-place requirements
- Compliance with the Trafficking Victims Protection Act (TVPA) of 2000 and implementing regulations in 2 CFR 175
- Lobbying and 49 CFR 20

Prior Written Approvals

The Agreement incorporates and applies the prior approval requirements of 2 CFR 200.407 to the entire project, including changes to the award and the associated work product. The Recipient must comply with 2 CFR 200.407 before incurring certain costs under the award, including costs incurred pursuant to a work plan.

Key Personnel

Definition. "Personnel" means employees of the Recipient, or any contractor(s), or team members, and consultants engaged by any of those entities.

The key personnel specified in the Recipient's application are considered essential to the work being performed under this Agreement. Any change to the key personnel assigned to a work product or included in the Recipient's application is considered a revision of program plans and requires compliance with 2 CFR 200.407 and advance written notice to and approval by the GPM. The notice must include a revised application along with a justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the award or work product.

Procurement

The Recipient's process for acquiring goods and services under this award must comply with 2 CFR

200.317 through 200.327, as modified by 2 CFR 1201.317. Agreements executed by the Recipient must comply with this Agreement, as applicable, and include the contract provisions set forth in Appendix II to 2 CFR part 200, as applicable to the contract. The recipient will need to submit specific procurement documents for review prior to the entering into agreements with contractors and consultants. The documents include but are not limited to solicitations, specifications, contract agreements and any other document requested by DOT.

Subawards

The use of sub-awards is subject to the specific written, prior approval of DOT. Any subaward made by a Recipient must comply with the requirements in 2 CFR 200.331- 200.333. When making subawards, the Recipient must comply with the reporting requirements of 2 CFR 170. This requirement provides guidelines for reporting of information on subawards and executive total compensation, as required by the Federal Funding Accountability and Transparency Act of 2006.

In-Person Conferences, Trainings, and Other Events

This Agreement incorporates the requirements of 2 CFR 200.432, including the regulations referenced in the same section, and the related DOT standards.

System of Award Management and Unique Entity Identifier Requirements

This Agreement incorporates the requirements of 2 CFR part 25, including Appendix A to part 25, which includes the requirement for the Recipient to maintain an active registration in the System of Award Management (www.sam.gov). An active SAM registration with the unique entity identifier **(**UEI**)** is required until the Recipient submits its final financial report or receives the final payment under this Agreement, whichever is later. The Recipient may not make a subaward to any entity that has not provided its unique entity identifier number.

Remedies for Noncompliance

This Agreement incorporates the remedies for noncompliance included at:

- 200.339 Remedies for noncompliance.
- 200.340 Termination.
- 200.341 Notification of termination requirement.
- 200.342 Opportunities to object, hearings and appeals.
- 200.343 Effects of suspension and termination.

Objections, Hearings and Appeals

The Recipient may object to any remedy for noncompliance as outlined in 2 CFR 200.342, the Recipient may submit written objections or appeals to DOT via email, within 60 days of an initial DOT decision. A decision from the GPD or the appropriate DOT senior executive official shall be the final decision of DOT.

Suspension of Agreement

DOT may suspend this Cooperative Agreement by giving written notice of this suspension to **«Applicant_Name_Preferred»**, instructing the Recipient not to incur additional obligations, or disburse funds, pending the Recipient's action to correct violations of the terms and conditions of this Cooperative Agreement.

Failure by **«Applicant_Name_Preferred»** to take the corrective actions specified in the Notice of Suspension within thirty (30) days of receipt of said notice may result in termination of this Cooperative Agreement.

Termination of Agreement

Consistent with 2 CFR 200.340, DOT may terminate this agreement and all of its obligations under this agreement if any of the following occurs:

(1)(a) The Recipient fails to obtain or provide any Recipient matching funds as required by the agreement;

(b) A completion date for the Project or a component of the Project is listed in the agreement and the Recipient fails to meet that milestone by six months after the date listed in the agreement;

(c) The Recipient fails to comply with the terms and conditions of this agreement, including a material failure to comply with the Project Schedule even if it is beyond the reasonable control of the Recipient;

(d) Circumstances cause changes to the Project that DOT determines are inconsistent with DOT's basis for selecting the Project to receive an award; or

(e) DOT determines that termination of this agreement is in the public interest.

(2) In terminating this agreement under this section, DOT may elect to consider only the interests of DOT.

(3) The Recipient may request that DOT terminate the agreement under this section.

Termination/Expiration of Agreement Procedures

DOT may provide additional time and/or resources to closeout upon expiration or termination of this Cooperative Agreement. The Recipient must provide DOT a written report detailing all open business within five (5) days of expiration or termination of this Cooperative Agreement.

Non-Discrimination

The Recipient hereby agrees that, as a condition of receiving any Federal financial assistance under this agreement, it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. 2000d) and implementing regulations (49 CFR part 21, including any amendments thereto), related nondiscrimination statutes (i.e., 23 U.S.C. 324, Section 504 of the Rehabilitation Act of 1973 as amended, and the Age Discrimination Act of 1975), and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, sex, handicap, or age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance.

The specific requirements of the Department of Transportation Civil Rights assurances (required by 49 CFR 21.7 and 27.9) are incorporated in the agreement and are in located in Attachment 5. The assurances in Attachment 4 must be executed and signed by the Recipient with a separate signature in

addition to the Recipient's signature for this agreement.

Closeout

This Agreement incorporates the requirements of 2 CFR 200.344. DOT will initiate the administrative closeout of the cooperative agreement after receiving evidence that all technical work and administrative requirements have been completed. The Recipient shall furnish all required documents in support of the closeout of the cooperative agreement within the timeframes requested by the Government. The anticipated timeframe to complete administrative closeout of the cooperative agreement will not exceed six (6) months.

After-the-Award Requirements

This Agreement incorporates the requirements of 2 CFR 200.345 and 2 CFR 200.346 for post-closeout adjustments and the collection of amounts due.

ENTIRE AGREEMENT

This document embodies the entire Agreement between the **«Applicant_Name_Preferred»** and the DOT. This Cooperative Agreement may be amended, altered, or any of its provisions waived only in writing and signed by both parties. **The agreement will become effective when all parties have signed. The effective date of this agreement will be the date this agreement is signed by the last party.**

PARTIES EXECUTING THIS COOPERATIVE AGREEMENT

Federal Award and Obligation Amount: «Federal_Award_Amount»
Non-Federal Match Amount: «Match_Amount»
Period of Performance: «Performance_Start_Date» - «Performance_End_Date»

This Cooperative Agreement is entered on this day _____ of _____by the United States Department of Transportation, Build America Bureau, District of Columbia.

By: _____
Morteza Farajian, Executive Director
Build America Bureau
U.S. Department of Transportation

This Cooperative Agreement is entered by **«Applicant_Name_Preferred».**

By: _____ Date: _____
(Signature) (month/day/year)

_____
(Print Name)

Title: _____

ATTACHMENT 1. U.S DEPARTMENT OF TRANSPORTATION CONTACT INFORMATION

All responses to provisions of this Agreement, which require communication with DOT, should be sent using the contact information below.

E-mail: InnovativeFinanceTA@dot.gov

For regular and overnight delivery:

Innovative Finance and Asset Concession Grant Program
Build America Bureau
Department of Transportation
1200 New Jersey Ave SE
Washington, DC 20590

ATTACHMENT 2. RECORD RETENTION

Financial Records Financial Status Reports
Final Financial Status Report
Requests for Reimbursements
Copies of Audits (federal and private)
Copies of Audit Responses
Copies of all tax reports filled with the IRS, state, and local governments

Deposits and Receipts
Monthly Bank Statements and Reconciliations
Written Procedures for Spending Funds
All Contracts:
- Contracts with Other Groups
- Consultant Contracts
- Insurance Policies
- Service/Maintenance Contracts
- Sole Source Contract Justifications
- Construction Contracts
- Bid Documents
- Performance Bonds
- Indirect Cost Documentation

Chart of Accounts
Ledgers
Cash Disbursement Journals
Payroll Register for Each Employee
Supporting Documentation for All Expenditures:
- Purchase Orders
- Vouchers
- Receipts
- Petty Cash Vouchers
- Deposit Receipt for Petty Cash Reconciliation
- Travel Reimbursement (with receipts where applicable)
- Time and Attendance Records
- Price Quotations

Equipment Inventory Listing

Nonprofit Parent or Sponsoring Organization Records
Articles of Incorporation
- Corporate Charter with a Nonprofit Status
- Constitution and By-laws
- Federal Charitable Organization Designation (501(c)(3))
- FICA Waiver of Exemption
- List of Board Members
- Monthly/Quarter/Annual Reports (whichever is applicable)
- Minutes of Board Meetings
- All Pertinent Correspondence Related to Work Under Award
- Copy of Written Personnel Policies

Project Records
Approved Work Products
Approved Budget Narratives
Grant Award Notice
Special Conditions
Program Modification Requests
Budget Modification Requests
Award Adjustment Notices
Copies of Required Quarterly Reports (Narrative and Financial)
Copy of Close-out Documents (Narrative and Financial)
Pertinent Correspondence Related to This Award (incoming and outgoing)
Lists of Work Force/Advisory/Community Organization Meetings Related to the Performance of Work under the Award
Evaluations Conducted as Required by the Award
Letters of Appreciation
Personnel Folders:
    Resumes
Letters of Employment
    Documentation of Pay Raises
Nondisclosure Agreement(s)

ATTACHMENT 3. BILLING REQUIREMENTS

Not more than ninety (90) days following service delivery related to each DOT-approved work products, the Recipient of this Agreement is required to submit payment requests for allowable costs incurred. Payment requested must be submitted to DOT at a frequency that is not less than once every Federal fiscal year quarter. Payment requests that are not submitted timely must include a justification for the delayed submission. Payment requests for actual costs incurred must comply with the allowable cost standards of this Agreement.

All payment requests from the Recipient must be submitted to DOT and approved by DOT using the Delphi eInvoicing system.

(1) Documentation submitted with payment requests. The following documentation must accompany any requests for payment of eligible technical assistance services provided:

(a) The voucher number, cooperative agreement award number, funding source, and work product plan number or name. A single voucher must include costs for work product under the same award; a voucher must not include work product associated with different awards.

(b) Total amount of the payment request for the voucher, the bill period, and amount by work product.

(c) The following certification statement: "I certify that the data contained in this document, as well as any information provided in the accompanying voucher, are true, correct, actual, and that all outlays were made in accordance with the cooperative agreement conditions and applicable Regulations. I also certify that all contractors and/or consultants have certified to the same certification statements, and the certifications on file for future inspection and audit."

(d) Program-specific documentation of actual costs, including reports from the Recipient's financial management system, which must be supported by the documents in the Recipient's program files. Unless exempted by 2 CFR, the Recipient must generate reports from its financial management system supporting and documenting salaries, wages, travel, and all other payments for each employee, contractor personnel, and consultant that conducted work under the subject voucher. The report(s) supporting payment requests must include:

i. The cooperative agreement award number, funding source, and work product number or name.
ii. Dates of the activities/actual costs by work product.
iii. The name and position/title of each employee, contractor personnel, and consultant by work product; dates with applicable hours worked; the compensation rate attributable to the employee, contractor personnel and consultant; and travel costs by each employee, contractor personnel, and consultant. **Do not** include individuals, such as senior management or other staff, whose costs are included in the indirect cost rate calculation.
iv. Actual activity, not estimates of activity, of each employee, contractor personnel and consultant.
v. The federally-approved indirect cost rate used, and the total indirect costs.
vi. If applicable, the approved G&A rate used, and the total G&A rate costs.
vii. A cumulative amount of funds expended by work product and by the award.
viii. A cover page with the voucher number, cooperative agreement award number, funding source, current and historic cumulative totals by work product number and by award.

(2) File documentation. In addition to the applicable record retention items included in Attachment 2 or elsewhere in this Agreement, the Recipient must maintain, at a minimum, the following documentation in its files and the documentation must be available for DOT review during an on-site monitoring visit, for submission when the Grants Team or GPD request particular documentation for remote monitoring purposes, and for submission when the GTA, GMS or GPD request particular documentation to assess payment requests from the Recipient:

(a) Documentation to support salary costs, such as timesheets signed by the responsible supervisory official having knowledge of the activities performed by the employee and by the employee, or an electronic equivalent. In signing, the supervisor and employee would be verifying that the technical assistance activities were performed and that the report is true and accurate.

(b) For direct costs, invoices/receipts to support the charge for the costs and a certification for these costs. Documentation or an electronic equivalent signed by the employee who incurred the costs indicating the expense was incurred pursuant to the subject technical assistance activities.

(c) Copies of invoices submitted by the contractor/consultant along with the contract. The invoices should include the dates of services, the hours worked attributable to the services, the rate of compensation, the nature of the services provided, an itemized list of other costs, if any, the office for which the services were performed, and the total billed amount.

(d) For contractor costs, a certification signed by the contractor who incurred the costs indicating the expense was incurred pursuant to the subject technical assistance activities.

(e) Employees' and contractors' work products and related documents, such as trip reports, minutes/notes of meetings, and collateral reports.

- Delphi elnvoicing System for DOT Financial Assistance Awardees: Subject to the requirements in 2 CFR 200, payments will be made after receipt of required modal reporting forms. Each payment request must be made electronically via the Delphi elnvoicing System.

The following are the procedures for accessing and utilizing the Delphi elnvoicing System:

I. Recipient Requirements

a. Recipients (organization participating in Cooperative Agreement) must have internet access to register and submit payment requests through the Delphi invoicing system.

b. Recipients must submit payment requests electronically and DOT Operating Administrations must process payment requests electronically.

c. Recipients must submit at a minimum the required forms (SF270) and supporting documentation (receipts, itineraries, travel documentation, and event agendas) and obtain approval by the GMS prior to uploading invoices into the Delphi system for payment.

d. All invoices must be uploaded into the Delphi system electronically by the 10th of each month if the Recipient would like to be reimbursed within the same month.

e. All eligible expenses must be submitted to DOT within 60 days of being incurred to receive reimbursement, unless otherwise authorized by DOT. Failure to submit eligible expenses for reimbursement within 60 days may result in the disapproval of the expense reimbursement request.

f. All invoices that have been submitted, approved, and paid will not be adjusted or recalculated by DOT staff to reimburse for miscalculated rates provided by **«Applicant_Name_Preferred»**.

g. It is the responsibility of the Recipient to provide, calculate and invoice correctly for all internal staff salaries. Changes or adjustments will not be made once final invoices have been submitted by the recipient and paid by DOT.

h. The Recipient shall follow the invoice/payment process for the close out of the cooperative agreement with DOT.

i. The Recipient shall not submit request for payment for any costs accrued outside the agreement timeframe of Period of Performance.

II. System User Requirements

a. DOT will provide the Recipient's name and email address to the DOT Financial Management Office. The DOT will then invite the Recipient to sign up for the system.

b. DOT will send the Recipient a form to verify the Recipient's identity. The Recipient must complete the form and present it to a Notary Public for verification.

c. The Recipient will return the notarized form to:

DOT Enterprise Services Center
FAA Accounts Payable, AMZ-100
PO Box 25710
Oklahoma City, OK 73125

III. The DOT will validate the form and email a user ID and password to the Recipient. Recipients should contact the Operating Administration's grants office with any changes to their system information.

Note: Additional information, including access forms and training materials, can be found on the DOT eInvoicing website (http: www.dot.gov/cfo/delphi-einvoicing-system.html)

ATTACHMENT 4. U.S. DEPARTMENT OF TRANSPORTATION AND FEDERAL ASSURANCES

Attachment 4.1

CERTIFICATION REGARDING DEBARMENT
SUSPENSION, AND OTHER RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS

2 CFR Parts 180 and 1200

These assurances and certifications are applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring DOT approval or that is estimated to cost $25,000 or more – as defined in 2 CFR Parts 180 and 1200.

By signing and submitting the Technical Application and by entering into this agreement under the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program, the Recipient is providing the assurances and certifications for First Tier Participants and Lower Tier Participants in the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program, as set out below.

1. Instructions for Certification – First Tier Participants:

a. The prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "civil judgment," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180 and 1200. "First Tier Covered Transactions" refers to any covered transaction between a Recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction

under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a Recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers to any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions,” provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment, including a civil settlement, rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

2. Instructions for Certification - Lower Tier Participants:

(Applicable to all subcontracts, purchase orders and other lower tier transactions requiring prior DOT approval or estimated to cost $25,000 or more - 2 CFR Parts 180 and 1200)

a. The prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms “covered transaction,” “civil settlement,” “debarred,” “suspended,” “ineligible,” “participant,” “person,” “principal,” and “voluntarily excluded,” as used in this clause, are defined in 2 CFR Parts 180 and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. “First Tier Covered Transactions” refers to any covered transaction between a Recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). “Lower Tier Covered Transactions” refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). “First Tier Participant” refers to the participant who has entered into a covered transaction with a Recipient or subrecipient of Federal funds (such as the prime or general contractor). “Lower Tier Participant” refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the

proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Participants:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

By signing this ASSURANCE, the Recipient agrees to comply with 2 CFR Parts 180 and 1200 and the requirements listed above.

_____
(Name of Recipient)

By_____
(Signature of Authorized Official)

DATED _____

Attachment 4.2
REQUIREMENTS REGARDING
DELINQUENT TAX LIABILITY OR A FELONY CONVICTION
UNDER ANY FEDERAL LAW

As required by sections 744 and 745 of Title VII, Division E of the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103 (Mar. 15, 2022), and implemented through USDOT Order 4200.6, the funds provided under this award shall not be used to enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that:

(1) Has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the awarding agency is aware of the unpaid tax liability, unless a Federal agency has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government; or

(2) Was convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the awarding agency is aware of the conviction, unless a Federal agency has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government.

The Recipient therefore agrees:

1. **Definitions.** For the purposes of this exhibit, the following definitions apply:

   "**Covered Transaction**" means a transaction that uses any funds under this award and that is a contract, memorandum of understanding, cooperative agreement, grant, loan, or loan guarantee.

   "**Felony Conviction**" means a conviction within the preceding 24 months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the United States Code that specifically classifies the offense as a felony and conviction of an offense that is classified as a felony under 18 U.S.C. 3559.

   "**Participant**" means the Recipient, an entity who submits a proposal for a Covered Transaction, or an entity who enters into a Covered Transaction.

   "**Tax Delinquency**" means an unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

2. **Mandatory Check in the System for Award Management.** Before entering a Covered Transaction with another entity, a Participant shall check the System for Award Management (the "SAM") at http://www.sam.gov/ for an entry describing that entity.

3. **Mandatory Certifications.** Before entering a Covered Transaction with another entity, a Participant shall require that entity to:

(1) Certify whether the entity has a Tax Delinquency; and

(2) Certify whether the entity has a Felony Conviction.

4 **Prohibition.** If

(1) the SAM entry for an entity indicates that the entity has a Tax Delinquency or a Federal Conviction;

(2) an entity provides an affirmative response to either certification in section 3; or

(3) an entity's certification under section 3 was inaccurate when made or became inaccurate after being made

then a Participant shall not enter or continue a Covered Transaction with that entity unless the USDOT has determined in writing that suspension or debarment of that entity are not necessary to protect the interests of the Government.

5. **Mandatory Notice to the USDOT.**

(a) If the SAM entry for a Participant indicates that the Participant has a Tax Delinquency or a Felony Conviction, the Recipient shall notify the USDOT in writing of that entry.

(b) If a Participant provides an affirmative response to either certification in section 1, the Recipient shall notify the USDOT in writing of that affirmative response.

(c) If the Recipient knows that a Participant's certification under section 1 was inaccurate when made or became inaccurate after being made, the Recipient shall notify the USDOT in writing of that inaccuracy.

6. **Flow Down.** For all Covered Transactions, including all tiers of subcontracts and subawards, the Recipient shall:

(1) require the SAM check in section 2;
(2) require the certifications in section 3;
(3) include the prohibition in section 4; and
(4) require all Participants to notify the Recipient in writing of any information that would require the Recipient to notify the USDOT under section 5.

By signing this ASSURANCE, the Recipient also agrees to comply with USDOT Order 4200.6 and the requirements listed above.

_____
(Name of Recipient)

By _____
(Signature of Authorized Official)

DATED _____

Attachment 4.3

RECIPIENT POLICY TO BAN TEXT MESSAGING WHILE DRIVING

(a) Definitions. The following definitions are intended to be consistent with the definitions in DOT Order 3902.10, Text Messaging While Driving (Dec. 30, 2009) and Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving (Oct. 1, 2009). For clarification purposes, they may expand upon the definitions in the executive order.

For the purpose of Attachment 4.3, "Motor Vehicles" means any vehicle, self-propelled or drawn by mechanical power, designed and operated principally for use on a local, State or Federal roadway, but does not include a military design motor vehicle or any other vehicle excluded under Federal Management Regulation 102-34-15.

For the purpose of Attachment 4.3, "Driving" means operating a motor vehicle on a roadway, including while temporarily stationary because of traffic congestion, a traffic signal, a stop sign, another traffic control device, or otherwise. It does not include being in your vehicle (with or without the motor running) in a location off the roadway where it is safe and legal to remain stationary.

For the purpose of Attachment 4.3, "Text messaging" means reading from or entering data into any handheld or other electronic device (including, but not limited to, cell phones, navigational tools, laptop computers, or other electronic devices), including for the purpose of Short Message Service (SMS) texting, e-mailing, instant messaging, obtaining navigational information, or engaging in any other form of electronic data retrieval or electronic data communication. The term does not include the use of a cell phone or other electronic device for the limited purpose of entering a telephone number to make an outgoing call or answer an incoming call, unless this practice is prohibited by State or local law. The term also does not include glancing at or listening to a navigational device that is secured in a commercially designed holder affixed to the vehicle, provided that the destination and route are programmed into the device either before driving or while stopped in a location off the roadway where it is safe and legal to remain stationary.

For the purpose of Attachment 4.3, the "Government" includes the United States Government and State, local, and tribal governments at all levels.

(b) Workplace Safety. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving (Oct. 1, 2009) and DOT Order 3902.10, Text Messaging While Driving (Dec. 30, 2009), the Recipient, subrecipients, contractors, and subcontractors are encouraged to:

(1) adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving—

(i) Company-owned or -rented vehicles or Government-owned, leased or rented vehicles; or

(ii) Privately-owned vehicles when on official Government business or when performing any work for or on behalf of the Government.

(2) Conduct workplace safety initiatives in a manner commensurate with the size of the

business, such as—

(i) Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and

(ii) Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

(c) Subawards and Contracts. To the extent permitted by law, the Recipient shall insert the substance of this exhibit, including this paragraph (c), in all subawards, contracts, and subcontracts under this award that exceed the micro-purchase threshold, other than contracts and subcontracts for the acquisition of commercially available off-the-shelf items.

By signing this ASSURANCE, the Recipient also agrees to comply (and require any sub-recipients, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions in DOT Order 3902.10, Text Messaging While Driving (Dec. 30, 2009) and Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving.

_____
(Name of Recipient)

By_____
(Signature of Authorized Official)

DATED _____

Attachment 4.4

CERTIFICATION REGARDING DRUG-FREE WORK-PLACE REQUIREMENTS

The Recipient named in this agreement certifies that it will establish and continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Recipient's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

b. Establishing an ongoing drug-free awareness program to inform employees about--

1. The dangers of drug abuse in the workplace;
2. The Recipient 's policy of maintaining a drug-free workplace;
3. Any available drug counseling, rehabilitation, and employee assistance programs; and,
4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

c. Making it a requirement that each employee to be engaged in the performance of the grant or cooperative agreement be given a copy of the statement required by paragraph (a).

d. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant or cooperative agreement, the employee will--

1. Abide by the terms of the statement; and,
2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statue occurring in the workplace no later than five (5) calendar days after such conviction;

e. Notifying the Federal agency in writing, within ten (10) calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction, Employers of convicted employees must provide notice, including position title, to every project officer or other designee on whose project activity the convicted employee was working. Notice shall include the identification number(s) of each affected grant or cooperative agreement.

f. Taking one of the following actions, within thirty (30) calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted--

1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

1. The Recipient 's headquarters is located at the following address. The addresses of all workplaces maintained by the Recipient are provided on an accompanying list.

_____ _____

(Signature of Authorized Official) (Date)

Attachment 4.5
TRAFFICKING IN PERSONS

2 CFR PART 175

a. *Provisions applicable to a recipient that is a private entity.*

1. You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—

i. Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

ii. Procure a commercial sex act during the period of time that the award is in effect; or

iii. Use forced labor in the performance of the award or subawards under the award.

2. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —

i. Is determined to have violated a prohibition in paragraph a.1 of this award term; or

ii. Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—

A. Associated with performance under this award; or

B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 1200.

b. *Provision applicable to a recipient other than a private entity.* We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

1. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or

2. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—

i. Associated with performance under this award; or

ii. Imputed to the subrecipient using the standards and due process for imputing the

conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 1200.

c. *Provisions applicable to any recipient.*

1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.

2. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:

i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and

ii. Is in addition to all other remedies for noncompliance that are available to us under this award.

3. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. *Definitions*. For purposes of this award term:

1. "Employee" means either:

i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or

ii. Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

2. "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

3. "Private entity":

i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

ii. Includes:

A. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

B. A for-profit organization.

4. “Severe forms of trafficking in persons,” “commercial sex act,” and “coercion” have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

5. “Recipient” and “subrecipient” include for-profit entities for the purpose of Attachment 4.5 only.

By signing this ASSURANCE, the Recipient certifies that it has read and understands the provisions listed above.

_____

(Signature of Authorized Official) (Date)

Attachment 4.6
LOBBYING

If the Recipient will apply for a grant or cooperative agreement exceeding $100,000, or a loan, line of credit, loan guarantee, or loan insurance exceeding $150,000, it must make the following certification and, if applicable, make a disclosure regarding the Recipient's lobbying activities. This certification is required by 49 CFR 20.110 and app. A to that part.

This certification does not apply to a Recipient that is an Indian Tribe, Indian organization, or an Indian tribal organization exempt from the requirements of 49 CFR Part 20.

Certification for Contracts, Grants, Loans, and Cooperative Agreements.

The undersigned certifies, to the best of his or her knowledge and belief, that:

No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Statement for Loan Guarantees and Loan Insurance.

The undersigned states, to the best of his or her knowledge and belief, that:

If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature of Authorized Official _____ DATED _____

ATTACHMENT 5. NON-DISCRIMINATION ASSURANCES

Standard Title VI/Non-Discrimination Assurances

DOT Order No. 1050.2A

By signing and submitting an application and by entering into this agreement under the FY 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program, the Recipient **HEREBY AGREES THAT**, as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation (DOT), through the Build America Bureau, it is subject to and will comply with the following:

Statutory/Regulatory Authorities

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (entitled *Non-discrimination In Federally-Assisted Programs Of The Department Of Transportation—Effectuation Of Title VI Of The Civil Rights Act Of 1964*), including any amendments thereto;
- 28 CFR 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);

The preceding statutory and regulatory cites hereinafter are referred to as the "Acts" and "Regulations," respectively.

General Assurances

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

> *"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity," for which the Recipient receives Federal financial assistance from DOT, including the Build America Bureau.*

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI and other Non-discrimination requirements (The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these non-discrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

Specific Assurances

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted FYs 2022, 2023, and 2024

Innovative Finance and Asset Concession Grant Program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in 49 CFR 21.23(b) and (e) will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.

2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program and, in adapted form, in all proposals for negotiated agreements regardless of funding source:

   "*The Recipient, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.*"

3. The Recipient will insert the clauses of Appendix A and E of this Assurance in every contract or agreement subject to the Acts and the Regulations.

4. The Recipient will insert the clauses of Appendix B of this Assurance, as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a Recipient.

5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.

6. That where the Recipient receives Federal financial assistance in the form, or for the acquisition of real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.

7. That the Recipient will include the clauses set forth in Appendix C and Appendix D of this Assurance, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:

   a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
   b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:

a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
b. the period during which the Recipient retains ownership or possession of the property.

9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.

10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the Recipient also agrees to comply (and require any sub-recipients, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing the DOT's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance reviews, and/or complaint investigations conducted by the DOT. You must keep records, reports, and submit the material for review upon request to DOT, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The Recipient gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program. This ASSURANCE is binding on the Recipient, other recipients, sub-recipients, contractors, subcontractors and their subcontractors', transferees, successors in interest, and any other participants in the FYs 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program.

_____
(Name of Recipient)

By _____
(Signature of Authorized Official)

DATED _____

APPENDIX A

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, the Build America Bureau), as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21, including any amendments thereto.

3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.

4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Recipient or the FHWA to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or the OST, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or the OST may determine to be appropriate, including, but not limited to:

    a. withholding payments to the contractor under the contract until the contractor complies; and/or
    b. cancelling, terminating, or suspending a contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or the OST may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with

litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

APPENDIX B

CLAUSES FOR DEEDS TRANSFERRING UNITED STATES PROPERTY

The following clauses will be included in deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein from the United States pursuant to the provisions of Specific Assurance 4:

NOW, THEREFORE, the U.S. Department of Transportation as authorized by law and upon the condition that the Recipient will accept title to the lands and maintain the project constructed thereon in accordance with the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58 (Nov. 15, 2021), the Consolidated Appropriations Act, 2022, Pub. L. No. 117-103 (Mar. 15, 2022), Section 71001 of Division G of the BIL (Asset Concessions), the Regulations for the Administration of FY 2022, 2023, and 2024 Innovative Finance and Asset Concession Grant Program**,** and the policies and procedures prescribed by the U.S. Department of Transportation in accordance and in compliance with all requirements imposed by Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, including any amendments thereto, pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. § 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the Recipient all the right, title and interest of the U.S. Department of Transportation in and to said lands described in Exhibit A attached hereto and made a part hereof.

(HABENDUM CLAUSE)

TO HAVE AND TO HOLD said lands and interests therein unto Recipient and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and will be binding on the Recipient, its successors and assigns.

The Recipient, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person will on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed [,] [and]* (2) that the Recipient will use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations and Acts may be amended[, and (3) that in the event of breach of any of the above-mentioned non-discrimination conditions, the Department will have a right to enter or re-enter said lands and facilities on said land, and that above described land and facilities will thereon revert to and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed prior to this instruction].*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

APPENDIX C

CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Recipient pursuant to the provisions of Specific Assurance 7(a):

A. The (Recipient, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that:

    1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (Recipient, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Non-discrimination covenants, Recipient will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*

C. With respect to a deed, in the event of breach of any of the above Non-discrimination covenants, the Recipient will have the right to enter or re-enter the lands and facilities thereon, and the above described lands and facilities will there upon revert to and vest in and become the absolute property of the Recipient and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

APPENDIX D

CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Recipient pursuant to the provisions of Specific Assurance 7(b):

A. The (Recipient, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (Recipient, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations, as amended, set forth in this Assurance.

B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, Recipient will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.*

C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, Recipient will there upon revert to and vest in and become the absolute property of Recipient and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21, including any amendments thereto.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq*.), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Access to Services for Persons with Limited English Proficiency (LEP). The Recipient agrees to provide meaningful access to public transportation services to persons with limited understanding of English to comply with Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000d, et seq., its implementing regulation at 28 CFR 42.405(d), and applicable guidance issued by the Department of Justice;
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681 et seq).
- Executive Order 14149, Restoring Freedom of Speech and Ending Federal Censorship, which prohibits taxpayer resources from abridging freedom of speech.
- Executive Order 14151, Ending Radical and Wasteful Government DEI Programs and Preferencing, which requires, to the maximum extent permissible by law, the termination of all diversity, equity, inclusion, and accessibility (DEIA) performance requirements for recipients.

- Executive Order 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government, which prohibits the use of Federal funds to promote gender ideology.
- Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, which requires
    - pursuant to Section (3)(b)(iv)(A), the Recipient agrees that its compliance in all respects with all applicable Federal anti-discrimination laws is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code; and

    - pursuant to Section (3)(b)(iv)(B), by entering into this agreement, the Recipient certifies that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate any applicable Federal anti-discrimination laws.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE THE INNOVATIVE FINANCE AND ASSET CONCESSION (IFAC) GRANT PROGRAM COOPERATIVE AGREEMENT WITH THE U.S. DEPARTMENT OF TRANSPORTATION (USDOT), TO RECEIVE FUNDING IN THE AMOUNT OF ONE MILLION DOLLARS ($1,000,000.00) FOR THE IMPLEMENTATION OF THE INTELLIGENT TRANSPORTATION SYSTEM (ITS) MASTER PLAN, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the U.S. Department of Transportation (USDOT) Build America Bureau issued a notice of funding opportunity on August 13, 2025, for entities to apply for funding assistance through the FY 24-26 Innovative Finance and Asset Concession (IFAC) Grant Program; and

WHEREAS, the IFAC program purpose is to assist entities in exploring innovative financing and delivery opportunities for Transportation Infrastructure Finance and Innovation Act (TIFIA) eligible projects; and this assistance includes funding for conducting asset scans and pre-construction tasks to achieve project goals; and

WHEREAS, on October 01, 2025, the City of Denton applied for an IFAC grant for implementation of the Intelligent Transportation Systems (ITS) Master Plan; and

WHEREAS, the Intelligent Transportation Systems (ITS) Master Plan aims to improve daily traffic flow within the City of Denton by using smart transportation technology such as modern road sensors, communication technology, and data analytics; and

WHEREAS, on June 15, 2026, the IFAC grant, in the amount of one million dollars ($1,000,000.00), was awarded to the City of Denton with no local match requirement; and

WHEREAS, the U.S. Department of Transportation requires the execution of the Innovative Finance and Asset Concession (IFAC) Grant Program Cooperative Agreement, (the "Agreement") attached hereto and incorporated herein as Exhibit "A;" and

WHEREAS, Transportation Services aim to implement this grant for ITS Master Plan for the City of Denton, as a comprehensive roadmap for planning, implementing, operating, and maintaining Citywide Intelligent Transportation Systems, Smart Mobility, and ITS communications assets; and

WHEREAS, The City Council finds it is in the best interest of the citizens of the City of Denton to accept the IFAC Grant and execute the Agreement; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings set forth in the preamble of this Ordinance are incorporated by reference into the body of this Ordinance and hereby found to be true.

SECTION 2. The Innovative Finance and Asset Concession (IFAC) Grant Program Cooperative Agreement (the "Agreement") attached hereto and incorporated herein as Exhibit A is approved and adopted.

SECTION 3. The City Manager is hereby authorized to execute the Agreement and take all actions necessary to implement the Agreement pursuant to the terms contained therein.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by_____and seconded by _____. The ordinance was passed and approved by the following vote [_____-____]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

City Hall
215 E. McKinney St.
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

ACM: Christine Taylor, Assistant City Manager

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton granting the Denton Festival Foundation Inc. a noise exception for the Denton Arts and Jazz Festival on Friday, September 11, 2026, from 3:00 p.m. to 11:00 p.m., Saturday, September 12, 2026, from 10:00 a.m. to 11:00 p.m., and Sunday, September 13, 2026, from 11:00 a.m. to 9:00 p.m. at the North Texas Fairgrounds in Denton, Texas; and providing an effective date.

BACKGROUND

The 43rd Annual Denton Arts and Jazz Festival is organized by the Denton Festival Foundation, Inc. a nonprofit 501(c)(3) organization, which serves to showcase professional and amateur musicians, artists, and performers.

For years, this free festival has featured over 2,700 performers, local and statewide vendors, children's activities, art exhibits, 250 booths, and seven stages with various entertainers at Quakertown Park. Due to budgetary adjustments, the festival has made modifications to the event this year, including, but not limited to, relocating the event to the North Texas Fairgrounds.

The Denton Festival Foundation, Inc, requests an exception to the noise ordinance with respect to sound levels exceeding seventy (70) dBA and hours of operation on Friday, September 11, 2026, from 3:00 p.m. to 11:00 p.m., Saturday, September 12, 2026, from 10:00 a.m. to 11:00 p.m., and Sunday, September 13, 2026, from 11:00 a.m. to 9:00 p.m. at the North Texas Fairgrounds.

RECOMMENDATION

Staff recommends approval.

ESTIMATED SCHEDULE OF PROJECT

N/A

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On April 9, 2019, City Council approved an exception to the noise ordinance for the Denton Arts and Jazz Festival under Ordinance 19-689.

On September 14, 2021, City Council approved an exception to the noise ordinance for the Denton Arts and Jazz Festival under Ordinance 21-1755.

On August 16, 2022, City Council approved a three-year exception to the noise ordinance for the Denton Arts and Jazz Festival under Ordinance 22-1492.

On August 19, 2025, City Council approved a three-year exception to the noise ordinance for the Denton Arts and Jazz Festival under Ordinance 25-1340.

FISCAL INFORMATION
N/A

BID INFORMATION
N/A

EXHIBITS
Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

Respectfully submitted:
Allison Wing, Interim Parks and Recreation Director

Prepared by:
Meredith Jones, Parks and Recreation

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON GRANTING THE DENTON FESTIVAL FOUNDATION INC. A NOISE EXCEPTION FOR THE DENTON ARTS AND JAZZ FESTIVAL ON FRIDAY, SEPTEMBER 11, 2026, FROM 3:00 P.M. TO 11:00 P.M., SATURDAY, SEPTEMBER 12, 2026, FROM 10:00 A.M. TO 11:00 P.M., AND SUNDAY, SEPTEMBER 13, 2026, FROM 11:00 A.M. TO 9:00 P.M. AT THE NORTH TEXAS FAIRGROUNDS IN DENTON, TEXAS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 17-20 of the Code of Ordinances of the City of Denton, the City Council may make exceptions upon application for sound levels or hours of operation when the public interest will be served thereby; and

WHEREAS, The Denton Festival Foundation Inc. has made an application to the City Council for an exception to Section 17-20 of the Code of Ordinances regarding sound levels and hours of operation, in connection with the Denton Arts and Jazz Festival, which will be held on Friday, September 11, 2026, from 3:00 p.m. to 11:00 p.m., Saturday, September 12, 2026, from 10:00 a.m. to 11:00 p.m., and Sunday, September 13, 2026, from 11:00 a.m. to 9:00 p.m. at the North Texas Fairgrounds in Denton, Texas; and

WHEREAS, The Denton Festival Foundation Inc. provides a free community event that showcases over 2,700 performers, local and statewide vendors, children's activities, art exhibits, 250 booths, and five stages with various entertainers. The event is designed to engage residents of all ages, offering an exciting experience for professional and amateur musicians, artists, and performers while providing entertainment and activities that appeal to the broader community; and

WHEREAS, the City Council of the City of Denton finds that granting a noise exception for this event, subject to the restrictions contained herein, would serve the public interest; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. Pursuant to Section 17-20 of the Code of Ordinances, The Denton Festival Foundation Inc. is hereby granted an exception to said section's amplified sound prohibition subject to the following restrictions:

1. This exception to the limitations imposed by Section 17-20 of the Code of Ordinances of the City of Denton, is granted only in connection with the operation of the Denton Arts and Jazz Festival in Denton, Texas, on Friday, September 11, 2026, from 3:00 p.m. to 11:00 p.m., Saturday, September 12, 2026, from 10:00 a.m. to 11:00 p.m., and Sunday, September 13, 2026, from 11:00 a.m. to 9:00 p.m. at the North Texas Fairgrounds.

2. The Denton Festival Foundation Inc. agrees to take full responsibility for ensuring that the conditions of this exception are met and to take all reasonable measures necessary to avoid disturbing persons of ordinary sensibilities in the immediate vicinity of the event.

3. The Denton Festival Foundation Inc. agrees to cease using amplified loudspeakers past 11:00 p.m. on Friday September 11, 2026, Saturday, September 12, 2026, at 11:00 p.m., and Sunday, September 13, 2026, by 9:00 p.m.

4. Under no circumstances shall The Denton Festival Foundation Inc. employ the use of amplified loudspeakers past 11:00 p.m. on Friday, September 11, 2026, and Saturday, September 12, 2026, at 11:00 p.m., and 9:00 p.m. on Sunday, September 13, 2026.

5. The Director of Parks and Recreation may approve modifications to the dates and times of the events.

6. This Ordinance confers no personal or property rights, and may be amended, modified, suspended, or revoked in whole or in part at the will of the City Council of the City of Denton, without any warning, hearing, or compensation, for any reason at all, or for no reason.

7. This Ordinance shall be strictly construed as an exception granted pursuant to Section 17-20 of the Code of Ordinances of the City of Denton. The City of Denton expressly reserves unto itself and all other persons any and all legal remedies, both civil and criminal, relating to excessive noise in correction with this annual event, and hereby disclaims any promissory, or equitable estoppel which might in any way impede the pursuit of such remedies by any person.

SECTION 2. This Ordinance shall be effective immediately upon its passage and approval and shall expire upon the completion of the Arts and Jazz Festival on Sunday, September 13, 2026, at 9:00 p.m.

The motion to approve this Ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan E. Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

City Hall
215 E. McKinney St.
Denton, Texas
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AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

ACM: Christine Taylor, Assistant City Manager

DATE: August 18, 2026

SUBJECT

Consider the adoption of an ordinance of the City of Denton granting Downtown Denton Foundation a noise exception for Arts and Autos on Friday, September 11, 2026, from 6:00 p.m. to 9:00 p.m. and Saturday, September 12, 2026, from 9:00 a.m. to 3:00 p.m. on the Denton Historic Square; and providing an effective date.

BACKGROUND

This unique community car show features more than 150 registered vehicles, live music performances, a family-friendly chalk art contest, and a variety of local vendors. The event is designed to engage residents of all ages, offering an exciting experience for car enthusiasts while providing entertainment and activities that appeal to the broader community.

RECOMMENDATION

Staff recommends approval.

ESTIMATED SCHEDULE OF PROJECT

N/A

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On August 19, 2025, City Council approved an exception to the noise ordinance for Arts and Autos under Ordinance 25-1247.

FISCAL INFORMATION

N/A

BID INFORMATION

N/A

EXHIBITS

Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

Respectfully submitted:
Allison Wing, Interim Parks and Recreation Director

Prepared by:
Meredith Jones, Parks and Recreation

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON GRANTING DOWNTOWN DENTON FOUNDATION A NOISE EXCEPTION FOR ARTS AND AUTOS ON FRIDAY, SEPTEMBER 11, 2026, FROM 6:00 P.M. TO 9:00 P.M. AND SATURDAY, SEPTEMBER 12, 2026, FROM 9:00 A.M. TO 3:00 P.M. ON THE DENTON HISTORIC SQUARE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 17-20 of the Code of Ordinances of the City of Denton, the City Council may make exceptions upon application for sound levels or hours of operation when the public interest will be served thereby; and

WHEREAS, The Downtown Denton Foundation has made an application to the City Council for an exception to Section 17-20 of the Code of Ordinances regarding sound levels and hours of operation, in connection with Arts and Autos, which will be held on Friday, September 11, 2026, from 6:00 p.m. to 9:00 p.m. and Saturday, September 12, 2026, from 9:00 a.m. to 3:00 p.m. on the Denton Historic Square; and

WHEREAS, Denton Main Street provides a unique community car show features more than 150 registered vehicles, live music performances, a family-friendly chalk art contest, and a variety of local vendors. The event is designed to engage residents of all ages, offering an exciting experience for car enthusiasts while providing entertainment and activities that appeal to the broader community; and

WHEREAS, the City Council of the City of Denton finds that granting a noise exception for this event, subject to the restrictions contained herein, would serve the public interest; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. Pursuant to Section 17-20 of the Code of Ordinances, Downtown Denton Foundation is hereby granted an exception to said section's amplified sound prohibition subject to the following restrictions:

1. This exception to the limitations imposed by Section 17-20 of the Code of Ordinances of the City of Denton, is granted only in connection with the operation of Arts and Autos in Denton, Texas, on Friday, September 11, 2026, from 6:00 p.m. to 9:00 p.m. and Saturday, September 12, 2026, from 9:00 a.m. to 3:00 p.m.

2. The Downtown Denton Foundation agrees to take full responsibility for ensuring that the conditions of this exception are met and to take all reasonable measures necessary to avoid disturbing persons of ordinary sensibilities in the immediate vicinity of the event.

3. The Downtown Denton Foundation agrees to cease using amplified loudspeakers on Friday, September 11, 2026, at 9:00 p.m. And Saturday, September 12, 2026, at 3:00 p.m.

4. Under no circumstances shall the Downtown Denton Foundation employ the use of amplified loudspeakers past 9:00 p.m. on Friday, September 11, 2026, and past 3:00 p.m. on Saturday, September 12, 2026.

5. The Director of Parks and Recreation may approve modifications to the dates and times of the events.

6. This Ordinance confers no personal or property rights, and may be amended, modified, suspended, or revoked in whole or in part at the will of the City Council of the City of Denton, without any warning, hearing, or compensation, for any reason at all, or for no reason.

7. This Ordinance shall be strictly construed as an exception granted pursuant to Section 17- 20 of the Code of Ordinances of the City of Denton. The City of Denton expressly reserves unto itself and all other persons any and all legal remedies, both civil and criminal, relating to excessive noise in correction with this annual event, and hereby disclaims any promissory, or equitable estoppel which might in any way impede the pursuit of such remedies by any person.

SECTION 2. This Ordinance shall be effective immediately upon its passage and approval and shall expire upon the completion of Arts and Autos on Saturday, September 12, 2026, at 3:00 p.m.

The motion to approve this Ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan E. Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

City Hall
215 E. McKinney St.
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

ACM: Christine Taylor, Assistant City Manager

DATE: August 18, 2026

SUBJECT

Consider the adoption of an ordinance of the City of Denton granting Ganesh Immersion, a noise exception for the Ganesh Immersion event on Friday, September 18, 2026, from 8:30 p.m. to 10:30 p.m. at North Lakes Park; and providing an effective date.

BACKGROUND

This event recognizes India's cultural and religious tradition celebrating the birth of Lord Ganesha. The accompanying immersion ceremony signifies devotion, gratitude, and the ceremonial conclusion of the observance.

RECOMMENDATION

Staff recommends approval.

ESTIMATED SCHEDULE OF PROJECT

N/A

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

N/A

FISCAL INFORMATION

N/A

BID INFORMATION

N/A

EXHIBITS

Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

Respectfully submitted:
Allison Wing, Interim Parks and Recreation Director

Prepared by:
Rameir Martin, Parks and Recreation

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON GRANTING GANESH IMMERSION A NOISE EXCEPTION FOR THE GANESH IMMERSION EVENT ON FRIDAY, SEPTEMBER 18, 2026, FROM 8:30 P.M. TO 10:30 P.M. AT NORTH LAKES PARK; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 17-20 of the Code of Ordinances of the City of Denton, the City Council may make exceptions upon application for sound levels or hours of operation when the public interest will be served thereby; and

WHEREAS, Ganesh Immersion has made an application to the City Council for an exception to Section 17-20 of the Code of Ordinances regarding sound levels and hours of operation, in connection with the Ganesh Immersion event, which will be held on Saturday, September 19, 2026, from 8:30 p.m. to 10:30 p.m., at North Lakes Park in Denton, Texas; and

WHEREAS, Ganesh Immersion recognizes India's cultural and religious traditions celebrating the birth of Lord Ganesha. The accompanying immersion ceremony signifies devotion, gratitude, and the ceremonial conclusion of the observance; and

WHEREAS, the City Council of the City of Denton finds that granting a noise exception for this event, subject to the restrictions contained herein, would serve the public interest. NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. Pursuant to Section 17-20 of the Code of Ordinances, Ganesh Immersion is hereby granted an exception to said section's amplified sound prohibition subject to the following restrictions:

1. This exception to the limitations imposed by Section 17-20 of the Code of Ordinances of the City of Denton, is granted only in connection with the operation of the Ganesh Immersion event in Denton, Texas, on Saturday, September 19, 2026, from 8:30 p.m. to 10:30 p.m.

2. Ganesh Immersion agrees to take full responsibility for ensuring that the conditions of this exception are met and to take all reasonable measures necessary to avoid disturbing persons of ordinary sensibilities in the immediate vicinity of the event.

3. Ganesh Immersion agrees to cease using amplified loudspeakers on Saturday, September 19, 2026, at 10:30 p.m.

4. Under no circumstances shall Ganesh Immersion employ the use of amplified loudspeakers past 10:30 p.m. on Saturday, September 19, 2026.

5. The Director of Parks and Recreation may approve modifications to the dates and times of the events.

6. Under no circumstances shall Ganesh Immersion employ the use of amplified loudspeakers that exceed 75 dba for an outdoor event when measured from the perimeter of the source as

measured by an approved measuring instrument.

7. This Ordinance confers no personal or property rights, and may be amended, modified, suspended, or revoked in whole or in part at the will of the City Council of the City of Denton, without any warning, hearing, or compensation, for any reason at all, or for no reason.

8. This Ordinance shall be strictly construed as an exception granted pursuant to Section 17- 20 of the Code of Ordinances of the City of Denton. The City of Denton expressly reserves unto itself and all other persons any and all legal remedies, both civil and criminal, relating to excessive noise in correction with this annual event, and hereby disclaims any promissory, or equitable estoppel which might in any way impede the pursuit of such remedies by any person.

SECTION 2. This Ordinance shall be effective immediately upon its passage and approval and shall expire upon the completion of the Ganesh Immersion event on Saturday, September 19, 2026, at 10:30 p.m.

The motion to approve this Ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan E. Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

City Hall
215 E. McKinney St.
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

ACM: Christine Taylor, Assistant City Manager

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton granting the Denton Black Chamber of Commerce a noise exception pursuant to Section 17-20 of the City of Denton Code of Ordinances for the Denton Blues Festival, which will be held on Friday, September 18, 2026, from 6:00 p.m. to 10:00 p.m., and Saturday, September 19, 2026, from 12:00 p.m. to 11:00 p.m., at Quakertown Park; granting an exception for sound levels and a variance in the hours of operation on said dates; and providing an effective date.

BACKGROUND

The 24th Annual Denton Blues Festival is organized by the Denton Black Chamber of Commerce, a nonprofit 501(c)(3) organization that serves to preserve the blues and further the reputation of Denton as a music entertainment destination. This event is held annually at Quakertown Park.

This free festival will include live music and performances, karaoke, children's activities, arts and crafts, and over 20 booths. Event organizers anticipate 8,000 in attendance.

The Denton Black Chamber of Commerce requests an exception to the noise ordinance with respect to sound levels exceeding seventy (70) dBA and hours of operation on Friday, September 18, 2026, from 6:00 p.m. to 10:00 p.m., and Saturday, September 19, 2026, from 12:00 p.m. to 11:00 p.m., at Quakertown Park.

RECOMMENDATION

Staff recommends approval.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On August 20, 2019, City Council approved an exception to the noise ordinance for the Blues Festival under Ordinance 19-1851.

On August 3, 2021, City Council approved an exception to the noise ordinance for the Blues Festival under Ordinance 21-1618.

On August 16, 2022, City Council approved a three-year exception to the noise ordinance for the Blues Festival under Ordinance 22-148

On August 5, 2025, City Council approved an exception to the noise ordinance for the Blues Festival under Ordinance 25-1243

FISCAL INFORMATION
N/A

BID INFORMATION
N/A

EXHIBITS
Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance

Respectfully submitted:
Allison Wing, Interim Parks and Recreation Director

Prepared by:
Meredith Jones, Parks and Recreation

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON GRANTING THE DENTON BLACK CHAMBER OF COMMERCE A NOISE EXCEPTION PURSUANT TO SECTION 17-20 OF THE CITY OF DENTON CODE OF ORDINANCES FOR THE DENTON BLUES FESTIVAL, WHICH WILL BE HELD ON FRIDAY, SEPTEMBER 18, 2026, FROM 6:00 P.M. TO 10:00 P.M., AND SATURDAY, SEPTEMBER 19, 2026, FROM 12:00 P.M. TO 11:00 P.M., AT QUAKERTOWN PARK; GRANTING AN EXCEPTION FOR SOUND LEVELS AND A VARIANCE IN THE HOURS OF OPERATION ON SAID DATES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 17-20 of the Code of Ordinances of the City of Denton, the City Council may make exceptions upon application for sound levels or hours of operation when the public interest will be served thereby; and

WHEREAS, the Denton Black Chamber of Commerce has made an application to the City Council for an exception to the provision of Section 17-20 of the Code of Ordinances regarding sound levels and hours of operation, in connection with the Denton Blues Festival, which will be held on Friday, September 18, 2026, from 6:00 p.m. to 10:00 p.m., and Saturday, September 19, 2026, from 12:00 p.m. to 11:00 p.m., at Quakertown Park.

WHEREAS, upon prior application and approval by the City Council of the City of Denton, the Denton Black Chamber of Commerce has consistently demonstrated an ability to responsibly operate the Denton Blues Festival at Quakertown Park, at amplified sound levels restricted in Section 17-20 of the Code of Ordinances of the City of Denton, Texas, within the public interest, and without materially disturbing persons of ordinary sensibilities in the immediate vicinity thereof; and

WHEREAS, based upon past history, the City Council of the City of Denton, finds that granting a noise exception for this event, subject to the restrictions contained herein, would serve the public interest; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. Pursuant to Section 17-20 of the Code of Ordinances, the Denton Black Chamber of Commerce is hereby granted an exception to said section's amplified sound prohibition subject to the following restrictions:

1. This exception to the limitations imposed by Section 17-20 of the Code of Ordinances of the City of Denton, is granted only in connection with the operation of the Denton Blues Festival in Denton, Texas, on Friday, September 18, 2026, from 6:00 p.m. to 10:00 p.m., and Saturday, September 19, 2026, from 12:00 p.m. to 11:00 p.m., at Quakertown Park.

2. The Denton Black Chamber of Commerce agrees to take full responsibility for ensuring that the conditions of this exception are met and to take all reasonable measures necessary to avoid disturbing persons of ordinary sensibilities in the immediate vicinity of the event.

3. The Denton Black Chamber of Commerce agrees to cease using amplified loudspeakers past 10:00 p.m. on Friday September 18, 2026, and Saturday, September 19, 2026, past 11:00 p.m.

4. Under no circumstances shall the Denton Black Chamber of Commerce employ the use of amplified loudspeakers past 10:00 p.m. on Friday, September 18, 2026, and past 11:00 p.m. on

Saturday, September 19, 2026.

5. The Director of Parks and Recreation may approve modifications to the dates and times of the events.

6. This Ordinance confers no personal or property rights, and may be amended, modified, suspended, or revoked in whole or in part at the will of the City Council of the City of Denton, without any warning, hearing, or compensation, for any reason at all, or for no reason.

7. This Ordinance shall be strictly construed as an exception granted pursuant to Section 17- 20 of the Code of Ordinances of the City of Denton. The City of Denton expressly reserves unto itself and all other persons any and all legal remedies, both civil and criminal, relating to excessive noise in correction with this annual event, and hereby disclaims any promissory, or equitable estoppel which might in any way impede the pursuit of such remedies by any person.

SECTION 2. This Ordinance shall be effective immediately upon its passage and approval and shall expire upon the completion of the Denton Blues Festival on Saturday, September 19, 2026, at 11:00 p.m.

The motion to approve this Ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan E. Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Kenneth Hedges

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas regarding a Municipal Services Agreement, pursuant to Tex. Loc. Govt. Code Sec. 43.0672, between the City of Denton and Jay Edwin West for the provision of city services to approximately 3.27 acres of land, generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road; approving a schedule of annexation; authorizing the City Manager to execute the agreement; and providing an effective date. (A26-0005, West Annexation, Ashley Ekstedt)

BACKGROUND

The owner, Jay Edwin West, (hereafter referred to as "Owner"), had a non-annexation agreement (ordinance 2016-120), which expired on August 1, 2020. Pursuant to Council direction, the City corresponded with the Owner on multiple occasions, including April 23, 2024, June 13, 2024, and July 2, 2026, to offer a new annexation agreement, but the Owner has not responded. By operation of the expired non-annexation agreement, the Owner has filed a written petition with the City for voluntary annexation of approximately 3.27 acres generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road (hereafter referred to as "Subject Property").

In accordance with State Law, non-annexation agreements (NAAs) were initially offered to property owners between 2010 and 2016 when the City was in the process of annexing land area within the Extra-Territorial Jurisdiction (ETJ). Texas Local Government Code Section 43.016 requires municipalities to offer NAA agreements to property owners of land area the City is interested in annexing if that land area is appraised for tax purposes as having agricultural, wildlife management, or timber use. In addition, the City also offered NAAs to properties used as single-family residences. NAAs entered into during this initial time period had an original expiration date of August 2020. In 2020, City Council directed staff to offer extensions of the NAAs to August 2040. In accordance with State Law, the total duration of the NAA shall not exceed 45 years.

The general requirements of the NAAS are as follows:

- The property may only be used for single-family residential, agricultural, wildlife, timber, or related uses.
- City of Denton regulations apply to proposed development.
- Development applications and building permits must be submitted and approved through the City of Denton.
- Land may be subdivided into smaller parcels via plating, provided the minimum lot size is at least 5 acres.
- Notification must be provided to the City if the property is sold.

- Properties with agriculture, wildlife management, or timberland exemptions are required to provide notice to the City if there is a change in exemption status.
- If the property owner does not abide by these requirements, or if the NAA expires, the City may proceed with annexation of the property.

Following Council direction in 2020, staff began engaging with property owners with expired NAAs in an effort to enter into new agreements with 2040 expiration dates. Between 2020 and 2021 a majority of property owners with expired NAAs entered into new agreements; however, 21 NAAs remained expired.

In 2024, staff revisited the topic of expired NAAs with City Council. Direction was given to contact the property owners of the 21 expired agreements to extend the NAAs and pursue annexation for any remaining expired NAAs. Initial letters offering NAA extensions were mailed in April 2024 with follow-up letters in June prior to the initial response deadline of June 21, 2024. Additional letters were mailed in June 2024, and a final letter was sent to the property owner on July 2, 2026. Currently, 10 of the 21 property owners with expired NAAs have entered into new agreements with the City. The City has begun the process of annexing the remaining areas. Given the number of expired NAAs, staff will bring forward the annexation cases in groups based on parcel size, beginning with the smallest parcels.

If the Municipal Services Agreement is approved, staff will reach out to the applicant a final time to offer the extension of the non-annexation agreement.

Approval of this Municipal Services Agreement is the first of several steps required for a voluntary annexation based upon the requirements of TXLGC Sec. 43.0672 and the City's Charter as outlined below:

1. **Approval of a Municipal Services Agreement**
2. Approval of a Service Plan
3. Annexation Public Hearing
4. First Reading of Annexation Ordinance
5. Publication of Annexation Ordinance
6. Second Reading and Adoption of Annexation Ordinance

The first four of these items are on this agenda, with this being the first required step in the process. Following the first reading of the annexation ordinance, the ordinance must be published in the newspaper, and the second reading is required to occur at least 30 days following ordinance publication.

Due to annexation law, under Subchapter C-3 (TXLGC Sec. 43.0672), a municipality that elects to annex an area upon request of owners must first negotiate and enter into a written Service Agreement with the owners of the land in the area for the provision of services in the area. The attached Municipal Services Agreement contains the City's standard Service Plan for annexations regarding streets, water, wastewater, police and fire protection, and park services.

The subject property is situated on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road. The property to the north, east, and west of the subject property are situated within the City of Denton's Extraterritorial Jurisdiction (ETJ) and have signed an NAA. The property to the south of the Subject Property also has an expired NAA. Ganzer Road, to the south of the Subject Property, is a residential street.

The Future Land Use designation for the subject property is Agriculture. The description for this Future Land Use category is provided below:

> This category denotes areas that have large tracts of land in active agriculture uses for preservation, including ranchland, field crops, and other similar agricultural uses. This may also include rural

commercial uses, alternative energy generation, and accessory structures to support agricultural uses and uses that support agritourism. This category may include large lot residential (a maximum of one unit per ten acres). This land use may allow lots as small as one acre under the gross density provision to allow for conservation development which clusters smaller lots while permanently protecting scenic rural open space (through conservation easements). Residential development in this future land use category will continue the present character of the rural and agricultural areas of Denton with low-profile homes of no greater than two stories, generous lots and setbacks, and materials that complement the natural surroundings and ranch heritage.

The Subject Property is not currently being served with City water or sewer.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Apil 5, 2016	City Council	Non-Annexation Agreement	Approved

Recommendation:
Staff recommends approval of the Municipal Services Agreement and annexation schedule.

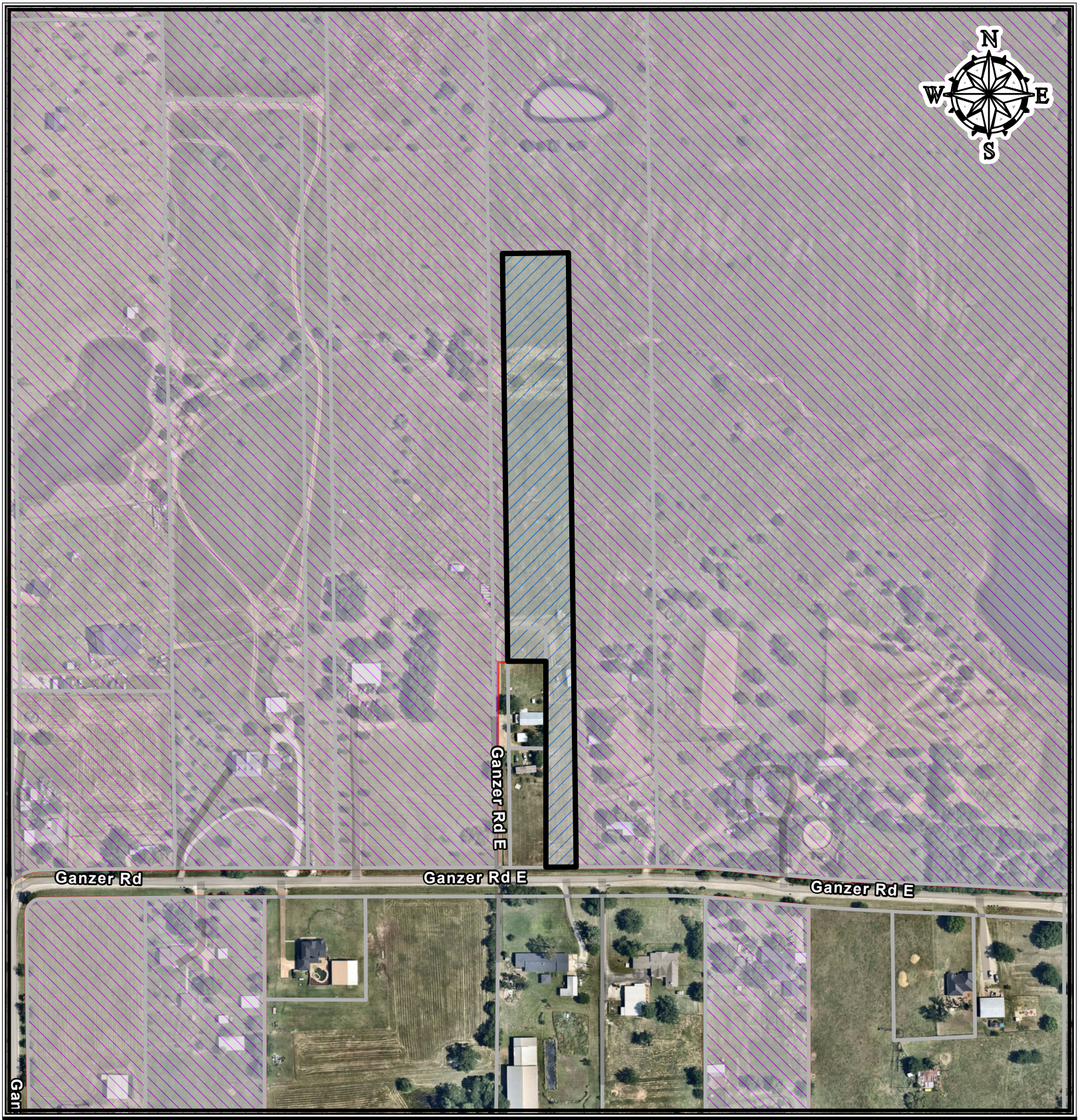
OPTIONS
1. Approve
2. Deny
3. Postpone Item

EXHIBITS
Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Draft Municipal Services Agreement and Annexation Schedule Ordinance
Exhibit 4 - Presentation

Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Ashley Ekstedt, AICP
Associate Planner

A26-0005
Aerial Site Location



COD
ETJ
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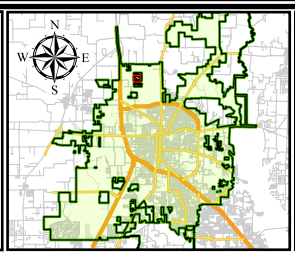
NAA 8/1/20
NAA 8/1/40



0 80 160 320 Feet

CITY OF DENTON
Development Services · GIS
Date: 7/10/2026

"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure the accuracy of this data, no such guarantee is given or implied. Utilization of this map indicates the understanding that there is no guarantee to the accuracy of this data."

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS REGARDING A MUNICIPAL SERVICES AGREEMENT, PURSUANT TO TEX. LOC. GOVT. CODE SEC. 43.0672, BETWEEN THE CITY OF DENTON AND JAY EDWIN WEST FOR THE PROVISION OF CITY SERVICES TO APPROXIMATELY 3.27 ACRES OF LAND, GENERALLY LOCATED ON THE NORTH SIDE OF GANZER ROAD, APPROXIMATELY 2,497 FEET NORTH AND EAST OF CHINN ROAD; APPROVING A SCHEDULE OF ANNEXATION; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE. (A26-0005)

WHEREAS, Jay Edwin West (hereafter referred to as "Owner"), owns approximately 3.27 acres of land in Denton County, Texas as described in **Exhibit A** attached hereto and incorporated herein ("Property"); and

WHEREAS, the Owner had a non-annexation agreement, ordinance 2016-120, which expired on August 1, 2020 and said non-annexation agreement provides that upon expiration of the agreement, the Property will be annexed; and

WHEREAS, pursuant to Council direction, City corresponded with the Owner on multiple occasions, including April 23, 2024, June 13, 2024, and July 2, 2026, to offer a new annexation agreement, but the Owner has not responded; and

WHEREAS, by operation of the expired non-annexation agreement, the Owner has filed a written petition with the City for voluntary annexation of the Property; and

WHEREAS, the City of Denton must first negotiate a written Municipal Services Agreement with the Owner of the real property subject to a petition for voluntary annexation, pursuant to Tex. Loc. Govt. Code Sec. 43.0672, that contains (1) the services that the City of Denton will provide on the effective date of the annexation and (2) a schedule that includes the period within which the City of Denton will provide each service that is not provided on the effective date of the annexation; and

WHEREAS, the City of Denton and the Owner, by operation of the expired non-annexation agreement, have come to an agreement about the provision of full services to the Property following the annexation of the Property; and

WHEREAS, the City Council of the City of Denton finds it to be in the best interest of the citizens of Denton to enter into a Municipal Services Agreement with the Owner; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference.

SECTION 2. The Municipal Services Agreement ("Agreement"), made in accordance with applicable provisions of state law pertaining to annexation, is approved and attached hereto as **Exhibit B** and is made a part hereof for all intents and purposes.

SECTION 3. The City Manager, or designee, is hereby authorized to execute the Agreement and to carry out the duties and responsibilities of the City of Denton under the Agreement.

SECTION 4. The schedule of annexation attached hereto as **Exhibit C** is approved and adopted for this annexation.

SECTION 5. Should any paragraph, section, sentence, phrase, clause or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this Ordinance shall not be affected thereby.

SECTION 6. This Ordinance shall be effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Chris Watts, Mayor:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Georgie Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this, the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon

EXHIBIT A
LEGAL DESCRIPTION

Being 3.5 acre tract of land, more or less, situated in the John Stewart Survey, Abstract No. 1150, Denton County, Texas, more fully described that General Warranty Deed dated September 30, 2019, from James Neal West, Independent Executor of the Estate of Edna Marlene West, Deceased to Jay Edwin West, filed for record on September 30, 2019, and recorded in Instrument No. 2019-123375, of the real property records of Denton County, Texas; SAVE AND EXCEPT that portion lying within the existing City of Denton limits, leaving a called 3.27 acre tract, commonly known as DCAD Property ID 37479.

EXHIBIT B
MUNICIPAL SERVICES AGREEMENT

MUNICIPAL SERVICES AGREEMENT

This Municipal Service Agreement ("Agreement") is entered into this 18th day of August 2026, by and between the City of Denton, a Texas home-rule municipality (“City”), and the property owner, Jay Edwin West (hereafter referred to as “Owner”).

RECITALS:

WHEREAS, Section 43.0671 of the TLGC permits the City to annex an area if each owner of land in an area requests the annexation;

WHEREAS, where the City elects to annex such an area, the City is required to enter into a written agreement with the property owner(s) that sets forth the City services to be provided for the Property on or after the effective date of annexation;

WHEREAS, the Owner owns the tract of land, totaling approximately 3.27 acres of land located in the City’s extraterritorial jurisdiction, as described in Exhibit A and depicted in Exhibit B, incorporated herein by reference (“the Property”); and

WHEREAS, the Owner had a non-annexation agreement, ordinance 2016-120, which expired on August 1, 2020; and said non-annexation agreement provides that upon expiration of the agreement, the Property will be annexed; and

WHEREAS, pursuant to Council direction, City corresponded with the Owner on multiple occasions, including April 23, 2024, June 13, 2024, and July 2, 2026, to offer a new annexation agreement, but the Owner has not responded; and

WHEREAS, by operation of the expired non-annexation agreement, the Owner has filed a written petition with the City for voluntary annexation of the Property, identified as Annexation Case No. A26-0005 (“Annexation Case”); and

WHEREAS, the City and Owner desire to set out the City services to be provided for the Property on or after the effective date of annexation; and

WHEREAS, the Annexation Case and execution of this Agreement are subject to approval by the Denton City Council.

NOW THEREFORE, in consideration of the mutual covenants, conditions, and promises contained herein, City and Owner agree as follows:

1. PROPERTY. This Agreement is only applicable to the Property, which is the subject of the Annexation Case.

2. **INTENT.** It is the intent of the City that this Agreement provide for the delivery of full, available municipal services to the Property in accordance with state law, which may be accomplished through any means permitted by law.

3. **MUNICIPAL SERVICES.** Commencing on the effective date of annexation, City will provide the municipal services set forth below. As used in this Agreement, "providing services" includes having services available by any method or means by which the City makes such municipal services available to any other area of the City, including per the City's infrastructure extension policies, ordinances, and developer or property owner participation in accordance with applicable city ordinances, rules, regulations, and policies.

A. **Police**

Police protection from City's Police Department shall be provided to the Property at a level consistent with current methods and procedures presently provided to areas with similar topography, land use, and population density, on the effective date of the ordinance. Some of these services include:

1. Normal patrols and responses;
2. Handling of complaints and incident reports;
3. Special units, such as traffic enforcement, investigations and special weapons; and
4. Coordination with other public safety support agencies.

As development commences on the Property, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with other areas in the City having similar characteristics of topography, land use, and population density.

Upon ultimate development, police protection will be provided at a level consistent with other areas within the city limits having similar characteristics of topography, land use, and population density.

B. **Fire Protection**

The Denton Fire Department (DFD) will provide emergency and fire prevention services to the Property. These services include:

1. Fire suppression and rescue;
2. Pre-hospital medical services including triage, treatment and transport by Advanced Life Support (ALS) fire engines, trucks and ambulances;
3. Hazardous materials response and mitigation;
4. Emergency prevention and public education efforts;
5. Technical rescue response; and
6. Construction Plan Review and required inspections.

Fire protection from the City of Denton shall be provided to the Property at a level consistent with current methods and procedures presently provided to areas of the City of Denton having similar characteristics of topography, land use, and population density, on the effective date of the ordinance.

As development commences in the Property, sufficient fire protection, including personnel and equipment will be provided to furnish these areas with the level of services consistent with other areas having similar characteristics of topography, land use, and population density. It is anticipated that fire stations planned to serve areas currently within the City of Denton will be sufficient to serve the Property.

Upon ultimate development, fire protection will be provided at a level consistent with other areas within the city limits having similar characteristics of topography, land use, and population density.

C. Emergency Medical Service

The Denton Fire Department (DFD) will provide the following emergency and safety services to the Property. These services include:

1. Emergency medical dispatch and pre-arrival First Aid instructions;
2. Pre-hospital emergency Advanced Life Support (ALS) response; and transport;
3. Medical rescue services.

Emergency Medical Services (EMS) from the City of Denton shall be provided to the Property at a level consistent with current methods and procedures presently provided to areas of the City of Denton having similar characteristics of topography, land use, and population density, on the effective date of the ordinance.

As development commences on the Property, sufficient EMS, including personnel and equipment will be provided to furnish these areas with the level of services consistent with other areas of the City having similar characteristics of topography, land use, and population density.

Upon ultimate development, EMS will be provided at a level consistent with other within the city limits having similar characteristics of topography, land use, and population density.

D. Solid Waste

The City of Denton is the sole provider and hauler for solid waste collection and disposal services within the city limits, including but not limited to, preconstruction activities, construction activities, and ultimately residential, multi-family, or commercial activities, and recycling services. Solid waste and recycling collection services will be provided to the Property immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to areas within the city having similar characteristics of topography, land use, and population density. Customers

receiving their existing services from private solid waste collection service providers operating on the Property immediately prior to annexation may continue to utilize their existing service for up to 2 years in accordance with Texas Local Government Code. Should that private service end prior to the expiration of the two (2) year term, the customer must initiate solid waste and recycling services with the City of Denton, pursuant to Chapter 24 of the Code of Ordinances.

E. Wastewater Facilities

The Property is located within the City of Denton Sewer Service Area as defined by Certificate of Convenience and Necessity (CCN) Number 20072, as issued by the Public Utility Commission (PUC).

Connections to existing City of Denton wastewater distribution mains for wastewater service will be provided in accordance with the Denton Development Code, associated Water/Wastewater Criteria Manual, and existing City ordinances and policies. Upon connection to existing distribution mains, wastewater service will be provided at rates established by city ordinance. Owner will provide all on-site public utility easements by plat or on a form acceptable to the City, and at no additional cost to the City, that are necessary to protect, install, safely operate and maintain the wastewater infrastructure, on a form acceptable to the City, and at no cost to the City.

As development commences on the Property, sanitary sewer mains will be extended in accordance with the provisions of the Denton Development Code, Water/Wastewater Criteria Manual, ordinances and regulations. If required, City participation in the costs of these extensions shall be in accordance with applicable City ordinances and regulations. Capacity shall be provided consistent with other areas having similar characteristics of topography, land use, and population density. The sanitary sewer infrastructure shall be compatible and consistent with the City's wastewater master plan.

Upon annexation, sanitary sewer mains and lift stations which are located within dedicated utility easements, public rights-of-way, or any other acceptable locations approved by the Director of Water Utilities, shall be maintained by the City on the effective date of this ordinance, if installed or improved to City standards within the annexed areas.

Operation and maintenance of wastewater facilities and infrastructure lying within the service area of another water utility will be the responsibility of that utility. Similarly, operation and maintenance of private wastewater facilities will be maintained to City standards at the expense of the private property owner.

F. Water Facilities

The Property is located within the City of Denton Water Service Area as defined by Certificate of Convenience and Necessity (CCN) Number 10195 as issued by the Public Utility Commission (PUC).

Connections to existing City of Denton water distribution mains for water service will be provided in accordance with the Denton Development Code, associated Water/Waste

Water Criteria Manual, and existing City ordinances and policies. Upon connection to existing distribution mains, water service will be provided at rates established by city ordinance.

Connections to existing City of Denton water distribution mains for water service will be provided in accordance with the Denton Development Code, associated Water/Waste Water Criteria Manual, and existing City ordinances and policies. Upon connection to existing distribution mains, water service will be provided at rates established by city ordinance.

As new development occurs within the Property, cost participation for extensions of water distribution mains - if required - shall be in accordance with the Denton Development Code, Water/Wastewater Criteria Manual, and with existing City ordinances and policies. Water service capacity shall be provided consistent with service to areas of the City having similar characteristics of topography, land use and population density. The water infrastructure shall be compatible and consistent with the City's water master plan.

Operation and maintenance of water facilities and infrastructure that lie within the service area of another water utility will be the responsibility of that utility.

Existing developments, businesses or homes that are on individual water wells or private water systems will be allowed to remain on those systems until a request for water service is made to the City. These requests for service will be handled in accordance with the applicable utility service line extension and connection policies currently in place at the time the request for service is received. Owner will provide all on-site public utility easements that are necessary to protect, install, safely operate and maintain the water infrastructure, on a form acceptable to the City, and at no cost to the City.

G. <u>Roads and Streets</u>

Emergency street maintenance, defined as repairs necessary to prevent imminent damage or injury to the health or safety of the public or any person, as determined by the Director of Public Works, shall be provided within the Property upon the effective date of the annexation ordinance. Routine maintenance will be provided within the Property and will be scheduled as part of the City's annual program, in accordance with the current policies and procedures defined by ordinance, or otherwise established by the City Council.

Any construction or reconstruction will be considered within the Property on a Citywide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council.

Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs, in conformance with fiscal allotments by the City Council. If an existing sign remains, it will be reviewed and placed on the City's inventory listing for routine replacement, based upon an engineering study. New signs will be installed when necessary, based upon an engineering study.

Routine maintenance of road/street markings will be evaluated and scheduled within the yearly budgetary allotments by the City Council.

H. Drainage

Connections to existing City of Denton drainage facilities will be provided in accordance with the Denton Development Code, associated Design Criteria Manual, and with existing City ordinances and policies, but only to the extent existing on-site drainage facilities are not compliant with the Denton Development Code. Drainage fees will be assessed at the rates established by city ordinance and will be charged on the utility bill after annexation. All runoff, whether directly tied into the system or not, impacts the system and will be charged.

As new development occurs within the Property, drainage facilities will be extended or improved by the developer as required to remain compliant with the Denton Development Code. Any cost participation shall be in accordance with the Denton Development Code, Design Criteria Manual, and with existing City ordinances and policies. Drainage facilities extended by the City will have to be a Capital Improvement Project (CIP) project and bonds will need to be sold. Drainage capacity shall be provided consistent with other areas of the City having similar characteristics of topography, land use and population density.

Existing developments, businesses or homes that are on existing drainage systems will be allowed to continue to remain on these systems until a request for drainage facilities is made to the City. Any requests for City improvements to existing drainage facilities will be handled in accordance with the applicable extension and connection policies currently in place at the time the request for improved drainage facilities is received by the City. Owner will provide all on-site public utility easements that are necessary to protect, install, safely operate and maintain the drainage infrastructure, on a form acceptable to the City, and at no cost to the City. These will be ranked in the CIP project matrix, in accordance with the City Drainage Plan.

I. Parks, Playgrounds, Swimming Pools

Residents of the Property may utilize all existing park and recreation facilities as a resident of the effective date of this ordinance. The park dedication and development ordinance shall apply to the Property for residential development.

In addition, park and recreation facilities shall be constructed based on park policies defined in the Parks, Recreation and Trails System Master Plan and other existing City ordinances and policies.

J. Publicly Owned Facilities. Any publicly owned facility, building, or service located within the Property, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Denton on the effective date of the annexation ordinance.

K. Permitting and Inspections. Permitting and Inspections shall be obtained through the City of Denton, as outlined in the Code of Ordinances.

L. **Other Services.** Other services that may be provided by the City of Denton, such as municipal and general administration, will be made available as of the effective date of the annexation. The City of Denton shall provide a level of services, infrastructure, and infrastructure maintenance that is comparable to the level of services, infrastructure, and infrastructure maintenance available in other parts of the City of Denton having similar topography, land use, and population density similar to those reasonably contemplated or projected in the area.

4. UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

Nothing in this Agreement shall require City to provide a uniform level of full municipal services to each area of the City, including the Property, if different characteristics of topography, land use, and population density justify different levels of service.

5. AUTHORITY

City and Owner represent that they have full power, authority and legal right to execute, deliver and perform their obligations pursuant to this Agreement. Owner acknowledges that approval of the Annexation Case is within the sole jurisdiction of the City Council. Nothing in this Agreement guarantees favorable decisions by the City Council.

6. EFFECTIVE DATE; TERM

The effective date of this Agreement is the date of the annexation of the Property. This Agreement shall be valid for a term of ten (10) years from the Effective Date.

7. VENUE AND GOVERNING LAW

Venue shall be in the state courts located in Denton County, Texas or the United States District Court for the Eastern District of Texas. This Agreement shall be governed and construed in accordance with the laws and court decisions of the State of Texas.

8. GOVERNMENTAL POWERS. It is understood that by execution of this Agreement, City does not waive or surrender any of its governmental powers or immunities.

9. SEVERABILITY

In case 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 any other provision thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

10. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

11. CAPTIONS

The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.

12. SUCCESSORS AND ASSIGNS

The terms and conditions of this Agreement are binding upon the successors and assigns of the Parties to this Agreement and stand as obligations running with the land until satisfied in full, regardless of how the Property is developed.

13. ENTIRE AGREEMENT; AMENDMENT.

This Agreement constitutes the complete agreement of the parties to this Agreement and supersedes all prior written agreements between the parties. This Agreement shall not be amended unless executed in writing by both parties. The Parties stipulate that this Agreement does not constitute a permit for development under Chapter 245 of the Texas Local Government Code.

The parties have executed this Agreement on the date first above written.

OWNER

_____
By: Jay Edwin West

CITY OF DENTON, TEXAS

By: _____
City Manager, Deputy City Manager, or
Assistant City Manager

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED

as to financial and operational
obligations and business terms.

_____
Signature

_____
Title

_____
Department

Date Signed: _____

APPROVED AS TO LEGAL FORM:

Mack Reinwand, City Attorney
By: Hilary McMahon
_____

EXHIBIT A
LEGAL DESCRIPTION

Being 3.5 acre tract of land, more or less, situated in the John Stewart Survey, Abstract No. 1150, Denton County, Texas, more fully described that General Warranty Deed dated September 30, 2019, from James Neal West, Independent Executor of the Estate of Edna Marlene West, Deceased to Jay Edwin West, filed for record on September 30, 2019, and recorded in Instrument No. 2019-123375, of the real property records of Denton County, Texas; SAVE AND EXCEPT that portion lying within the existing City of Denton limits, leaving a called 3.27 acre tract, commonly known as DCAD Property ID 37479.

EXHIBIT B
LOCATION MAP

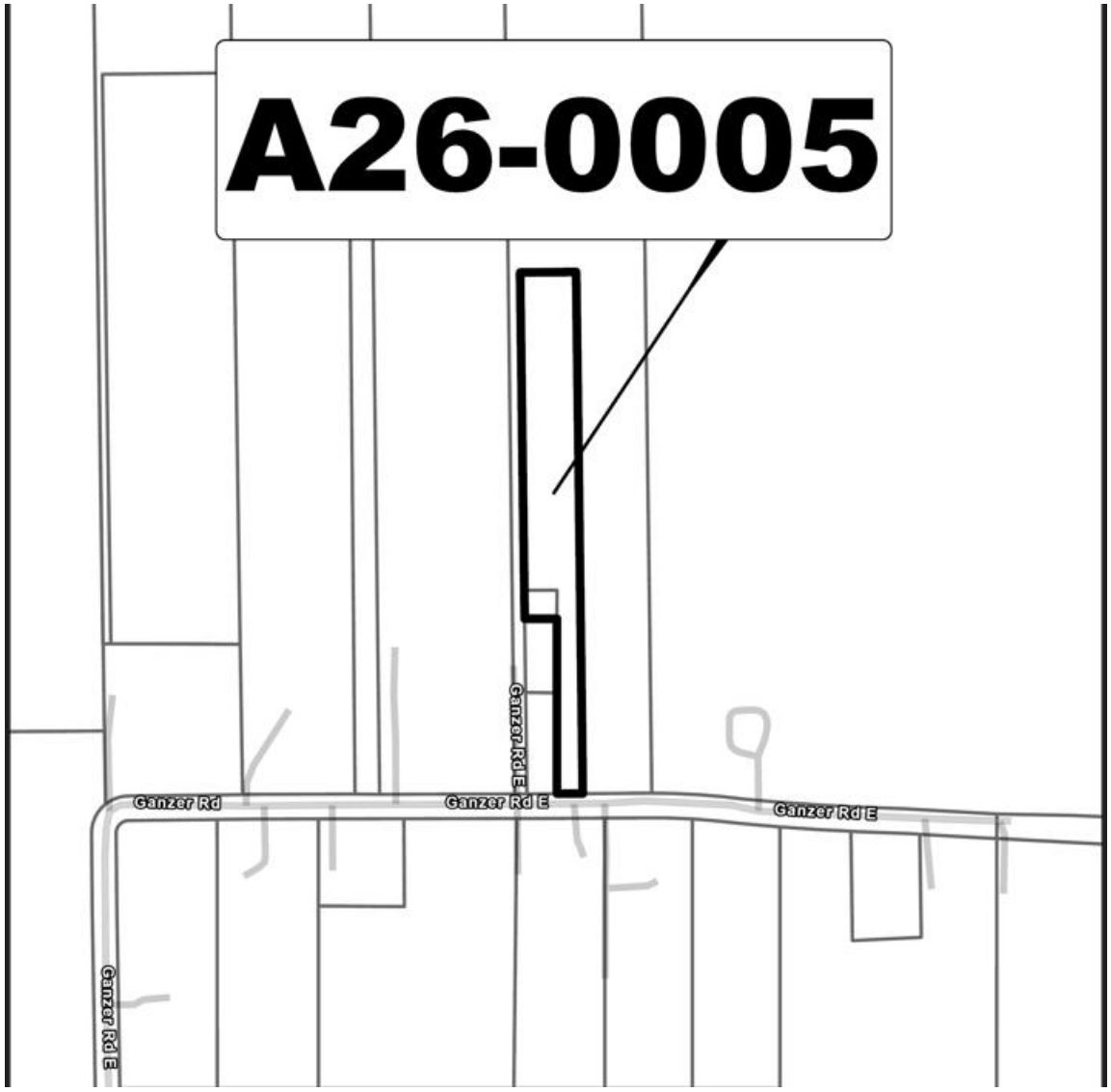


EXHIBIT C
ANNEXATION SCHEDULE

Annexation

07/02/2026 **Petition for Annexation submitted**

08/02/2026 Deadline to submit notice to Denton Record Chronicle and City Website for publication before the 16th day before the public hearing on August 18, 2026 *(published on Sunday, August 2, 2026)*

08/12/2026 Deadline to submit backup for posting of City Council Agenda for Meeting on August 18, 2026

08/18/2026 Annexation **Municipal Service Agreement** – IC (*Required prior to annexation per 43.0672),*
Annexation **Service Plan -** IC
Annexation **Public Hearing** – PH (*Only one public hearing is required per 43.0673),*
AND
First Reading of annexation ordinance – IC (*per City Charter*)

08/22/2026 Publish Ordinance in the newspaper (*Charter Sec. 1.03; cannot be acted on for 30 days*)

10/13/2026 CC by 4/5ths vote takes final action – IC *(Regular meeting)*
Second Reading of annexation ordinance.
Adoption of annexation ordinance *(30 days+ post publication per Charter Sec. 1.03)*

Post-Annexation Adoption Procedures:

1. Notification to Comptroller
2. Notification to DOJ
3. File certified copy of ordinances with the Denton County Clerk
4. File certified copy of ordinances with the Denton CAD
5. Revise City Map
6. Notify Utilities (Customer Service) utilitybilling@cityofdenton.com

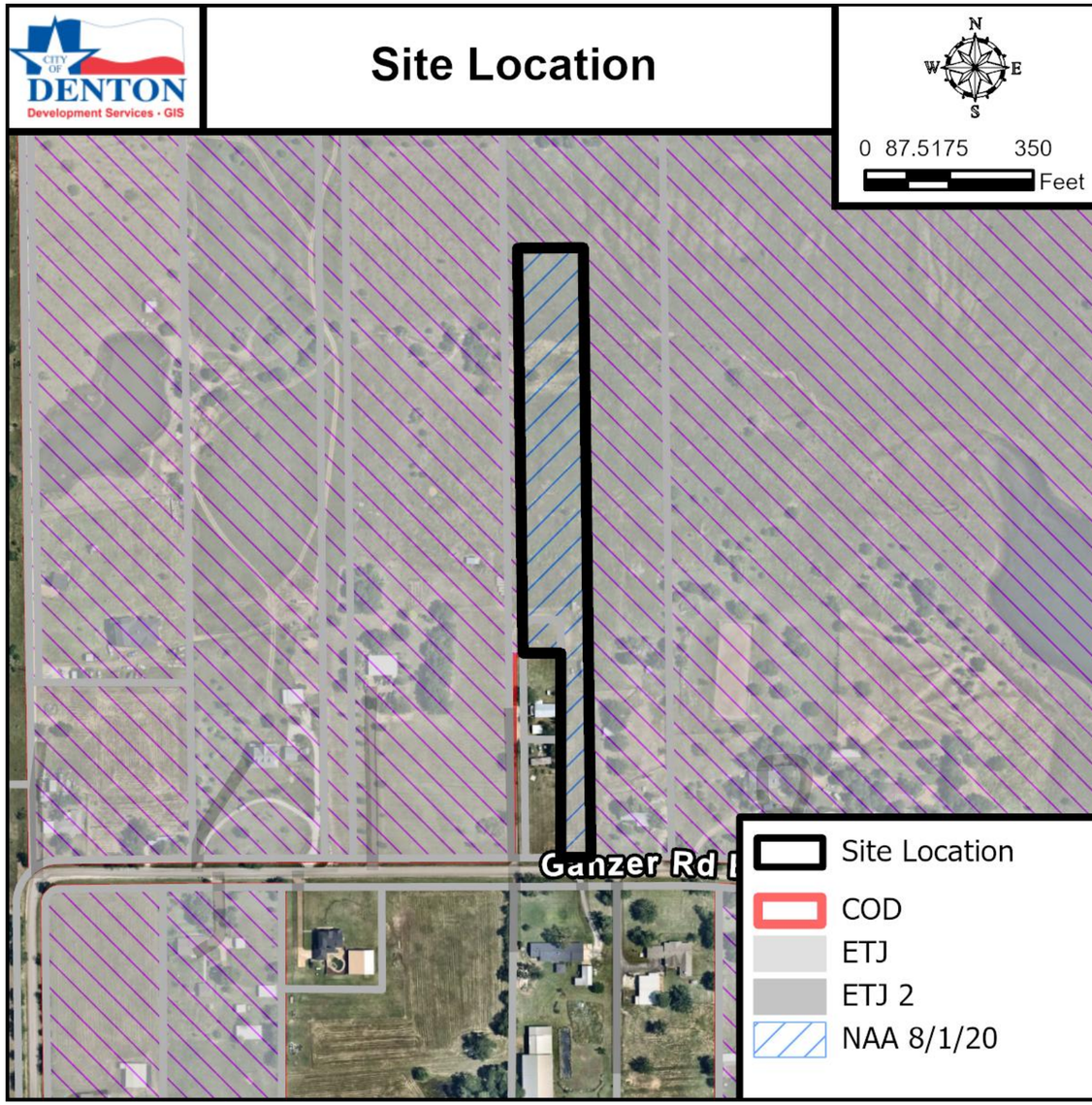
A26-0005 West Annexation Municipal Service Agreement

Ashley Ekstedt, AICP
Associate Planner

Request

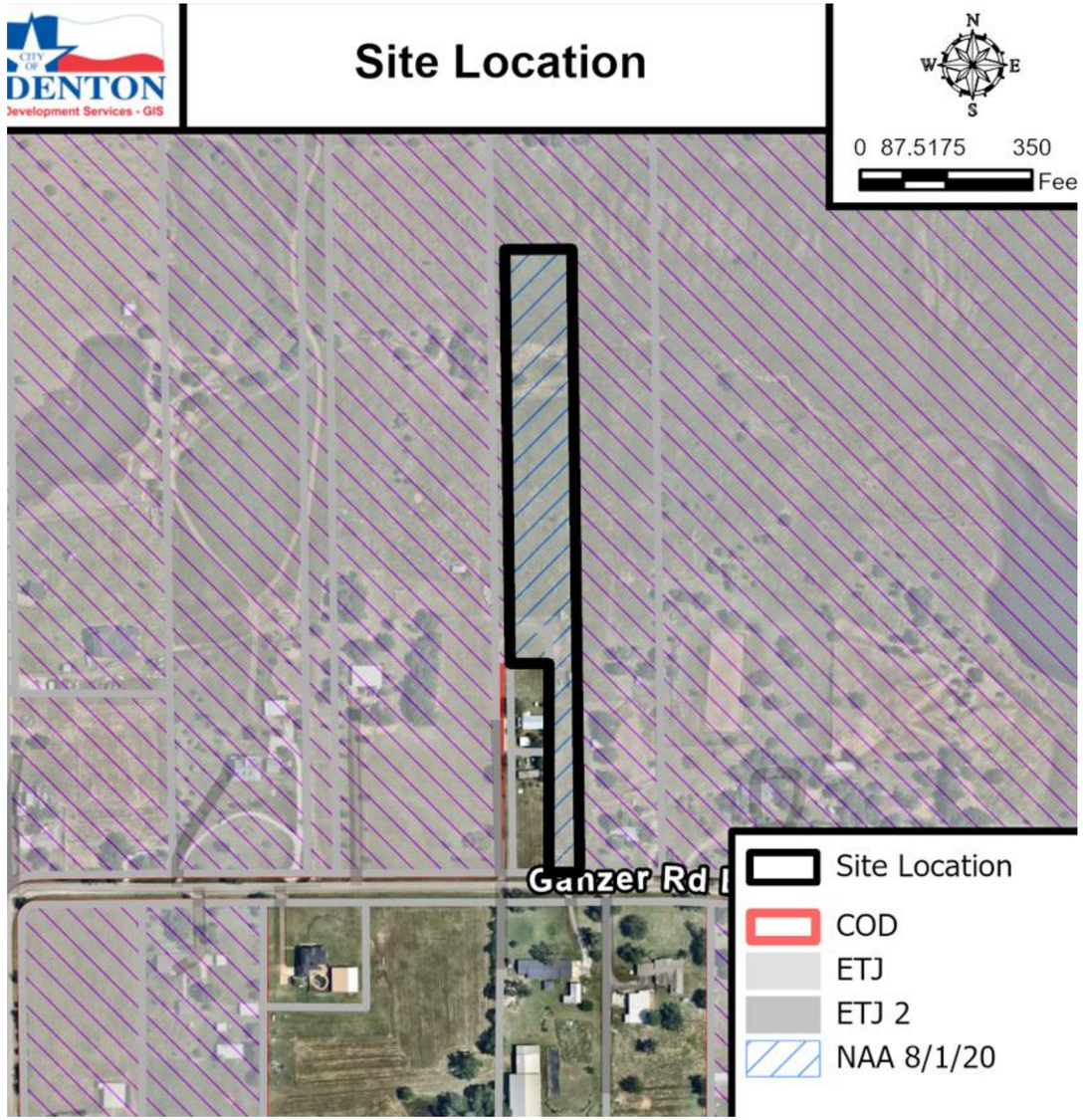
- Consider adoption of an ordinance approving a **Municipal Services Agreement** for approximately **3.27 acres of land** located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road

- Approving a **Schedule of Annexation**



Background

- Property owner had a non-annexation agreement that expired in August of 2020
- A new non-annexation agreement has not been signed
- Undeveloped



Municipal Services Agreement

- ✓ Police
- ✓ Fire Protection
- ✓ Emergency Medical Service
- ✓ Solid Waste
- ✓ Wastewater Facilities
- ✓ Water Facilities
- ✓ Roads and Streets
- ✓ Drainage
- ✓ Parks, Playgrounds, Swimming Pools
- ✓ Publicly Owned Facilities
- ✓ Permitting and Inspections
- ✓ Other Services

Annexation Schedule

- **August 18, 2026**
  - Municipal Services Agreement – Action Required
  - Service Plan – Action Required
  - Public Hearing – No Action
  - First Reading of the Annexation Ordinance – No Action

- **August 22, 2026**
  - Publication of Annexation Ordinance

- **October 13, 2026**
  - Second Reading and Adoption of the Annexation Ordinance – Action Required

QUESTIONS?

Ashley Ekstedt, AICP
Associate Planner
Development Services

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Kenneth Hedges

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas regarding the issuance of a Services Agreement, pursuant to Tex. Loc. Gov. Code Sec. 43.056, for property owned by Jay Edwin West for the provision of city services to approximately 3.27 acres of land, generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road; authorizing the City Manager to execute the Plan; and providing an effective date. (A26-0005a, West Annexation, Ashley Ekstedt)

BACKGROUND

The owner, Jay Edwin West, (hereafter referred to as "Owner"), had a non-annexation agreement (ordinance 2016-120), which expired on August 1, 2020. Pursuant to Council direction, the City corresponded with the Owner on multiple occasions, including April 23, 2024, June 13, 2024, and July 2, 2026, to offer a new annexation agreement, but the Owner has not responded. By operation of the expired non-annexation agreement, the Owner has filed a written petition with the City for voluntary annexation of approximately 3.27 acres generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road (hereafter referred to as "Subject Property").

In accordance with State Law, Non-Annexation Agreements (NAAs) were initially offered to property owners between 2010 and 2016 when the City was in the process of annexing land area within the Extra-Territorial Jurisdiction (ETJ). Texas Local Government Code Section 43.016 requires municipalities to offer NAA agreements to property owners of land area the City is interested in annexing if that land area is appraised for tax purposes as having agricultural, wildlife management, or timber use. In addition, the City also offered NAAs to properties used as single-family residences. NAAs entered into during this initial time period had an original expiration date of August 2020. In 2020, City Council directed staff to offer extensions of the NAAs to August 2040. In accordance with State Law, the total duration of the NAA shall not exceed 45 years.

The general requirements of the NAAs are as follows:

- The property may only be used for single-family residential, agricultural, wildlife, timber, or related uses.
- City of Denton regulations apply to proposed development.
- Development applications and building permits must be submitted and approved through the City of Denton.
- Land may be subdivided into smaller parcels via plating, provided the minimum lot size is at least 5 acres.
- Notification must be provided to the City if the property is sold.
- Properties with agriculture, wildlife management, or timberland exemptions are required to provide notice to the City if there is a change in exemption status.

- If the property owner does not abide by these requirements, or if the NAA expires, the City may proceed with annexation of the property.

Following Council direction in 2020, staff began engaging with property owners with expired NAAs in an effort to enter into new agreements with 2040 expiration dates. Between 2020 and 2021 a majority of property owners with expired NAAs entered into new agreements; however, 21 NAAs remained expired.

When the Owner entered into the initial NAA in 2016, Texas Local Government Code under Subchapter C-3 (TXLGC Sec. 43.052) required a municipality that elects to annex an area must first adopt a Service Agreement under which the municipality agrees to provide full municipal services to the annexed area. Therefore, the City is also taking action to issue this Service Plan pursuant to TLGC 43.056 to explain the process by which full municipal services will be provided to the Property. The attached Service Agreement contains the City's standard Service Plan for annexations regarding streets, water, wastewater, police and fire protection, and park services.

Approval of this Service Plan is the second of several steps required for a voluntary annexation based upon the requirements of TXLGC Sec. 43.0672 and the City's Charter as outlined below:

1. Approval of a Municipal Services Agreement
2. **Approval of a Service Plan**
3. Annexation Public Hearing
4. First Reading of Annexation Ordinance
5. Publication of Annexation Ordinance
6. Second Reading and Adoption of Annexation Ordinance

The first four of these items are on this agenda, with this being the second required step in the process. Following the first reading of the annexation ordinance, the ordinance must be published in the newspaper, and the second reading is required to occur at least 30 days following ordinance publication.

The subject property is situated on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road. The property to the north, east, and west of the subject property are situated within the City of Denton's Extraterritorial Jurisdiction (ETJ) and have signed an NAA. The property to the south of the Subject Property also has an expired NAA. Ganzer Road, to the south of the Subject Property, is a residential street.

The Future Land Use designation for the subject property is Agriculture. The description for this Future Land Use category is provided below:

> This category denotes areas that have large tracts of land in active agriculture uses for preservation, including ranchland, field crops, and other similar agricultural uses. This may also include rural commercial uses, alternative energy generation, and accessory structures to support agricultural uses and uses that support agritourism. This category may include large lot residential (a maximum of one unit per ten acres). This land use may allow lots as small as one acre under the gross density provision to allow for conservation development which clusters smaller lots while permanently protecting scenic rural open space (through conservation easements). Residential development in this future land use category will continue the present character of the rural and agricultural areas of Denton with low-profile homes of no greater than two stories, generous lots and setbacks, and materials that complement the natural surroundings and ranch heritage.

The Subject Property is not currently being served with City water or sewer.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Apri; 5, 2016	City Council	Non-Annexation Agreement	Approved

Recommendation:
Staff recommends approval of the Service Plan.

OPTIONS

1. Approve
2. Deny
3. Postpone Item

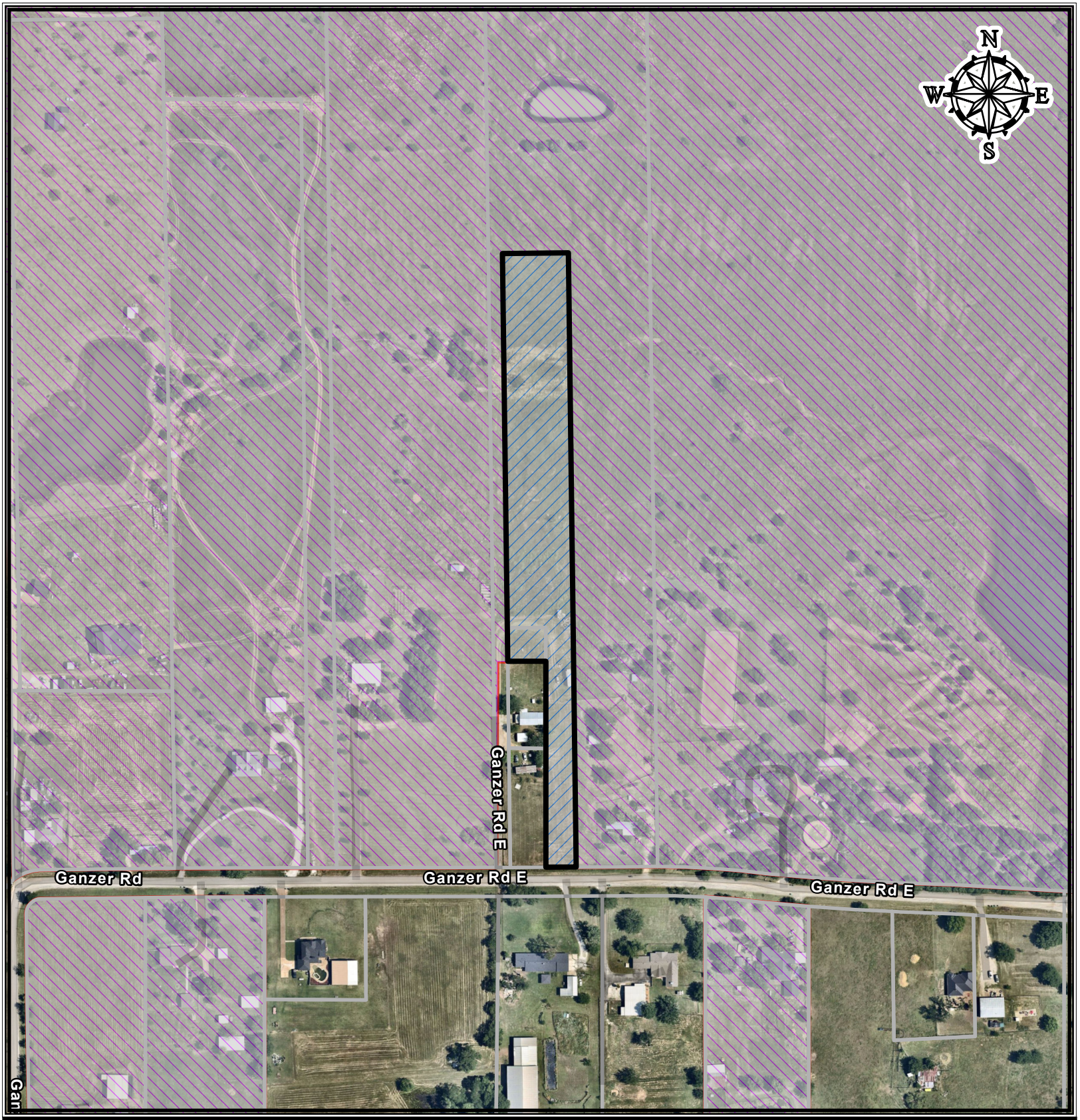
EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Draft Service Plan
Exhibit 4 - Presentation

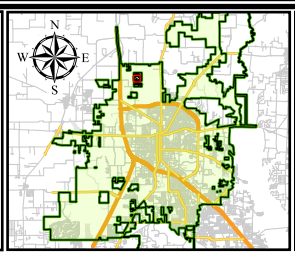
Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Ashley Ekstedt, AICP
Assistant Planner

A26-0005
Aerial Site Location



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40



0 80 160 320 Feet

CITY OF DENTON
Development Services · GIS
Date: 7/10/2026

"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure the accuracy of this data, no such guarantee is given or implied. Utilization of this map indicates the understanding that there is no guarantee to the accuracy of this data."

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS REGARDING ISSUANCE OF A SERVICES AGREEMENT, PURSUANT TO TEX. LOC. GOV. CODE SEC. 43.056, FOR PROPERTY OWNED BY JAY EDWIN WEST FOR THE PROVISION OF CITY SERVICES TO APPROXIMATELY 3.27 ACRES OF LAND, GENERALLY LOCATED ON THE NORTH SIDE OF GANZER ROAD, APPROXIMATELY 2,497 FEET NORTH AND EAST OF CHINN ROAD; AUTHORIZING THE CITY MANAGER TO EXECUTE THE PLAN; AND PROVIDING AN EFFECTIVE DATE. (A26-0005a)

WHEREAS, Jay Edwin West (hereafter referred to as "Owner"), owns approximately 3.27 acres of land in Denton County, Texas as described in **Exhibit A** attached hereto and incorporated herein ("Property"); and

WHEREAS, the Property is subject to that certain Non-Annexation Agreement (the "NAA") approved by the City Council of the City of Denton on April 5, 2016 via Ordinance (2016-120), and duly recorded in the Denton Real Property records on May 12, 2016 via document id 2016-53329; and

WHEREAS, the NAA expired on August 1, 2020, and, pursuant to direction from City Council, Staff contacted the Owner on April 23, 2024, June 13, 2024, and July 2, 2026, to offer an updated NAA with an expiration date in 2040;

WHEREAS, Owner has not responded to Staff's contact attempts; and as a result, Staff are proceeding with the Annexation Case no. A26-0005d ("Annexation Case") under consent annexation processes authorized by Texas Local Government Code ("TLGC") Sec. 43.0671 et seq; and

WHEREAS, TLGC 43.0672 requires City and the Owner to negotiate and enter into a written agreement for municipal services; and the Municipal Services Agreement for the Annexation Case was approved on August 18, 2026 via Ordinance A26-0005; and

WHEREAS, City values procedural due process in every formal action it takes; therefore, out of an abundance of caution, City is also undertaking to issue this Service Plan (the "Plan") pursuant to TLGC 43.056 to explain the process by which full municipal services will be provided to the Property; and

WHEREAS, The Plan is issued by the City and does not require the Owner's participation; and

WHEREAS, the City Council of the City of Denton finds it to be in the best interest of the citizens of Denton to issue this Plan;

NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference.

SECTION 2. The Service Plan ("Plan"), made in accordance with applicable provisions of state law pertaining to annexation, is approved and attached hereto as **Exhibit B** and is made a part hereof for all intents and purposes.

SECTION 3. The City Manager, or designee, is hereby authorized to execute the Plan and to carry out the duties and responsibilities of the City of Denton under the Plan .

SECTION 4. Should any paragraph, section, sentence, phrase, clause or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this Ordinance shall not be affected thereby.

SECTION 5. This Ordinance shall be effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Chris Watts, Mayor:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this, the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:

KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REIWAND, CITY ATTORNEY

BY: Hilary McMahon

EXHIBIT A
LEGAL DESCRIPTION

Being 3.5 acre tract of land, more or less, situated in the John Stewart Survey, Abstract No. 1150, Denton County, Texas, more fully described that General Warranty Deed dated September 30, 2019, from James Neal West, Independent Executor of the Estate of Edna Marlene West, Deceased to Jay Edwin West, filed for record on September 30, 2019, and recorded in Instrument No. 2019-123375, of the real property records of Denton County, Texas; SAVE AND EXCEPT that portion lying within the existing City of Denton limits, leaving a called 3.27 acre tract, commonly known as DCAD Property ID 37479.

EXHIBIT B
Service Plan

SERVICE PLAN

This Service Plan ("Plan") is issued this August 18, 2026 by the City of Denton, a Texas home-rule municipality (“City”), in relation to the annexation of property owned by Jay Edwin West (hereafter referred to as “Owner”).

RECITALS:

WHEREAS, the Owner owns the tract of land, totaling approximately 3.27 acres of land located in the City’s extraterritorial jurisdiction, as described in Exhibit A and depicted in Exhibit B, incorporated herein by reference (“the Property”); and

WHEREAS, the Property is subject to that certain Non-Annexation Agreement Non-Annexation Agreement Chapters 43 and 212 (the “NAA”) approved by the City Council of the City of Denton on December 13, 2012 via Ordinance (2016-120), and duly recorded in the Denton Real Property records on January 8, 2012 via document id 2013-2545; and

WHEREAS, the NAA expired on August 1, 2020, and, pursuant to direction from City Council, Staff contacted the Owner on April 204, 2024, June 13, 2024, and July 2, 2026, to offer an updated NAA with an expiration date in 2040;

WHEREAS, the Owner has not responded to Staff’s contact attempts; and as a result, Staff are proceeding with the Annexation Case no. A26-0005d (“Annexation Case”) under consent annexation processes authorized by Texas Local Government Code (“TLGC”) Sec. 43.0671 et seq ; and

WHEREAS, TLGC 43.0672 requires City and the Owner to negotiate and enter into a written agreement for municipal services; and the Municipal Services Agreement for the Annexation Case was approved on August 18, 2026 via Ordinance A26-0005; and

WHEREAS, City values procedural due process in every formal action it takes; therefore, out of an abundance of caution, City is also undertaking to issue this Service Plan pursuant to TLGC 43.056 to explain the process by which full municipal services will be provided to the Property; and

WHEREAS, The Service Plan is issued by the City and does not require the Owner’s participation; and

NOW THEREFORE, in consideration of the mutual covenants, conditions, and promises contained herein, City and Owner agree as follows:

1. **PROPERTY.** This Plan is only applicable to the Property, which is the subject of the Annexation Case.

2. **INTENT.** It is the intent of the City that this Plan provide for the delivery of full, available municipal services to the Property in accordance with state law, which may be accomplished through any means permitted by law.

3. **MUNICIPAL SERVICES.** Commencing on the effective date of annexation, City will provide the municipal services set forth below. As used in this Plan, "providing services" includes having services available by any method or means by which the City makes such municipal services available to any other area of the City, including per the City's infrastructure extension policies, ordinances, and developer or property owner participation in accordance with applicable city ordinances, rules, regulations, and policies.

Pursuant to TLGC 43.056(g), municipal services will be provided to the Property with a level of services, infrastructure, and infrastructure maintenance that is comparable to the level of services, infrastructure, and infrastructure maintenance available in other parts of the municipality with similar topography, land use, and population density.

A. **Police**

Police protection from City's Police Department shall be provided to the Property at a level consistent with current methods and procedures presently provided to areas with similar topography, land use, and population density, on the effective date of the ordinance. Some of these services include:

1. Normal patrols and responses;
2. Handling of complaints and incident reports;
3. Special units, such as traffic enforcement, investigations and special weapons; and
4. Coordination with other public safety support agencies.

As development commences on the Property, sufficient police protection, including personnel and equipment will be provided to furnish these areas with the level of police services consistent with other areas in the City having similar characteristics of topography, land use, and population density.

Upon ultimate development, police protection will be provided at a level consistent with other areas within the city limits having similar characteristics of topography, land use, and population density.

B. **Fire Protection**

The Denton Fire Department (DFD) will provide emergency and fire prevention services to the Property. These services include:

1. Fire suppression and rescue;
2. Pre-hospital medical services including triage, treatment and transport by Advanced Life Support (ALS) fire engines, trucks and ambulances;
3. Hazardous materials response and mitigation;

4. Emergency prevention and public education efforts;
5. Technical rescue response; and
6. Construction Plan Review and required inspections.

Fire protection from the City of Denton shall be provided to the Property at a level consistent with current methods and procedures presently provided to areas of the City of Denton having similar characteristics of topography, land use, and population density, on the effective date of the ordinance.

As development commences in the Property, sufficient fire protection, including personnel and equipment will be provided to furnish these areas with the level of services consistent with other areas having similar characteristics of topography, land use, and population density. It is anticipated that fire stations planned to serve areas currently within the City of Denton will be sufficient to serve the Property.

Upon ultimate development, fire protection will be provided at a level consistent with other areas within the city limits having similar characteristics of topography, land use, and population density.

C. <u>Emergency Medical Service</u>

The Denton Fire Department (DFD) will provide the following emergency and safety services to the Property. These services include:

1. Emergency medical dispatch and pre-arrival First Aid instructions;
2. Pre-hospital emergency Advanced Life Support (ALS) response; and transport;
3. Medical rescue services.

Emergency Medical Services (EMS) from the City of Denton shall be provided to the Property at a level consistent with current methods and procedures presently provided to areas of the City of Denton having similar characteristics of topography, land use, and population density, on the effective date of the ordinance.

As development commences on the Property, sufficient EMS, including personnel and equipment will be provided to furnish these areas with the level of services consistent with other areas of the City having similar characteristics of topography, land use, and population density.

Upon ultimate development, EMS will be provided at a level consistent with other within the city limits having similar characteristics of topography, land use, and population density.

D. <u>Solid Waste</u>

The City of Denton is the sole provider and hauler for solid waste collection and disposal services within the city limits, including but not limited to, preconstruction activities,

construction activities, and ultimately residential, multi-family, or commercial activities, and recycling services. Solid waste and recycling collection services will be provided to the Property immediately upon the effective date of the annexation at a level consistent with current methods and procedures presently provided to areas within the city having similar characteristics of topography, land use, and population density. Customers receiving their existing services from private solid waste collection service providers operating on the Property immediately prior to annexation may continue to utilize their existing service for up to 2 years in accordance with Texas Local Government Code. Should that private service end prior to the expiration of the two (2) year term, the customer must initiate solid waste and recycling services with the City of Denton, pursuant to Chapter 24 of the Code of Ordinances.

E. **Wastewater Facilities**

The Property is located within the City of Denton Sewer Service Area as defined by Certificate of Convenience and Necessity (CCN) Number 20072, as issued by the Public Utility Commission (PUC).

Connections to existing City of Denton wastewater distribution mains for wastewater service will be provided in accordance with the Denton Development Code, associated Water/Wastewater Criteria Manual, and existing City ordinances and policies. Upon connection to existing distribution mains, wastewater service will be provided at rates established by city ordinance. Owner will provide all on-site public utility easements that are necessary to protect, install, safely operate and maintain the wastewater infrastructure, on a form acceptable to the City, and at no cost to the City.

As development commences on the Property, sanitary sewer mains will be extended in accordance with the provisions of the Denton Development Code, Design Criteria Manual, ordinances and regulations. Capacity shall be provided consistent with other areas having similar characteristics of topography, land use, and population density. The sanitary sewer infrastructure shall be compatible and consistent with the City's wastewater master plan.

Upon annexation, sanitary sewer mains and lift stations which are located within dedicated utility easements, public rights-of-way, or any other acceptable locations approved by the Director of Water Utilities, shall be maintained by the City on the effective date of this ordinance, if installed or improved to City standards within the annexed areas.

Operation and maintenance of wastewater facilities and infrastructure lying within the service area of another water utility will be the responsibility of that utility. Similarly, operation and maintenance of private wastewater facilities will be maintained to City standards at the expense of the private property owner.

F. **Water Facilities**

The Property is located within the City of Denton Water Service Area as defined by Certificate of Convenience and Necessity (CCN) Number 10195 as issued by the Public Utility Commission (PUC).

Connections to existing City of Denton water distribution mains for water service will be provided in accordance with the Denton Development Code, associated Design Criteria Manual, and existing City ordinances and policies. Upon connection to existing distribution mains, water service will be provided at rates established by city ordinance.

As new development occurs within the Property, cost participation for extensions of water distribution mains - if required - shall be in accordance with the Denton Development Code, Design Criteria Manual, and with existing City ordinances and policies. Water service capacity shall be provided consistent with service to areas of the City having similar characteristics of topography, land use and population density. The water infrastructure shall be compatible and consistent with the City's water master plan.

Operation and maintenance of water facilities and infrastructure that lie within the service area of another water utility will be the responsibility of that utility.

Existing developments, businesses or homes that are on individual water wells or private water systems will be allowed to remain on those systems until a request for water service is made to the City. These requests for service will be handled in accordance with the applicable utility service line extension and connection policies currently in place at the time the request for service is received. Owner will provide all on-site public utility easements that are necessary to protect, install, safely operate and maintain the water infrastructure, on a form acceptable to the City, and at no cost to the City.

G. Roads and Streets

Emergency street maintenance, defined as repairs necessary to prevent imminent damage or injury to the health or safety of the public or any person, as determined by the Director of Public Works, shall be provided within the Property upon the effective date of the annexation ordinance. Routine maintenance will be provided within the Property and will be scheduled as part of the City's annual program, in accordance with the current policies and procedures defined by ordinance, or otherwise established by the City Council.

Any construction or reconstruction will be considered within the Property on a Citywide basis and within the context of the City's Capital Improvement Plan and/or yearly fiscal budgetary allotments by the City Council.

Roadway signage and associated posts will be replaced in priority of importance starting with regulatory signs, then warning signs, then informational signs, in conformance with fiscal allotments by the City Council. If an existing sign remains, it will be reviewed and placed on the City's inventory listing for routine replacement, based upon an engineering study. New signs will be installed when necessary, based upon an engineering study.

Routine maintenance of road/street markings will be evaluated and scheduled within the yearly budgetary allotments by the City Council.

H. Drainage

Connections to existing City of Denton drainage facilities will be provided in accordance with the Denton Development Code, associated Design Criteria Manual, and with existing City ordinances and policies, but only to the extent existing on-site drainage facilities are not compliant with the Denton Development Code. Drainage fees will be assessed at the rates established by city ordinance and will be charged on the utility bill after annexation. All runoff, whether directly tied into the system or not, impacts the system and will be charged.

As new development occurs within the Property, drainage facilities will be extended or improved by the developer as required to remain compliant with the Denton Development Code.. Drainage facilities extended by the City will have to be a Capital Improvement Project (CIP) project and bonds will need to be sold. Drainage capacity shall be provided consistent with other areas of the City having similar characteristics of topography, land use and population density.

Existing developments, businesses or homes that are on existing drainage systems will be allowed to continue to remain on these systems until a request for drainage facilities is made to the City. Any requests for City improvements to existing drainage facilities will be handled in accordance with the applicable extension and connection policies currently in place at the time the request for improved drainage facilities is received by the City. Owner will provide all on-site public utility easements that are necessary to protect, install, safely operate and maintain the drainage infrastructure, on a form acceptable to the City, and at no cost to the City. These will be ranked in the CIP project matrix, in accordance with the City Drainage Plan.

I. **Parks, Playgrounds, Swimming Pools**

Residents of the Property may utilize all existing park and recreation facilities as a resident of the effective date of this ordinance. The park dedication and development ordinance shall apply to the Property for new residential development.

In addition, park and recreation facilities shall be constructed based on park policies defined in the Parks, Recreation and Trails System Master Plan and other existing City ordinances and policies.

J. **Publicly Owned Facilities.** Any publicly owned facility or service located within the Property, and not otherwise owned or maintained by another governmental entity, shall be maintained by the City of Denton on the effective date of the annexation ordinance.

K. **Permitting and Inspections.** Permitting and Inspections shall be obtained through the City of Denton, as outlined in the Code of Ordinances.

L. **Other Services.** Other services that may be provided by the City of Denton, such as municipal and general administration, will be made available as of the effective date of the annexation. The City of Denton shall provide a level of services, infrastructure, and infrastructure maintenance that is comparable to the level of services, infrastructure, and infrastructure maintenance available in other parts of the City of Denton having similar

topography, land use, and population density similar to those reasonably contemplated or projected in the area.

4. UNIFORM LEVEL OF SERVICES IS NOT REQUIRED

Nothing in this Plan shall require City to provide a uniform level of full municipal services to each area of the City, including the Property, if different characteristics of topography, land use, and population density justify different levels of service.

6. EFFECTIVE DATE; TERM

The effective date of this Plan is the date of the annexation of the Property. This Plan shall be valid for a term of ten (10) years from the Effective Date.

7. VENUE AND GOVERNING LAW

Venue shall be in the state courts located in Denton County, Texas or the United States District Court for the Eastern District of Texas. This Plan shall be governed and construed in accordance with the laws and court decisions of the State of Texas.

8. GOVERNMENTAL POWERS. It is understood that by issuance of this Plan, City does not waive or surrender any of its governmental powers or immunities.

9. SEVERABILITY

In case any one or more of the provisions contained in this Plan shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and this Plan shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Plan.

11. CAPTIONS

The captions to the various clauses of this Plan are for informational purposes only and shall not alter the substance of the terms and conditions of this Plan.

12. SUCCESSORS AND ASSIGNS

The terms and conditions of this Plan are binding upon the successors and assigns of the Owner and stand as obligations running with the land until satisfied in full, regardless of how the Property is developed.

The City hereby issues this Service Agreement on the date first above written.

CITY OF DENTON

By: _____
City Manager, Deputy City Manager, or
Assistant City Manager

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED

as to financial and operational
obligations and business terms.

_____
Signature

_____
Title

_____
Department

Date Signed: _____

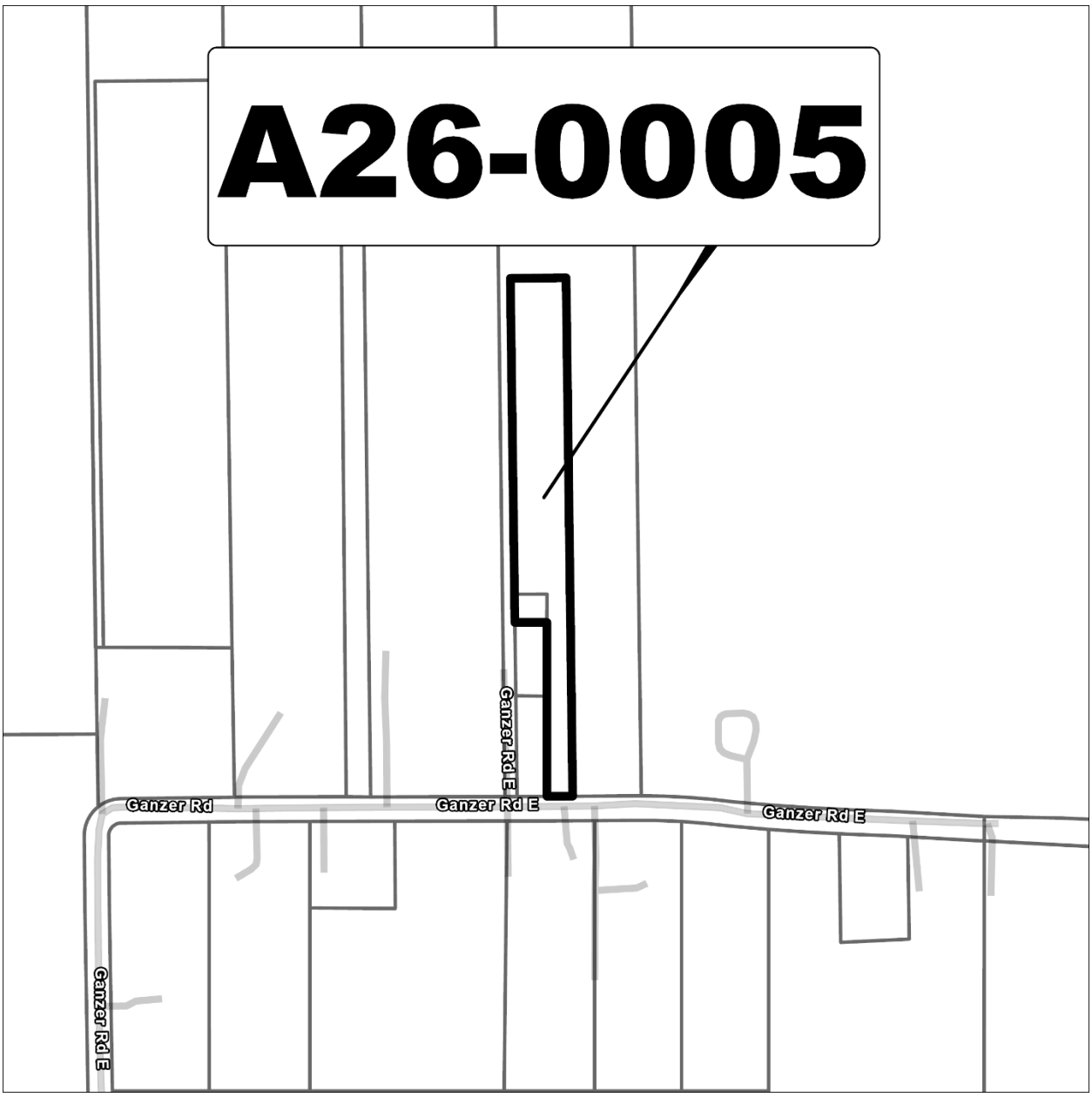
APPROVED AS TO LEGAL FORM:

Mack Reinwand, City Attorney
By: Hilary McMahon
_____

EXHIBIT A
LEGAL DESCRIPTION

Being 3.5 acre tract of land, more or less, situated in the John Stewart Survey, Abstract No. 1150, Denton County, Texas, more fully described that General Warranty Deed dated September 30, 2019, from James Neal West, Independent Executor of the Estate of Edna Marlene West, Deceased to Jay Edwin West, filed for record on September 30, 2019, and recorded in Instrument No. 2019-123375, of the real property records of Denton County, Texas; SAVE AND EXCEPT that portion lying within the existing City of Denton limits, leaving a called 3.27 acre tract, commonly known as DCAD Property ID 37479.

EXHIBIT B
LOCATION MAP



A26-0005a West Annexation Service Plan

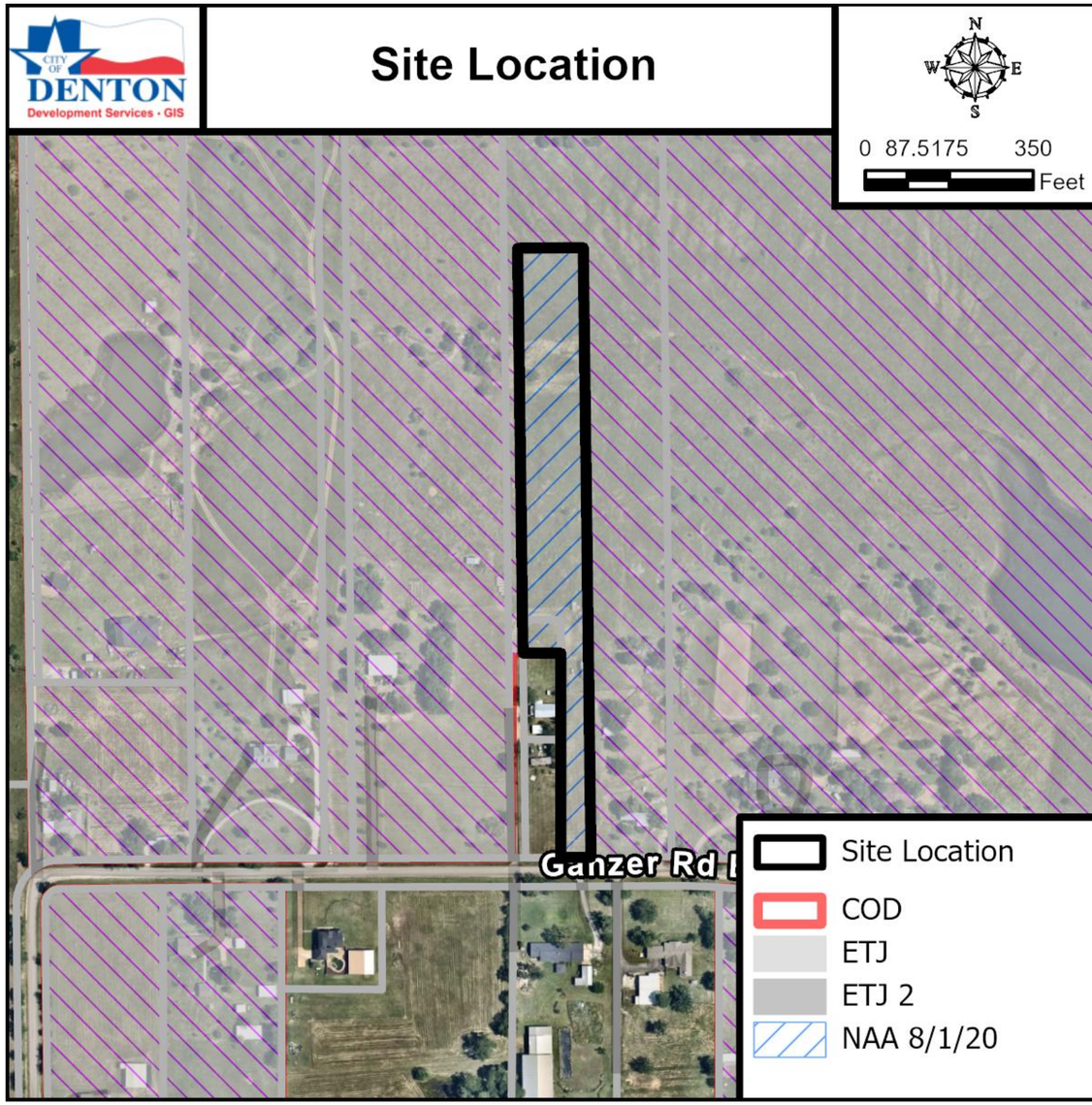
Ashley Ekstedt, AICP
Associate Planner

Request

- Consider adoption of an ordinance approving a **Service** for approximately **3.27 acres of land located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road**

- In 2012, TLGC Subchapter C-3 (TXLGC Sec. 43.052) required a Service Agreement under which the municipality agrees to provide full municipal services to the annexed area.

- **City is taking action to issue this Service Plan to explain the process by which full municipal services will be provided to the Property**



Service Plan

- ✓ Police
- ✓ Fire Protection
- ✓ Emergency Medical Service
- ✓ Solid Waste
- ✓ Wastewater Facilities
- ✓ Water Facilities
- ✓ Roads and Streets
- ✓ Drainage
- ✓ Parks, Playgrounds, Swimming Pools
- ✓ Publicly Owned Facilities
- ✓ Permitting and Inspections
- ✓ Other Services

QUESTIONS?

Ashley Ekstedt, AICP
Associate Planner
Development Services

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Kenneth Hedges

DATE: August 18, 2026

SUBJECT

Hold a public hearing and consider a petition for voluntary annexation of approximately 3.27 acres of land, generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road; into the City of Denton, Denton County, Texas. (A26-0005b, West Annexation, Ashley Ekstedt)

BACKGROUND

The owner, Jay Edwin West, (hereafter referred to as "Owner"), had a non-annexation agreement (ordinance 2016-120), which expired on August 1, 2020. Pursuant to Council direction, the City corresponded with the Owner on multiple occasions, including April 23, 2024, June 13, 2024, and July 2, 2026, to offer a new annexation agreement, but the Owner has not responded. By operation of the expired non-annexation agreement, the Owner has filed a written petition with the City for voluntary annexation of approximately 3.27 acres generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road (hereafter referred to as "Subject Property").

In accordance with State Law, non-annexation agreements (NAAs) were initially offered to property owners between 2010 and 2016 when the City was in the process of annexing land area within the Extra-Territorial Jurisdiction (ETJ). Texas Local Government Code Section 43.016 requires municipalities to offer NAA agreements to property owners of land area the City is interested in annexing if that land area is appraised for tax purposes as having agricultural, wildlife management, or timber use. In addition, the City also offered NAAs to properties used as single-family residences. NAAs entered into during this initial time period had an original expiration date of August 2020. In 2020, City Council directed staff to offer extensions of the NAAs to August 2040. In accordance with State Law, the total duration of the NAA shall not exceed 45 years.

The general requirements of the NAAS are as follows:

- The property may only be used for single-family residential, agricultural, wildlife, timber, or related uses.
- City of Denton regulations apply to proposed development.
- Development applications and building permits must be submitted and approved through the City of Denton.
- Land may be subdivided into smaller parcels via plating, provided the minimum lot size is at least 5 acres.
- Notification must be provided to the City if the property is sold.
- Properties with agriculture, wildlife management, or timberland exemptions are required to provide notice to the City if there is a change in exemption status.

- If the property owner does not abide by these requirements, or if the NAA expires, the City may proceed with annexation of the property.

Following Council direction in 2020, staff began engaging with property owners with expired NAAs in an effort to enter into new agreements with 2040 expiration dates. Between 2020 and 2021 a majority of property owners with expired NAAs entered into new agreements; however, 21 NAAs remained expired.

In 2024, staff revisited the topic of expired NAAs with City Council. Direction was given to contact the property owners of the 21 expired agreements to extend the NAAs and pursue annexation for any remaining expired NAAs. Initial letters offering NAA extensions were mailed in April 2024 with follow-up letters in June prior to the initial response deadline of June 21, 2024. Additional letters were mailed in June 2024, and a final letter was sent to the property owner on July 2, 2026. Currently, 10 of the 21 property owners with expired NAAs have entered into new agreements with the City. 14 NAAs remain expired and the City has begun the process of annexing these areas. Given the number of expired NAAs, staff will bring forward the annexation cases in groups based on parcel size, beginning with the smallest parcels.

This public hearing is the third of several steps required for a voluntary annexation based upon the requirements of TXLGC Sec. 43.0672 and the City's Charter as outlined below:

1. Approval of a Municipal Services Agreement
2. Adoption of a Service Plan
3. **Annexation Public Hearing**
4. First Reading of Annexation Ordinance
5. Publication of Annexation Ordinance
6. Second Reading and Adoption of Annexation Ordinance

The first four of these items are on this agenda, with this being the third required step in the process. Following the first reading of the annexation ordinance, the ordinance must be published in the newspaper, and the second reading is required to occur at least 30 days following ordinance publication.

The subject property is situated on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road. The property to the north, east, and west of the subject property are situated within the City of Denton's Extraterritorial Jurisdiction (ETJ) and have signed an NAA. The property to the south of the Subject Property also has an expired NAA. Ganzer Road, to the south of the Subject Property, is a residential street.

The Future Land Use designation for the subject property is Agriculture. The description for this Future Land Use category is provided below:

> This category denotes areas that have large tracts of land in active agriculture uses for preservation, including ranchland, field crops, and other similar agricultural uses. This may also include rural commercial uses, alternative energy generation, and accessory structures to support agricultural uses and uses that support agritourism. This category may include large lot residential (a maximum of one unit per ten acres). This land use may allow lots as small as one acre under the gross density provision to allow for conservation development which clusters smaller lots while permanently protecting scenic rural open space (through conservation easements). Residential development in this future land use category will continue the present character of the rural and agricultural areas of Denton with low-profile homes of no greater than two stories, generous lots and setbacks, and materials that complement the natural surroundings and ranch heritage.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

April 5, 2016	City Council	Non-Annexation Agreement	Approved

OPTIONS

No action is required for the public hearing.

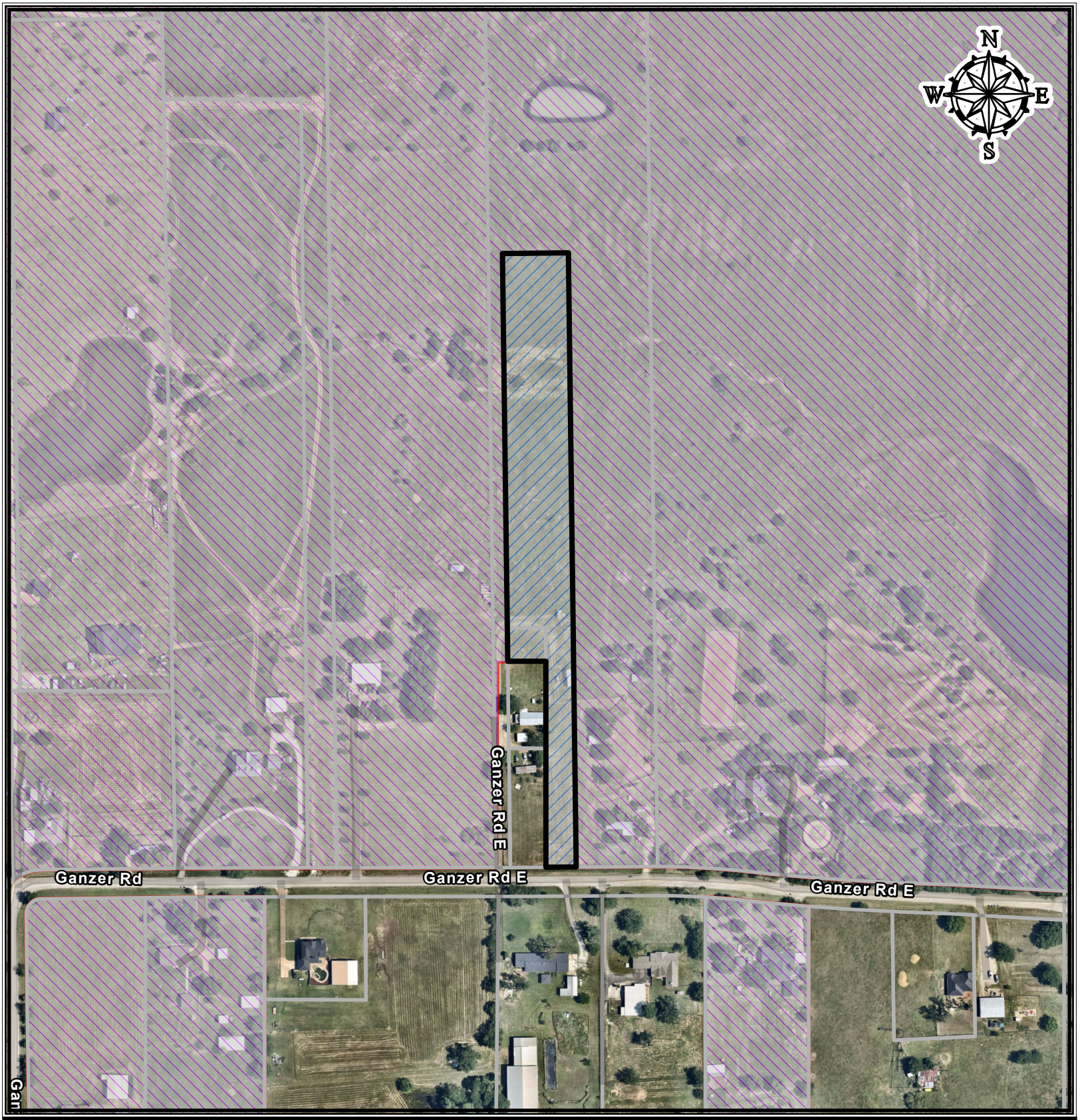
EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Future Land Use Map
Exhibit 4 - Current Zoning Map
Exhibit 5 - Presentation

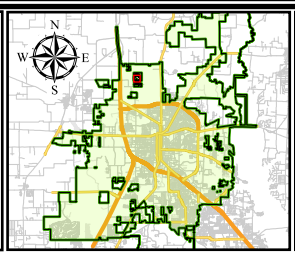
Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Ashley Ekstedt, AICP
Associate Planner

A26-0005
Aerial Site Location



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40



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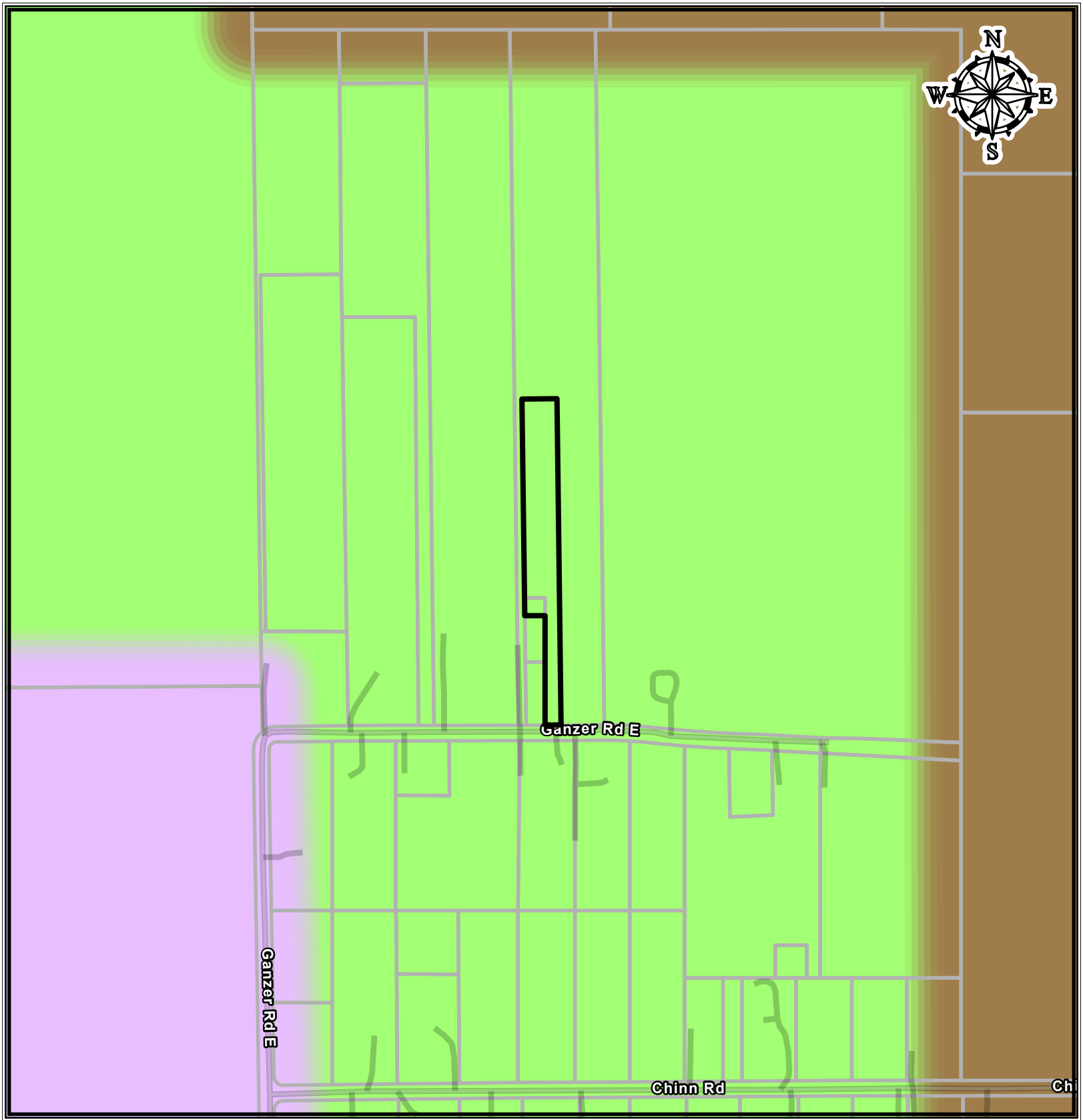
CITY OF DENTON
Development Services · GIS
Date: 7/10/2026

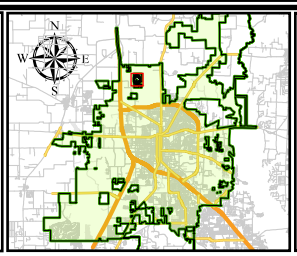
"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure the accuracy of this data, no such guarantee is given or implied. Utilization of this map indicates the understanding that there is no guarantee to the accuracy of this data."

A26-0005
Future Land Use Map



Future Land Use 2040

- Agriculture
- Rural Areas
- Low Residential
- Moderate Residential
- Master Planned Community
- Downtown Denton
- Regional Mixed Use
- Community Mixed Use
- Neighborhood Mixed Use
- Neighborhood / University Compatibility Area
- Business Center
- Light Industrial
- Industrial Commerce
- Government / Institutional
- Parks / Open Space
- Site Location



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CITY OF DENTON
Development Services · GIS
Date: 7/10/2026

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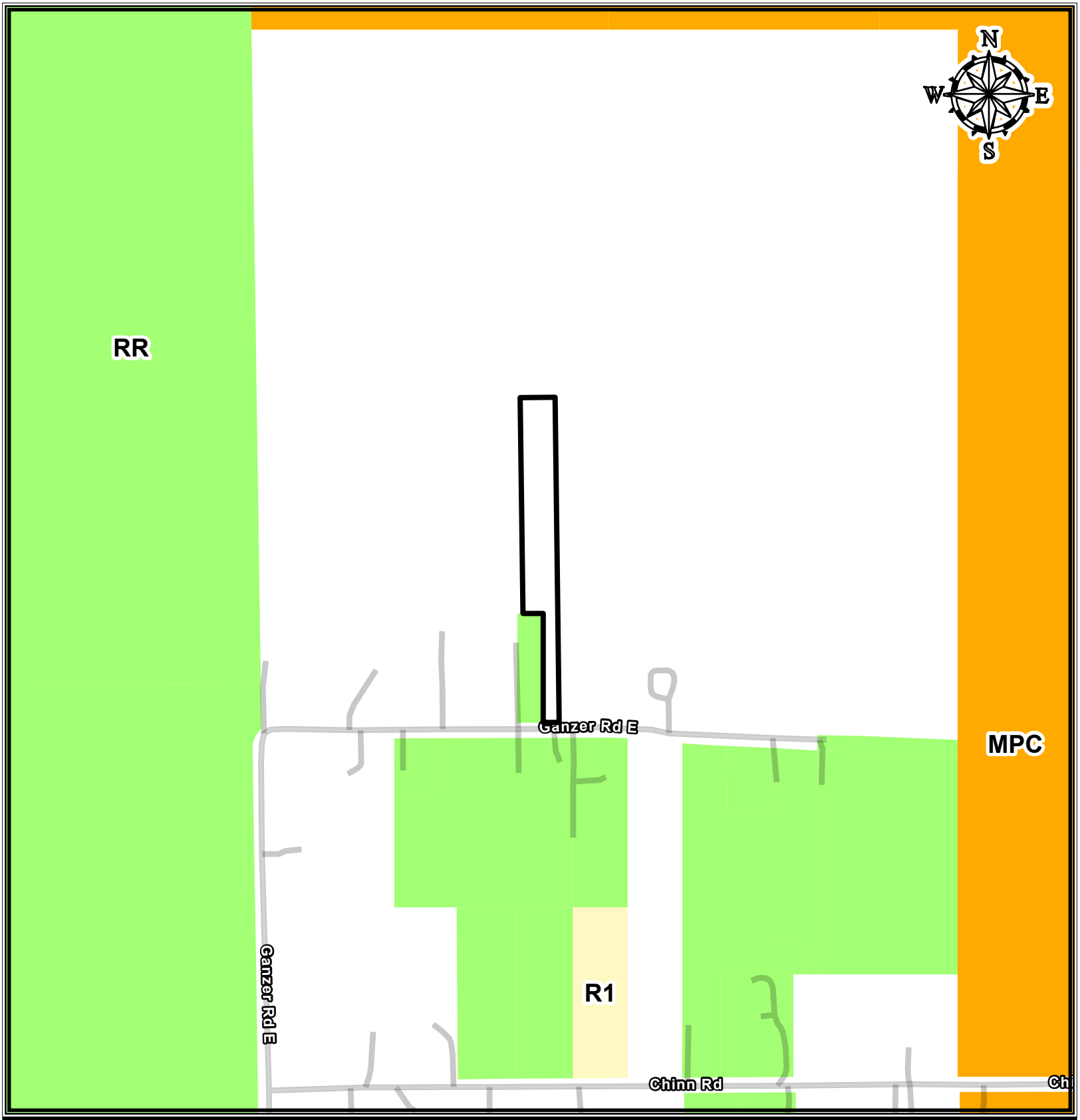
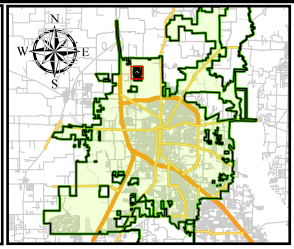
A26-0005
Current Zoning Map



Current Zoning

- RR - Residential Rural
- R1 - Residential
- R2 - Residential
- R3 - Residential
- R4 - Residential
- R6 - Residential
- R7 - Residential
- MN - Mixed-Use Neighborhood
- MD - Mixed-Use Downtown Core
- MR - Mixed-Use Regional
- HC - Highway Corridor
- SC - Suburban Corridor
- GO - General Office
- LI - Light Industrial
- HI - Heavy Industrial
- PF - Public Facilities
- PD - Planned Development
- MPC
- OVERLAY



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CITY OF DENTON
Development Services · GIS
Date: 7/10/2026

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure the accuracy of this data, no such guarantee is given or implied. Utilization of this map indicates the understanding that there is no guarantee to the accuracy of this data.

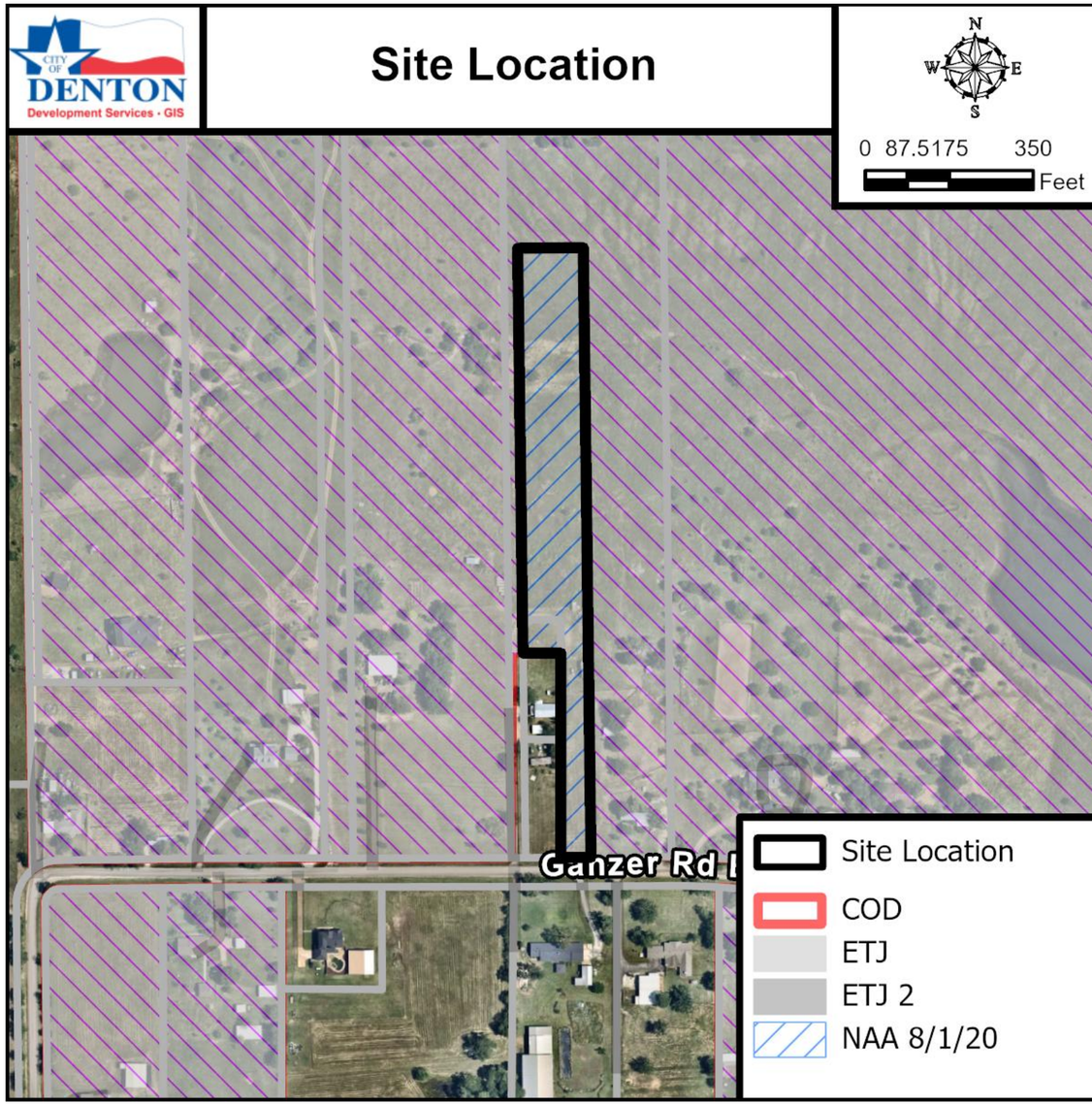
A26-0005b West Annexation Public Hearing

Ashley Ekstedt, AICP
Associate Planner

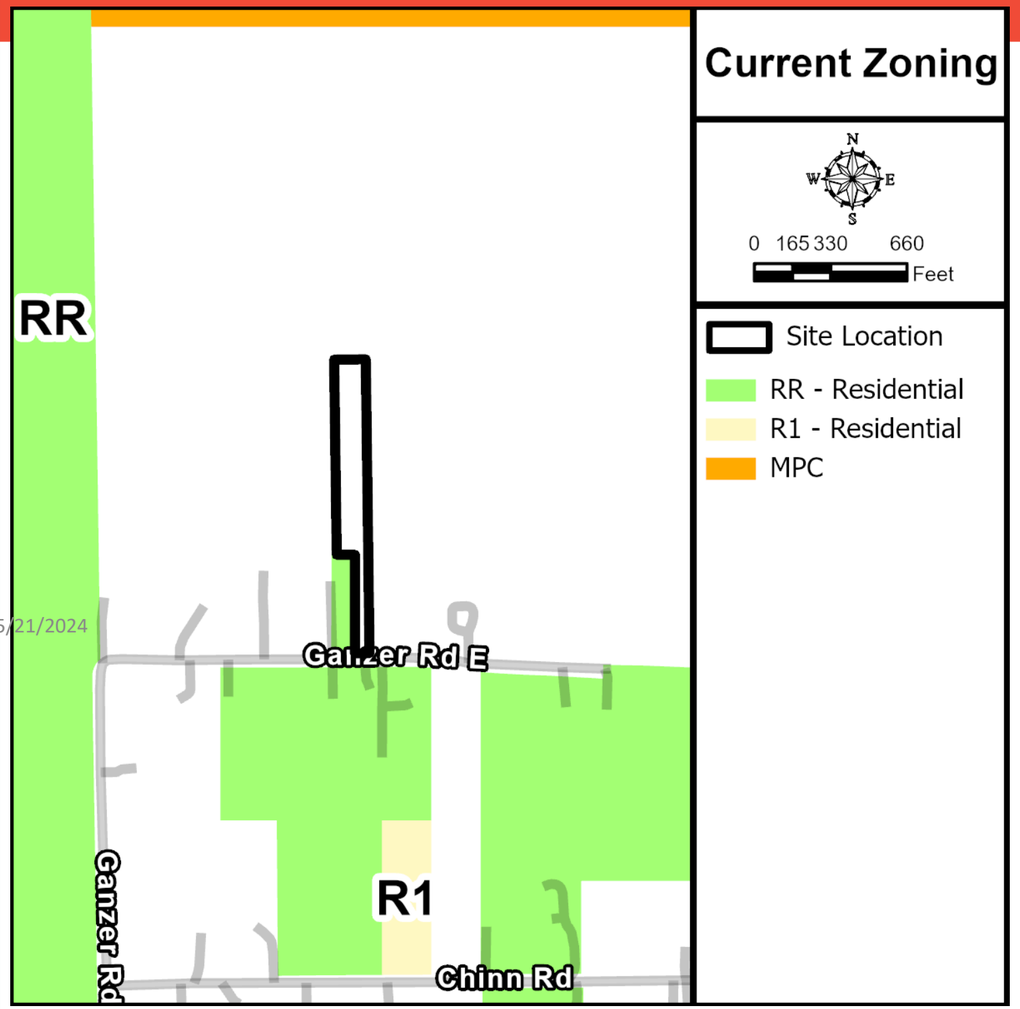
Request

- Hold a public hearing regarding a petition for voluntary annexation of approximately **3.27 acres of land**

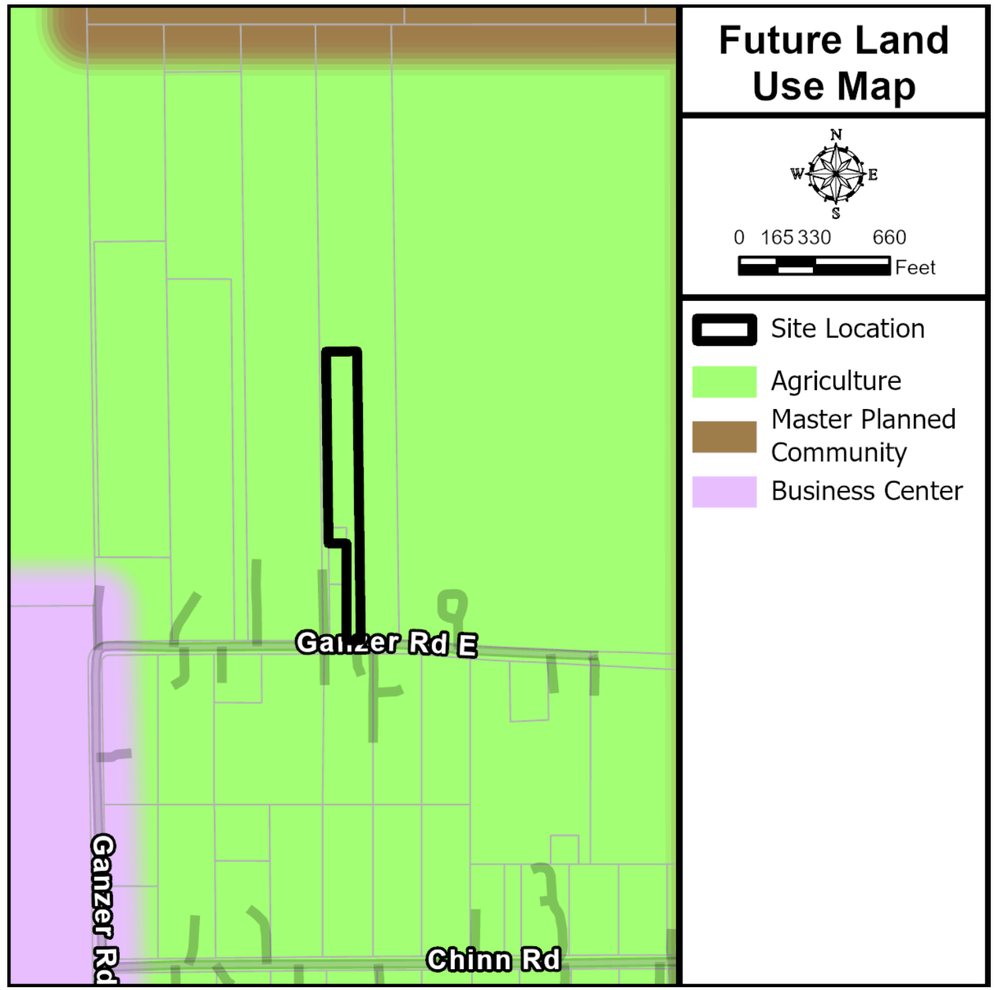
- Located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road



Existing Conditions



Existing Surrounding Zoning



Future Land Use Designation: Agriculture

Annexation Schedule

- **August 18, 2026**
  - Municipal Services Agreement – Action Required
  - Service Plan – Action Required
  - Public Hearing – No Action
  - First Reading of the Annexation Ordinance – No Action

- **August 22, 2026**
  - Publication of Annexation Ordinance

- **October 13, 2026**
  - Second Reading and Adoption of the Annexation Ordinance – Action Required

QUESTIONS?

Ashley Ekstedt, AICP
Associate Planner
Development Services

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Office of Strategy, Budget, and Performance**

ACM: **Christine Taylor**

DATE: **August 18, 2026**

SUBJECT

Consider approval of a resolution of the City Council of the City of Denton, Texas placing a proposal on the September 22, 2026 City Council public meeting agenda to adopt a 2026 Tax Rate that will exceed the lower of the no-new-revenue tax rate or the voter approval tax rate; calling a public hearing on the proposed tax rate which will result in an increase in tax revenue to the City for fiscal year 2026-27, to be held on September 15, 2026; calling a public hearing on the budget for the fiscal year 2026-27 Annual Program of Services of the City of Denton to be held on September 15, 2026; requiring the publication and posting of notices of the public hearings and meetings in accordance with the law; and providing an effective date.

BACKGROUND

The Texas Constitution and Texas Property Tax & Local Government Codes require taxing units to comply with specific guidelines in adopting tax rates. The guidelines are related to a concept known as truth-in-taxation. This concept is a way to make taxpayers aware of tax rate proposals and allow taxpayers to roll back or limit a tax increase in certain circumstances.

The truth-in-taxation guidelines require taxing entities to calculate and publish their no-new-revenue and voter-approval tax rates. The no-new-revenue rate is the calculated rate that would provide the taxing unit approximately the same revenue it received in the previous year on properties taxed in both years. This rate excludes taxes on properties no longer in the taxing unit and excludes any growth due to new property values. Based on the certified values received from Denton Central Appraisal District (DCAD) on July 22, the City of Denton's 2027 no-new-revenue tax rate is $0.515958/$100 valuation.

The voter-approval rate divides the total property tax revenue into support for maintenance and operations (M&O) taxes and debt service taxes. If a taxing unit adopts a tax rate higher than the voter-approval rate, an election must be held to seek voter approval of the tax rate. Based on the certified values received from DCAD on July 22, the City of Denton's 2026 voter-approval tax rate is $0.553485/$100 valuation.

The City Manager's FY 2026-27 Proposed Budget recommended a tax rate of $0.548485 per $100 of valuation. To allow for flexibility during the budget process, staff recommends that the tax rate of $0.553485 be used for publication purposes. One public hearing will be called on the proposed tax rate on September 22, 2026. Publication of a quarter-page notice ("Notice of Meeting to Vote on Tax Rate") informing the public of the public hearing on the adoption of the tax rate will also be published.

In addition to the state requirements for the truth in taxation legislation, the City Charter and Chapter 102 of the Texas Local Government Code require the City Council to set a public hearing on the FY 2026-27 Annual Program of Services. In compliance with the City Charter and Chapter 102, the City is also required

to publish a notice of the public hearing in the *Denton Record Chronicle* not earlier than the 30th day or later than the 10th day before the date of the public hearing on the budget. The "Notice of Public Hearing on Budget" will be published in the *Denton Record Chronicle*. It will also be posted on the City of Denton's website, http://www.cityofdenton.com and air on the public access channel.

RECOMMENDATION

Staff recommends approval of the resolution.

ESTIMATED SCHEDULE

September 15, 2026	Public Hearing on Tax Rate
September 15, 2026	Public Hearing on Annual Program of Services
September 22, 2026	Adopt Tax Rate and Budget

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Resolution
Exhibit 3 - Presentation

Respectfully Submitted:
Aimee Kaslik
Chief Strategy Officer

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS PLACING A PROPOSAL ON THE SEPTEMBER 22, 2026 CITY COUNCIL PUBLIC MEETING AGENDA TO ADOPT A 2026 TAX RATE THAT WILL EXCEED THE LOWER OF THE NO-NEW-REVENUE TAX RATE OR THE VOTER-APPROVAL TAX RATE; CALLING A PUBLIC HEARING ON THE PROPOSED TAX RATE WHICH WILL RESULT IN AN INCREASE IN TAX REVENUE TO THE CITY FOR FISCAL YEAR 2026-27, TO BE HELD ON SEPTEMBER 15, 2026; CALLING A PUBLIC HEARING ON THE BUDGET FOR THE FISCAL YEAR 2026-27 ANNUAL PROGRAM OF SERVICES OF THE CITY OF DENTON TO BE HELD ON SEPTEMBER 15, 2026; REQUIRING THE PUBLICATION AND POSTING OF NOTICES OF THE PUBLIC HEARINGS AND MEETINGS IN ACCORDANCE WITH THE LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council desires to adopt the Fiscal Year 2026-2027 Annual Program of Services ("Budget") for the City of Denton, Texas; and

WHEREAS, in order to adopt the Budget, the City Council must hold a public hearing on the Budget and provide notice of same in accordance with Article VIII "Budget" of the City Charter and other applicable law; and

WHEREAS, the City Council desires to consider adopting a tax rate of $0.548485 per $100 valuation, which will exceed the lower of the no-new-revenue tax rate or voter-approval tax rate, in accordance with the requirements of the Texas Local Government Code Chapter 140 and Tax Code Chapter 26, as applicable; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The findings set forth in the preamble of this Resolution are incorporated by reference into the body of this Resolution as if fully set forth herein.

SECTION 2. The City Council desires to consider adopting a tax rate for the 2026 tax year of $0.548485 per $100 valuation that will exceed the lower of the no-new-revenue tax rate or the voter-approval tax rate.

SECTION 3. The City Council hereby approves placing an item on the September 22, 2026, City Council public meeting agenda to vote on a proposed tax rate of $0.548485 per $100 valuation that will exceed the lower of the no-new-revenue rate or the voter approval tax rate. The meeting to vote on a proposed tax rate will not be held until notice of the meeting to vote on a proposed tax rate has been published in the *Denton Record Chronicle*, a newspaper having general circulation within the City, in the form of the attached Notice of Meeting to Vote on Tax Rate, which is made a part of this Resolution for all purposes. The City Manager or her designee is directed to post the attached Notice of Meeting to Vote on Tax Increase prominently on the City's home page of the Internet website and shall request that the City's public access television channel carry a 60-second notice of the meeting to vote on a proposed tax rate.

SECTION 4. The City Council hereby calls a public hearing on the proposed tax rate to be held at City Hall at 215 East McKinney Street in Denton, Texas 76201 on September 15, 2026, at

6:30 p.m. The public hearing will not be held until after notice of the public hearing has been published in the *Denton Record-Chronicle*, a newspaper having general circulation within the City, in the form of the attached Notice of Public Hearing on Tax Increase, which is made a part of this Resolution for all purposes. The City Manager, or her designee, is hereby directed to publish said notice in accordance with this Resolution and in accordance with applicable law. The City Manager or her designee is also directed to post the attached Notice of Public Hearing on Tax Increase prominently on the home page of the City's Internet website, and further, shall request that the City's public access television channel carry a 60-second notice of the public meeting in the manner, at the times, and for the periods required by law. At the public hearing, the City Council will afford adequate opportunity for proponents and opponents of the proposed tax rate to present their views.

SECTION 5. The City Council hereby calls a public hearing on the proposed Budget to be held at City Hall at 215 East McKinney Street in Denton, Texas 76201 on September 15, 2026, at 6:30 p.m. The public hearing will not be held until notice of the public hearing has been published in the *Denton Record-Chronicle*, a newspaper having general circulation within the City, in the form of the attached Notice of Public Hearing on Budget, which is made a part of this Resolution for all purposes. This notice shall be published not earlier than the 30th or later than the 10th day before the date of the public hearing. The City Manager, or her designee, is hereby directed to publish said notice in accordance with this Resolution and in accordance with Article VIII of the City Charter, Chapter 102 of the Texas Local Government Code and all other applicable law. The City Manager, or her designee, is also directed to post the attached Notice of Public Hearing on Budget prominently on the home page of the City's Internet website and shall request that the City's public access television channel carry a 60-second notice of the public hearing in the manner, at the times, and for the periods required by law. At the public hearing, the City Council will afford adequate opportunity for proponents and opponents of the proposed budget to present their views.

SECTION 6. This Resolution shall become effective immediately upon its passage and approval at a regular meeting of the City Council of the City of Denton, Texas on this the 18th day of August, 2026, at which meeting a quorum was present and the meeting was held in accordance with the provisions of Tex. Gov't Code §551.001, *et seq*. The City Secretary is hereby directed to record this Resolution and the vote on the proposal to place the item for adoption of a 2026 tax rate on the September 22, 2026, City Council agenda, and the hearing items on the September 15, 2026 agenda.

The motion to approve this resolution was made by _____ and seconded by _____, the resolution was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____ Susan Keller Digitally signed by Susan Keller Date: 2026.08.11 13:44:18 -05'00'

NOTICE OF PUBLIC HEARING ON BUDGET

The City Council for the City of Denton, Texas, will hold a public hearing on the Fiscal Year 2026-27 Annual Program of Services ("Budget"), on Tuesday, September 15, 2026 at 6:30 p.m. in the City Council Chambers at City Hall, located at 215 East McKinney Street in Denton, Texas, 76201. The meeting will be held for the purpose of receiving community input on the Budget. A public meeting to vote on the Budget will be held on September 22, 2026 at 6:30pm at Denton City Hall 215 E. McKinney Street Denton, TX 76201.

THIS BUDGET WILL RAISE MORE TOTAL PROPERTY TAXES THAN LAST YEAR'S BUDGET BY $14,556,150 OR 11.38% AND OF THAT AMOUNT $10,281,198 IS TAX REVENUE TO BE RAISED FROM NEW PROPERTY ADDED TO THE TAX ROLL THIS YEAR.

All interested citizens are encouraged to attend and express their views. If members of the public are not able to attend the hearings and meetings mentioned above in-person, members of the public will be able to participate in the meetings pursuant to the processes outlined at https://www.cityofdenton.com/242/Public-Meetings-Agendas

NOTICE OF PUBLIC HEARING ON TAX RATE

A tax rate of $0.548485 per $100 valuation has been proposed for adoption by the governing body of the City of Denton.

PROPOSED TAX RATE	$0.548485 per $100
NO-NEW-REVENUE TAX RATE	$0.515958 per $100
VOTER-APPROVAL TAX RATE	$0.553485 per $100

The no-new-revenue rate is the tax rate for the 2026 tax year that will raise the same amount of property tax revenue for CITY OF DENTON from the same properties in both the 2025 and 2026 tax year.

The voter-approval rate is the highest tax rate that CITY OF DENTON may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that CITY OF DENTON is proposing to increase property taxes for the 2026 tax year.

A PUBLIC HEARING ON THE PROPOSED TAX RATE WILL BE HELD ON SEPTEMBER 15, 2026 AT 6:30 PM AT DENTON CITY HALL 215 E. MCKINNEY STREET, DENTON, TX 76201.

A PUBLIC MEETING TO VOTE ON THE PROPOSED TAX RATE WILL BE HELD ON SEPTEMBER 22, 2026 AT 6:30 PM AT DENTON CITY HALL 215 E. MCKINNEY STREET, DENTON, TX 76201.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, CITY OF DENTON is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support or opposition to the proposed tax rate by contacting the members of the City of Denton at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

Property Tax amount = (tax rate) x (taxable value of your property) / 100

Names of all members of the governing body are below, showing how each voted on the proposal to consider the tax increase or, if one or more were absent, indicating absences.

	Aye	Nay	Abstain	Absent
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by the CITY OF DENTON last year to the taxes proposed to be imposed on the average residence homestead by CITY OF DENTON this year.

	2025	2026	Change
Total tax rate (per $100 of value)	$0.595420	$0.548485	Decrease of $0.046935, or 7.88%
Average homestead taxable value	$386,698	$382,832	Decrease of $3,866, or 0.01%
Tax on average homestead	$2,302	$2,100	Decrease of $203, or 8.7%
Total tax levy on all properties	$126,835,969	$140,634,225	Increase of $13,798,256, or 10.87%

For assistance with tax calculations, please contact the tax assessor for CITY OF DENTON at (940) 349-3500 or tnt@dentoncounty.gov, or visit tax.dentoncounty.gov for more information.

If members of the public are not able to attend the hearings and meetings mentioned above in person, members of the public will be able to participate in the meetings pursuant to the process outlined at https://www.cityofdenton.com/242/Public-Meetings-Agendas.

Intent to Set a Tax Rate

Aimee Kaslik
Chief Strategic Officer

Appraised Values

Tax Year	2020	2021	2022	2023	2024	2025	2026
Certified Value - Minus TIRZ ($Billions)	$ 13.6	$14.4	$16.7	$19.2	$21.2	$22.7	$26.7
Value Change ($Millions)	$730	$1,052	$2,361	$2,522	$1,959	$1,509	$3,982
Percent Change	6.0%	7.9%	16.4%	15.0%	10.2%	7.1%	17.5%

- Total Certified Appraised Value is $26.7 billion (excluding TIRZ)
  - 17.5% increase compared to 2024 certified value of $21.24 billion
  - $3.98 billion increase in value
    - $1.9 billion in new value
    - $2.08 billion from change in existing properties

- Average taxable home value increased from $386,698 to $382,832

Tax Rate

Description	Tax Rate
No-New-Revenue Rate	$0.515958 /$100 valuation
Voter Approval Rate	$0.553485/$100 valuation
FY 2026-2027 Proposed Rate	$0.548485/$100 valuation
Published Max Tax Rate	$0.553485/$100 valuation

Public Hearings

- Public Hearings are scheduled for **September 15, 2025**.

- Both hearings are required prior to adoption.

- Public Meeting on Tax Rate
  - Public hearing is required if max tax rate exceeds the no-new-revenue rate or the voter approval rate.
    - Proposed max tax rate exceeds the no-new-revenue rate or the voter approval rate.
  - A public meeting is required before the tax rate is adopted.
  - Citizens have opportunity to provide input on proposed tax rate and budget during public hearings.

Next Steps

- September 15, 2026 – Budget & Tax Rate Hearings
- September 22, 2026 – Budget, CIP, Tax roll, and Tax rate adoption

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Kenneth Hedges

DATE: August 18, 2026

SUBJECT

Conduct the first of two readings of an ordinance of the City of Denton, Texas annexing approximately 3.27 acres of land, generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road, into the City of Denton, Denton County, Texas; providing for a correction to the City map to include the annexed land; and providing for a savings clause and an effective date. (A26-0005c, West Annexation, Ashley Ekstedt)

BACKGROUND

The owner, Jay Edwin West, (hereafter referred to as "Owner"), had a non-annexation agreement (ordinance 2016-120), which expired on August 1, 2020. Pursuant to Council direction, the City corresponded with the Owner on multiple occasions, including April 23, 2024, June 13, 2024, and July 2, 2026, to offer a new annexation agreement, but the Owner has not responded. By operation of the expired non-annexation agreement, the Owner has filed a written petition with the City for voluntary annexation of approximately 3.27 acres generally located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road (hereafter referred to as "Subject Property").

In accordance with State Law, non-annexation agreements (NAAs) were initially offered to property owners between 2010 and 2016 when the City was in the process of annexing land area within the Extra-Territorial Jurisdiction (ETJ). Texas Local Government Code Section 43.016 requires municipalities to offer NAA agreements to property owners of land area the City is interested in annexing if that land area is appraised for tax purposes as having agricultural, wildlife management, or timber use. In addition, the City also offered NAAs to properties used as single-family residences. NAAs entered into during this initial time period had an original expiration date of August 2020. In 2020, City Council directed staff to offer extensions of the NAAs to August 2040. In accordance with State Law, the total duration of the NAA shall not exceed 45 years.

The general requirements of the NAAS are as follows:

- The property may only be used for single-family residential, agricultural, wildlife, timber, or related uses.
- City of Denton regulations apply to proposed development.
- Development applications and building permits must be submitted and approved through the City of Denton.
- Land may be subdivided into smaller parcels via plating, provided the minimum lot size is at least 5 acres.
- Notification must be provided to the City if the property is sold.

- Properties with agriculture, wildlife management, or timberland exemptions are required to provide notice to the City if there is a change in exemption status.
- If the property owner does not abide by these requirements, or if the NAA expires, the City may proceed with annexation of the property.

Following Council direction in 2020, staff began engaging with property owners with expired NAAs in an effort to enter into new agreements with 2040 expiration dates. Between 2020 and 2021 a majority of property owners with expired NAAs entered into new agreements; however, 21 NAAs remained expired.

In 2024, staff revisited the topic of expired NAAs with City Council. Direction was given to contact the property owners of the 21 expired agreements to extend the NAAs and pursue annexation for any remaining expired NAAs. Initial letters offering NAA extensions were mailed in April 2024 with follow-up letters in June prior to the initial response deadline of June 21, 2024. Additional letters were mailed in June 2024, and a final letter was sent to the property owner on July 2, 2026. Currently, 10 of the 21 property owners with expired NAAs have entered into new agreements with the City. The City has begun the process of annexing the remaining areas. Given the number of expired NAAs, staff will bring forward the annexation cases in groups based on parcel size, beginning with the smallest parcels.

The first reading of the annexation ordinance is the fourth of several steps required for a voluntary annexation based upon the requirements of TXLGC Sec. 43.0672 and the City's Charter as outlined below:

1. Approval of a Municipal Services Agreement
2. Approval of a Service Plan
3. Annexation Public Hearing
4. **First Reading of Annexation Ordinance**
5. Publication of Annexation Ordinance
6. Second Reading and Adoption of Annexation Ordinance

The first four of these items are on this agenda, with this being the fourth required step in the process. Following the first reading of the annexation ordinance, the ordinance must be published in the newspaper, and the second reading is required to occur at least 30 days following ordinance publication.

The subject property is situated on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road. The property to the north, east, and west of the subject property are situated within the City of Denton's Extraterritorial Jurisdiction (ETJ) and have signed an NAA. The property to the south of the Subject Property also has an expired NAA. Ganzer Road, to the south of the Subject Property, is a residential street.

The Future Land Use designation for the subject property is Agriculture. The description for this Future Land Use category is provided below:

> This category denotes areas that have large tracts of land in active agriculture uses for preservation, including ranchland, field crops, and other similar agricultural uses. This may also include rural commercial uses, alternative energy generation, and accessory structures to support agricultural uses and uses that support agritourism. This category may include large lot residential (a maximum of one unit per ten acres). This land use may allow lots as small as one acre under the gross density provision to allow for conservation development which clusters smaller lots while permanently protecting scenic rural open space (through conservation easements). Residential development in this future land use category will continue the present character of the rural and agricultural areas of Denton with low-profile homes of no greater than two stories, generous lots and setbacks, and materials that complement the natural surroundings and ranch heritage.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

April 5, 2016	City Council	Non-Annexation Agreement	Approved

OPTIONS

No action is required for the first reading of the annexation ordinance.

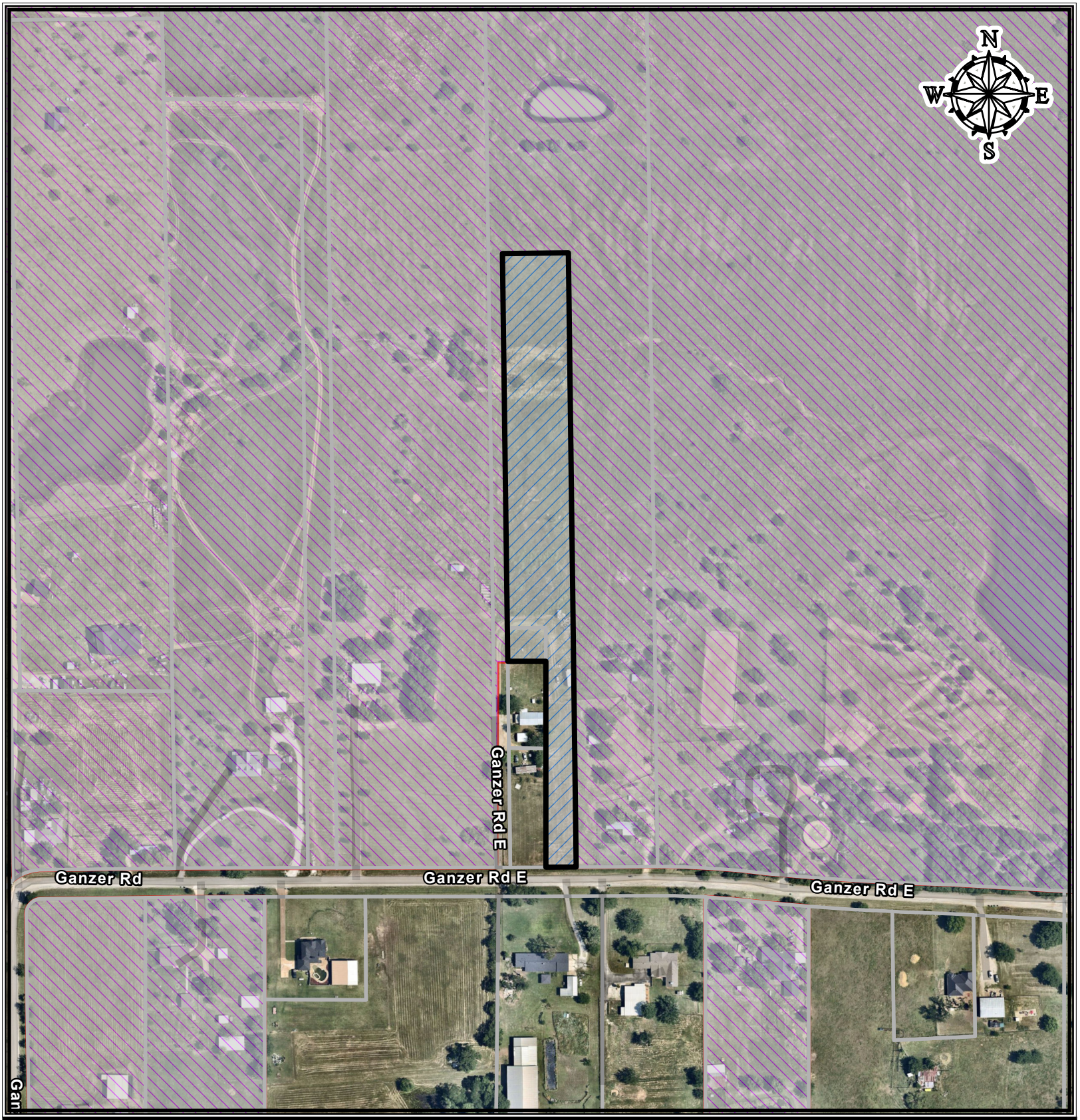
EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Future Land Use Map
Exhibit 4 - Current Zoning Map
Exhibit 5 - Draft Annexation Ordinance
Exhibit 6 - Presentation

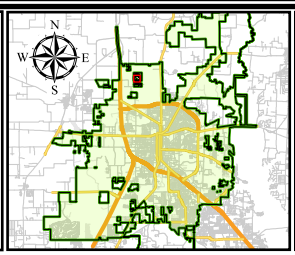
Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Ashley Ekstedt, AICP
Associate Planner

A26-0005
Aerial Site Location



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40



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CITY OF DENTON
Development Services · GIS
Date: 7/10/2026

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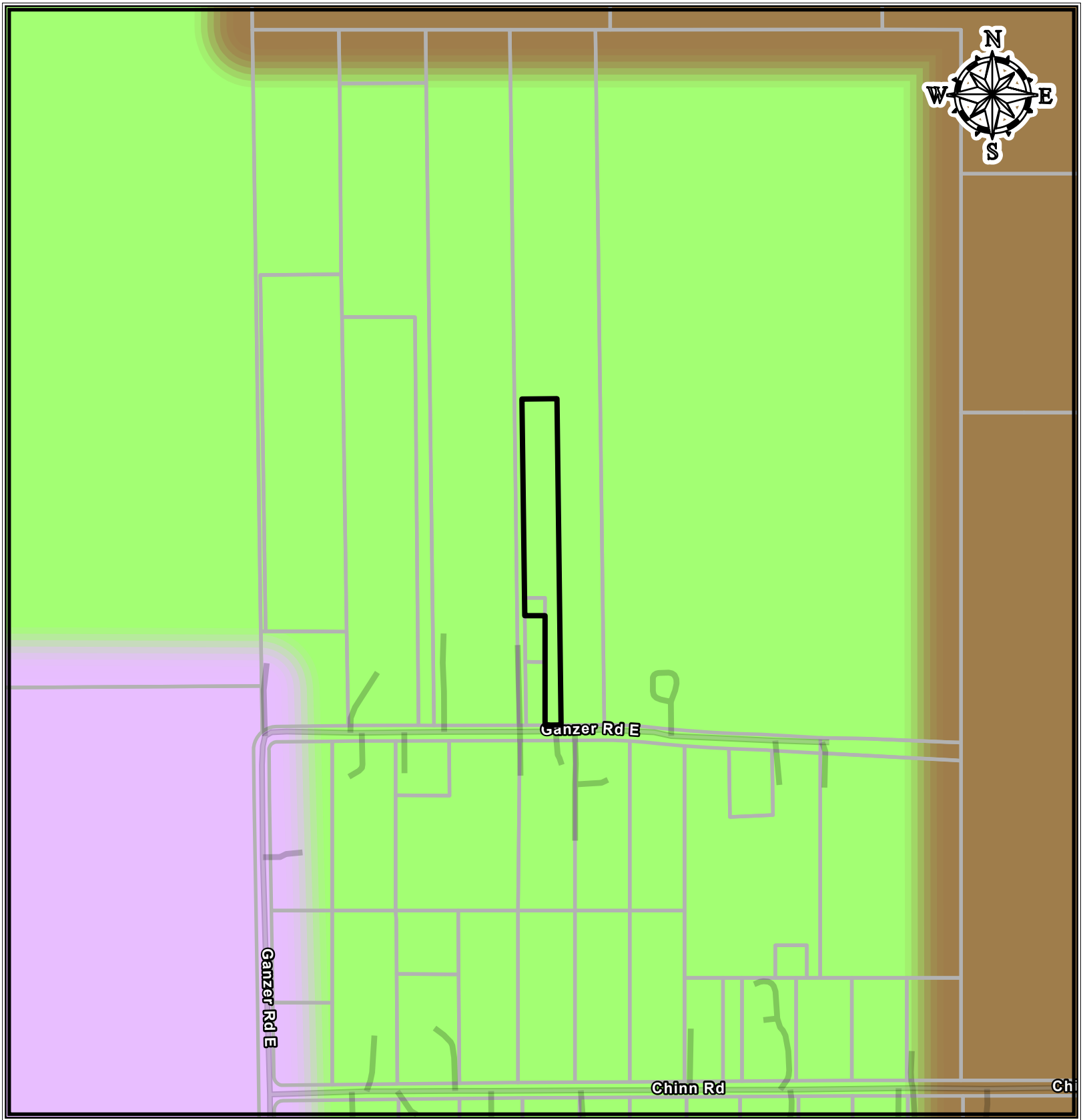
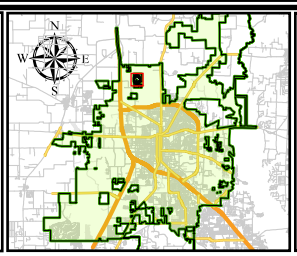
A26-0005
Future Land Use Map



Future Land Use 2040

- Agriculture
- Rural Areas
- Low Residential
- Moderate Residential
- Master Planned Community
- Downtown Denton
- Regional Mixed Use
- Community Mixed Use
- Neighborhood Mixed Use
- Neighborhood / University Compatibility Area
- Business Center
- Light Industrial
- Industrial Commerce
- Government / Institutional
- Parks / Open Space
- Site Location



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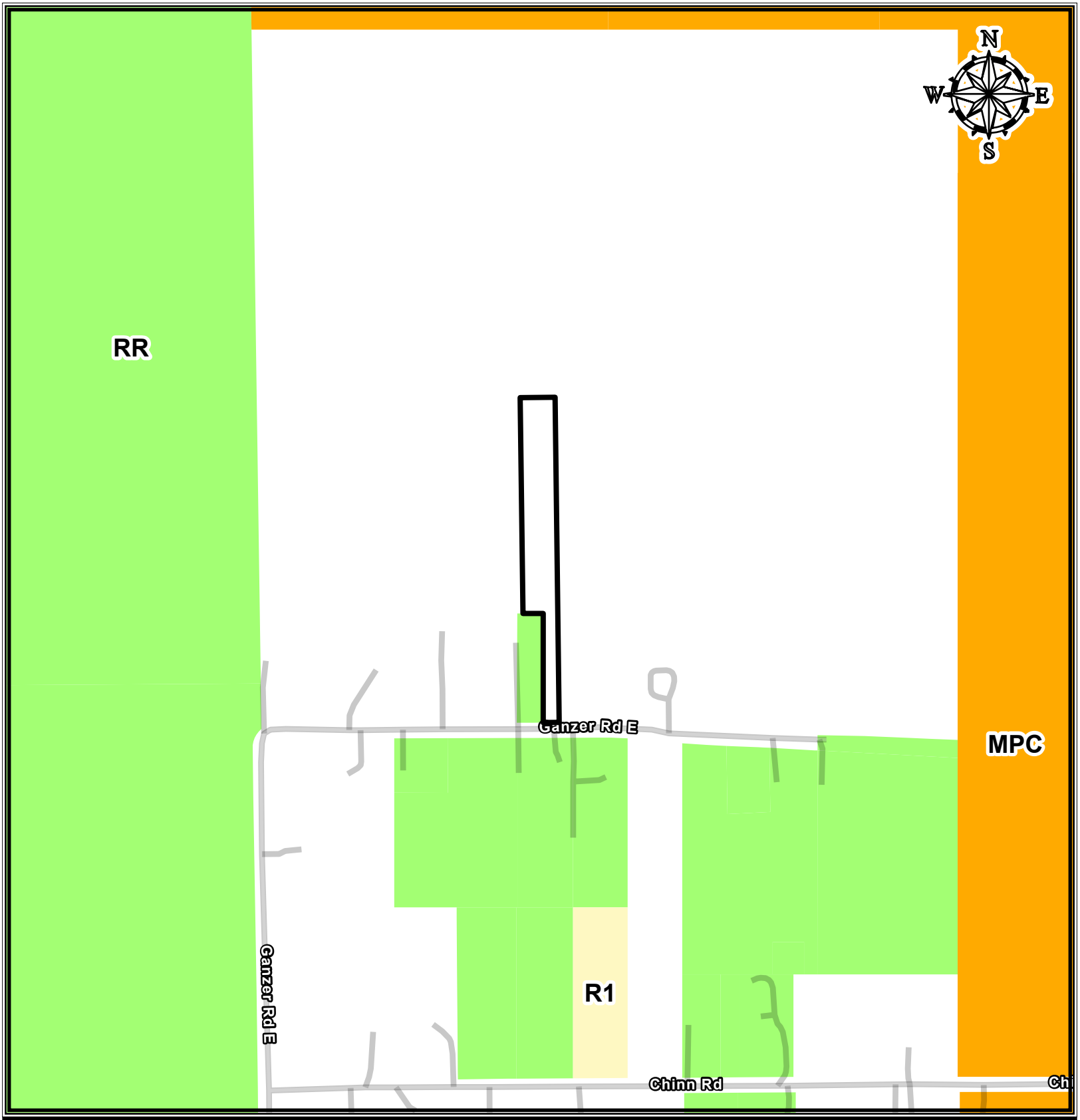
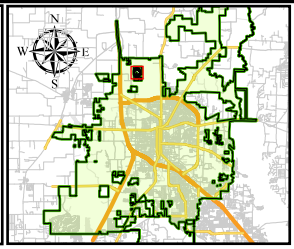
A26-0005
Current Zoning Map



Current Zoning

- RR - Residential Rural
- R1 - Residential
- R2 - Residential
- R3 - Residential
- R4 - Residential
- R6 - Residential
- R7 - Residential
- MN - Mixed-Use Neighborhood
- MD - Mixed-Use Downtown Core
- MR - Mixed-Use Regional
- HC - Highway Corridor
- SC - Suburban Corridor
- GO - General Office
- LI - Light Industrial
- HI - Heavy Industrial
- PF - Public Facilities
- PD - Planned Development
- MPC
- OVERLAY



0 150 300 600 Feet

CITY OF DENTON
Development Services · GIS
Date: 7/10/2026

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure the accuracy of this data, no such guarantee is given or implied. Utilization of this map indicates the understanding that there is no guarantee to the accuracy of this data.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS ANNEXING APPROXIMATELY 3.27 ACRES OF LAND, GENERALLY LOCATED ON THE NORTH SIDE OF GANZER ROAD, APPROXIMATELY 2,497 FEET NORTH AND EAST OF CHINN ROAD, INTO THE CITY OF DENTON, DENTON COUNTY, TEXAS; PROVIDING FOR A CORRECTION TO THE CITY MAP TO INCLUDE THE ANNEXED LAND; AND PROVIDING FOR A SAVINGS CLAUSE AND AN EFFECTIVE DATE. (A26-0005d)

WHEREAS, pursuant to Subchapter C-3, Chapter 43, Texas Local Government Code, a municipality may annex an area if the property owner requests the annexation; and

WHEREAS, the Owner had a non-annexation agreement, ordinance 2016-120, which expired on August 1, 2020 and said non-annexation agreement provides that upon expiration of the agreement, the Property will be annexed; and

WHEREAS, pursuant to Council direction, City corresponded with the Owner on multiple occasions, including April 23, 2024, June 13, 2024, and July 2, 2026, to offer a new annexation agreement, but the Owner has not responded; and

WHEREAS, by operation of the expired non-annexation agreement, the Owner has filed a written petition with the City for voluntary annexation of the Property; and

WHEREAS, the City of Denton and Owner have entered into a written Municipal Services Agreement for the provision of full municipal services to the Property to be annexed, in accordance with Tex. Loc. Gov't. Code Sec. 43.0672, and said agreement was approved by the City Council on November 18, 2025; and

WHEREAS, on August 18, 2026, the City Council held a public hearing to provide persons interested in the annexation the opportunity to be heard and to adopt an ordinance annexing the area, pursuant to Sec. 43.0673 of the Tex. Loc. Gov't. Code; and

WHEREAS, annexation proceedings were instituted for the Property upon the **first reading** of the ordinance at the City Council meeting on August 18, 2026; and

WHEREAS, this ordinance has been published in full one time in the official newspaper of the City of Denton after annexation proceedings were instituted, and 30 days prior to City Council taking final action, as required by Sec. 1.03 of the City Charter; and

WHEREAS, a **second reading** of the ordinance was conducted and final action on the annexation was taken at the City Council meeting on October 13, 2026; and

WHEREAS, the Denton City Council hereby deems it to be in the best interests of the citizens of the City of Denton to approve the annexation of the Property; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations in the preamble of this ordinance are incorporated herein by reference.

SECTION 2. The real property described in **Exhibit A** and depicted on **Exhibit B**, attached hereto and incorporated herein by reference, is annexed into the City of Denton, Texas.

SECTION 3. A service agreement approved by Ordinance No. _____, is attached as **Exhibit C** and made a part hereof for all intents and purposes.

SECTION 4. The newly annexed property shall be included within the corporate limits of the City of Denton, Texas, thereby extending the City's corporate limits and granting to all inhabitants of the newly annexed property all of the rights and privileges of other citizens and bringing the inhabitants to all of the ordinances, resolutions, acts, and regulations of the City. A copy of this Ordinance shall be filed in the real property records of the Denton County Clerk and within the Denton County Appraisal District.

SECTION 5. The City Manager is hereby authorized and directed to immediately correct the map of the City of Denton by adding thereto the additional territory annexed by this Ordinance, indicating on the map the date of annexation and the number of this Ordinance, and the ETJ resulting from such boundary extensions.

SECTION 6. Should any paragraph, section, sentence, phrase, clause or word of this Ordinance be declared unconstitutional or invalid for any reason, the remainder of this Ordinance shall be affected thereby.

SECTION 7. This ordinance shall be effective immediately upon its passage.

AND IT IS SO ORDERED

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Chris Watts, Mayor:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____

Georgie Ferrie, At Large Place 5: _____ _____ _____ _____

Jill Jester, At Large Place 6: _____ _____ _____ _____

PASSED AND APPROVED this, the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI GILBERT, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon

EXHIBIT A
LEGAL DESCRIPTION

Being 3.5 acre tract of land, more or less, situated in the John Stewart Survey, Abstract No. 1150, Denton County, Texas, more fully described that General Warranty Deed dated September 30, 2019, from James Neal West, Independent Executor of the Estate of Edna Marlene West, Deceased to Jay Edwin West, filed for record on September 30, 2019, and recorded in Instrument No. 2019-123375, of the real property records of Denton County, Texas; SAVE AND EXCEPT that portion lying within the existing City of Denton limits, leaving a called 3.27 acre tract, commonly known as DCAD Property ID 37479.

EXHIBIT B
LOCATION MAP

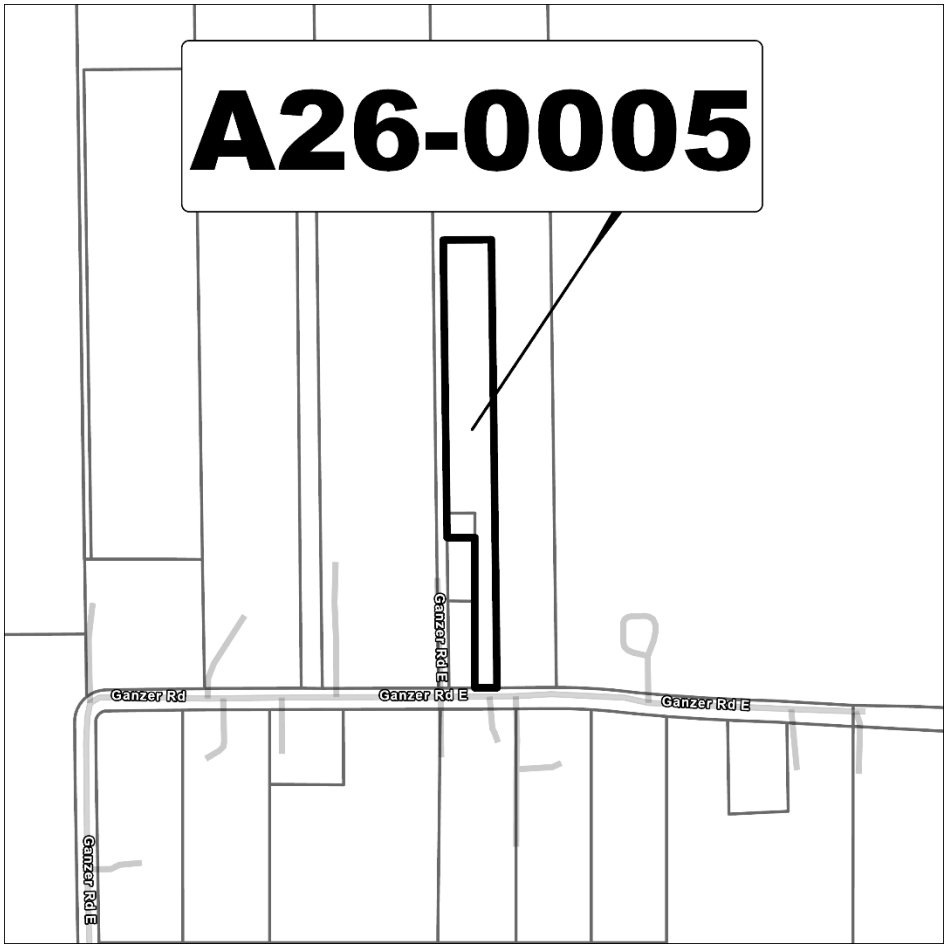


EXHIBIT C
MUNICIPAL SERVICES AGREEMENT

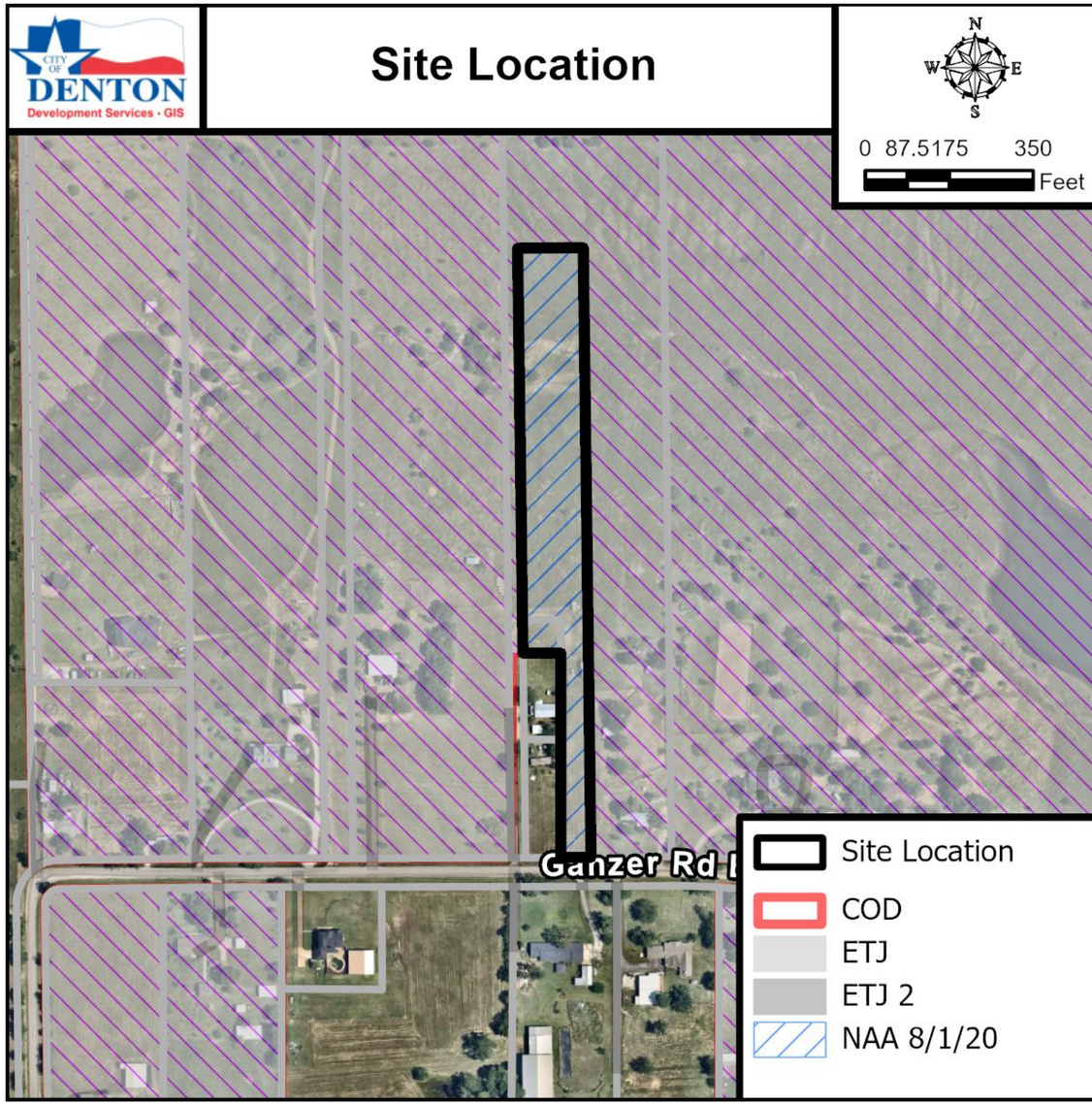
A26-0005c West Annexation First Reading

Ashley Ekstedt, AICP
Associate Planner

Request

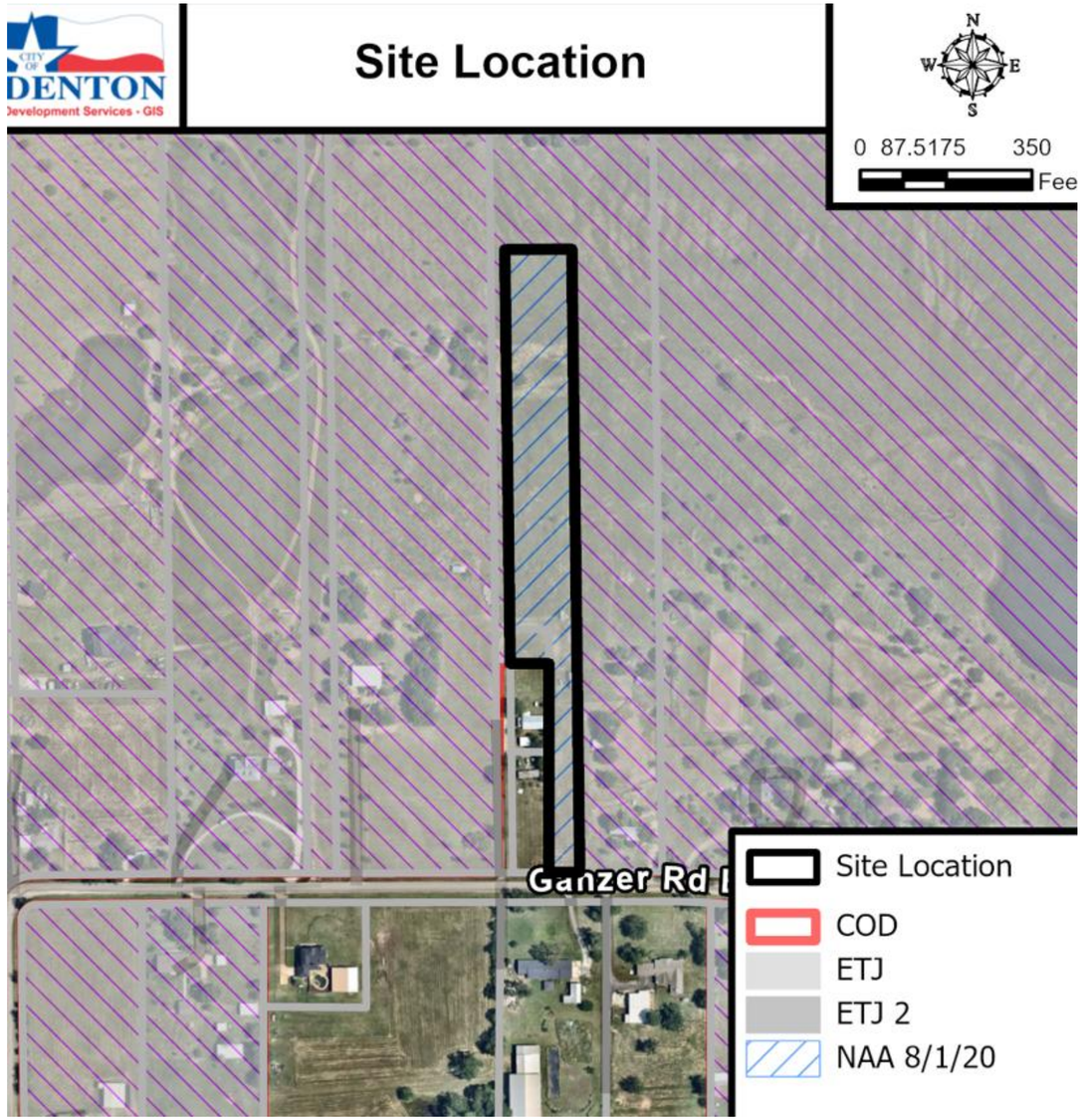
- Conduct the **first** of two readings of an ordinance of the City of Denton to annex approximately 3.27 acres of land

- Located on the north side of Ganzer Road, approximately 2,497 feet north and east of Chinn Road



Background

- Property owner had a non-annexation agreement that expired in August of 2020
- A new non-annexation agreement has not been signed
- Undeveloped



Annexation Schedule

- **August 18, 2026**
  - Municipal Services Agreement – Action Required
  - Service Plan – Action Required
  - Public Hearing – No Action
  - First Reading of the Annexation Ordinance – No Action

- **August 22, 2026**
  - Publication of Annexation Ordinance

- **October 13, 2026**
  - Second Reading and Adoption of the Annexation Ordinance – Action Required

Ordinance Caption

AN ORDINANCE OF THE CITY OF DENTON, TEXAS ANNEXING APPROXIMATELY 3.27 ACRES OF LAND, GENERALLY LOCATED ON THE NORTH SIDE OF GANZER ROAD, APPROXIMATELY 2,497 FEET NORTH AND EAST OF CHINN ROAD, INTO THE CITY OF DENTON, DENTON COUNTY, TEXAS; PROVIDING FOR A CORRECTION TO THE CITY MAP TO INCLUDE THE ANNEXED LAND; AND PROVIDING FOR A SAVINGS CLAUSE AND AN EFFECTIVE DATE.

QUESTIONS?

Ashley Ekstedt, AICP
Associate Planner
Development Services

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

ACM: Kenneth Hedges

DATE: August 18, 2026

SUBJECT

Consider approval of a resolution of the City of Denton regarding a moratorium on the acceptance, processing, and approval of applications for the development of data centers within the corporate limits of the City of Denton and approving a schedule for required notice and public hearings for such moratorium; providing for severability; and providing an effective date.

BACKGROUND

Following a two-minute pitch in June of 2026 proposing a work session to evaluate the City's policy framework for AI data center developments, Informal Staff Report 2026-039 was issued on June 26, 2026. Subsequently on August 4, 2026 a work session was presented, which discussed options for future data center applications, including a potential temporary moratorium to evaluate whether operational infrastructure demands, environmental impacts, and financial returns align with initial projections. A majority of City Council members provided direction for staff to move forward with preparing a temporary moratorium as well amendments to the existing Denton Development Code data center regulations.

This item is a resolution being brought forward pursuant to Section 212.134 of the Texas Local Government Code in order to adopt the public hearing schedule for the proposed moratorium. Below is a complete schedule for the various steps that would have to occur for the moratorium

08/18/2026 Council consideration of a resolution setting the date for the first public hearing.

08/22/2026 Publication deadline for notice of the public hearing in the Denton Record Chronicle. *(must be 30 days before the date of the public hearing)*

09/22/2026 First Public Hearing related to the proposed moratorium.

10/27/2026 Second Public Hearing related to the proposed moratorium *(cannot be before the 30th day after the date of the first hearing)*

First Reading of the moratorium ordinance (*conducted not later than 12 days after the date of the second public hearing)*

12/2/2026 Second Reading of the moratorium ordinance *(conducted not less than 28 days after the first reading)*

Adoption of moratorium ordinance *(requires a supermajority vote of at least 3/4ths of the Council)*

03/02/2027 Expiration of moratorium *(90 days after the adoption date)*
Note: The moratorium may be extended an additional 90 days if an extension is approved following additional public notice, public hearing, and adoption of written findings justifying the extension.

If the Council votes to approve of the proposed public hearing schedule, Staff would prepare and submit notification to the Denton Record Chronicle in order for the first hearing to take place in September.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

June 2, 2026	City Council	Two-Minute Pitch regarding having a work session about a moratorium on data centers	Direction Given to Move Forward
August 4, 2026	City Council	Work Session discussion regarding a moratorium on data centers	Direction Given to Move Forward

Recommendation:
Staff recommends approval of the public hearing schedule.

OPTIONS
1. Approve
2. Deny
3. Postpone Item

EXHIBITS
Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Draft Resolution
Exhibit 3 - Presentation

Respectfully submitted:
Charlie Rosendahl
Director of Development Services

Prepared by:
Hayley Zagurski, AICP
Planning Director

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF DENTON REGARDING A MORATORIUM ON THE ACCEPTANCE, PROCESSING, AND APPROVAL OF APPLICATIONS FOR THE DEVELOPMENT OF DATA CENTERS WITHIN THE CORPORATE LIMITS OF THE CITY OF DENTON AND APPROVING A SCHEDULE FOR REQUIRED NOTICE AND PUBLIC HEARINGS FOR SUCH MORATORIUM; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE. (26-1287)

WHEREAS, the City of Denton, Texas is a home rule municipality located in Denton County; and

WHEREAS, the City desires to plan, prepare, and provide for safe and orderly growth and development of the City of Denton, Texas and its environs; and

WHEREAS, the city initiated discussions of code amendments to introduce data centers as a land use in the Denton Development Code in the spring of 2022 and the City Council voted to approve those amendments on September 20, 2022, as Ordinance DCA22-0003a; and

WHEREAS, the City Council of the City of Denton is aware of an increased interest in and public concern about the environmental, infrastructure, and land use impacts of the development of data centers; and

WHEREAS, the City Council of the City of Denton therefore held a work session discussion on August 4, 2026, and determined that a temporary moratorium on the acceptance, processing, and approval of applications for the development of data centers is in the best interest of the city and the public in order to allow time for further evaluation of the operational infrastructure demands, environmental impacts, and financial impacts associated with data centers; and

WHEREAS, the City Council further desires to enact a moratorium while a review of the City's existing data center regulations is completed and updates to those regulations are developed and implemented to ensure data centers are a compatible land use that does not negatively impact neighborhoods, utility infrastructure, or the environment; and

WHEREAS, pursuant to Section 212.134 of the Texas Local Government Code, any person may request – via certified or registered mail sent to the City Secretary - to receive written notice of public hearings regarding this moratorium case; and

WHEREAS, pursuant to Section 212.134 of the Texas Local Government Code, the City Council desires to adopt a schedule for the required notice and public hearings in order to enact the moratorium described herein; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The foregoing recitals are incorporated into this Resolution by reference.

SECTION 2. The schedule of notification and public hearings attached hereto as **Exhibit A** is approved and adopted. The City Secretary, or designee, is hereby authorized to accept requests for notice of hearing received by certified or registered mail.

SECTION 3. The City Manager, or designee, is hereby authorized to publish the requisite public notifications, schedule the required public hearings, and conduct evaluation of the infrastructure, environmental, and financial impacts of data centers required in order to properly justify a moratorium.

SECTION 4. Should any paragraph, section, sentence, phrase, clause or word of this Resolution be declared unconstitutional or invalid for any reason, the remainder of this Resolution shall not be affected thereby.

SECTION 5. This Resolution shall become effective immediately upon its passage and approval.

The motion to approve this Resolution was made by _____ and seconded by _____. This Resolution was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon _____

Exhibit A

Moratorium Public Hearing Schedule

08/18/2026 Council consideration of a resolution setting the date for the first public hearing.

08/22/2026 Publishing of the Public Hearing dates in the Denton Record Chronicle (*must be 30 days before the date of the public hearing)*

09/22/2026 First Public Hearing related to the proposed moratorium.

10/27/2026 Second Public Hearing **related to the proposed moratorium** *(cannot be before the 30th day after the date of the first hearing)*

Data Center Moratorium Public Hearing Schedule

Charlie Rosendahl
Development Services

File ID 26-1287 August 18, 2026

Background

- **May 14-** MPT Stevens submitted a 2-minute pitch
- **June 2-** Council approved the 2-minute pitch
- **June 26-** ISR 2026-039 was provided on data centers, and the agenda committee moved it forward to a work session.
- **August 4-** City Council directed staff to move forward with amendments to the Development Code and start the moratorium process for data centers.

Moratoriums in Texas

- What is a Moratorium?
  - Temporary pause on accepting or processing new development applications.
  - Moratorium cannot halt or invalidate already-filed applications (Vested under TLGC Chapter 245).
  - Limited to a defined geographic area which can be City limits and/or ETJ to the extent City has authority.

- Legal Basis (TLGC Chapter 212)
  - A municipality may impose a moratorium only if supported by specific findings related to:
  - Shortage of essential public facilities (water, sewer, drainage, or streets) (TLGC 212.135)
  - Significant need for other public facilities (police, fire, or electric) (TLGC 212.1351)
  - Commercial moratorium for a need to update land development ordinances(TLGC 212.1352)
    - Could not apply to property zoned for Heavy Industrial.

- Requirements for Imposing a Moratorium
  - City's must submit written findings supporting the necessity of the moratorium at adoption.
  - Written findings vary depending on the legal basis for the moratorium, but generally include evidence for why existing regulations are inadequate, the need to prevent the development from causing overcapacity of infrastructure, and the goals or working plan for achieving the objectives of a moratorium to address these issues.

Moratorium Process

Texas State Requirements (TLGC 212.134)

- ❑ **30-Day Notice Rule:** A municipality must publish a public hearing notice in the newspaper at least 30 days before holding each statutory hearing, with the dates set by resolution or ordinance.
- ❑ **Two Public Hearings:** The municipal governing body must conduct two separate hearings. The second public hearing cannot be held before the 30th day after the first hearing.
- ❑ **28-Day Reading Gap:** Initial reading must begin within 12 days of the second hearing. The adopting ordinance requires at least two separate readings spaced no less than 28 days apart.
- ❑ **Written Findings:** City must provide written findings for the moratoriums in the adopting ordinance.
- ❑ **Supermajority Vote:** To officially take effect, the ordinance must receive an affirmative vote of at least three-fourths of all members on the final reading.

8/18 — **Resolution for Public Hearing**
Council consideration of a resolution or ordinance setting the date for the first hearing.

8/22 — **Newspaper Publication**
Publish notice of public hearings in paper(starts the 30-day clock

9/22 — **First Public Hearing**
First public hearing related to the proposed moratorium.

10/27 — **Second Public Hearing & 1st Reading**
City Council holds 2nd hearing and first reading.

12/2 — **Final Adoption & 2nd Reading**
Requires a 3/4ths Council supermajority to adopt.

DDC Amendments

Aug 24

- Development Code Review Committee

Sep 12

- Publish notice of public hearings in the local newspaper.

Sep 23

- P&Z holds first public hearing and makes a recommendation.

Oct 13

- City Council holds public hearing and considers adoption.

Oct 27

- DDC amendments become effective.

Consideration

- Resolution authorizes the required public notices as required under Texas Local Government Code Section 212.134.
- Public Hearing Schedule:
  - 08/18/26: Resolution consideration to set first hearing date
  - 08/22/26: Publication deadline (30-day requirement)
  - 09/22/26: First public hearing
  - 10/27/26: Second public hearing (30+ days after first) and first reading of ordinance
  - 12/02/26: Second reading and City Council action.

QUESTIONS?

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: **Finance**

ACM: **Christine Taylor**

DATE: **August 18, 2026**

SUBJECT

Consider adoption of an ordinance of the City Council of the City of Denton, a Texas home-rule municipal corporation, approving a negotiated settlement between the Atmos Cities Steering Committee ("ACSC") and Atmos Energy Corp., Mid-Tex Division regarding the company's 2026 rate review mechanism filing; declaring existing rates to be unreasonable; adopting tariffs that reflect rate adjustments consistent with the negotiated settlement; finding the rates to be set by the attached settlement tariffs to be just and reasonable and in the public interest; approving an attachment establishing a benchmark for pensions and retiree medical benefits; requiring the company to reimburse ACSC's reasonable ratemaking expenses; determining that this ordinance was passed in accordance with the requirements of the Texas Open Meetings Act; adopting a savings clause; declaring an effective date; ratifying and authorizing City membership in ACSC; and requiring delivery of this ordinance to the company and the ACSC's legal counsel.

BACKGROUND

The City, along with 181 other Mid-Texas cities served by Atmos Energy Corporation, Mid-Tex Division ("Atmos Mid-Tex" or "Company"), is a member of the Atmos Cities Steering Committee ("ACSC"). In 2007, ACSC and Atmos Mid-Tex settled a rate application filed by the Company pursuant to Section 104.301 of the Texas Utilities Code for an interim rate adjustment commonly referred to as a GRIP filing (arising out of the Gas Reliability Infrastructure Program legislation). That settlement created a substitute rate review process, referred to as Rate Review Mechanism ("RRM"), as a substitute for future filings under the GRIP statute.

Since 2007, there have been several modifications to the original RRM Tariff. The most recent iteration of an RRM Tariff was reflected in an ordinance adopted by ACSC members in 2018. On or about April 1, 2026, the Company filed a rate request pursuant to the RRM Tariff adopted by ACSC members. The Company claimed that its cost-of-service in a test year ending December 31, 2025, entitled it to additional system-wide revenues of $291.1 million.

Application of the standards set forth in ACSC's RRM Tariff reduces the Company's request to $273.6 million. After reviewing the filing and conducting discovery, ACSC's consultants concluded that the system-wide deficiency under the RRM regime should be $253.4 million instead of the claimed $291.1 million.

After several settlement meetings, the parties have agreed to settle the case for $260.5 million. This is a reduction of over $30 million to the Company's initial request. This includes payment of ACSC's expenses. The Effective Date for new rates is October 1, 2026. ACSC members should take action approving the Resolution/Ordinance before October 1, 2026.

Summary:

$291.1M:	Atmos Original Request (system-wide)
$273.6M:	RRM Tariff Applied Standard (system-wide)
$253.4M:	RRM Tariff Reviewed of Applied Standard (system-wide)
$260.5M:	**Agreed Upon Review/Negotiation**
$30.6M:	Savings from Atmos Original Request

Bill Impact

The impact of the settlement on average residential rates is an increase of $13.37 on a monthly basis, or 14.15%. The increase for average commercial usage will be $44.82 or 9.90%. Atmos provided bill impact comparisons containing these figures.

RRM Savings Over GRIP

ACSC strongly opposed the GRIP process because it constitutes piecemeal ratemaking by ignoring declining expenses and increasing revenues while rewarding the Company for increasing capital investment on an annual basis. The GRIP process does not allow any review of the reasonableness of capital investment and does not allow cities to participate in the Railroad Commission's review of annual GRIP filings or allow recovery of Cities' rate case expenses. The Railroad Commission undertakes a mere administrative review of GRIP filings (instead of a full hearing) and rate increases go into effect without any material adjustments. In ACSC's view, the GRIP process unfairly raises customers' rates without any regulatory oversight. In contrast, the RRM process has allowed for a more comprehensive rate review and annual evaluation of expenses and revenues, as well as capital investment.

While residents outside municipal limits must pay rates governed by GRIP, there are some cities served by Atmos Mid-Tex that chose to remain under GRIP rather than adopt RRM. Additionally, the City of Dallas adopted a variation of RRM which is referred to as DARR. When new rates become effective on October 1, 2026, ACSC residents will maintain an economic monthly advantage over GRIP and will be comparable to DARR rates.

Comparison to Other Mid-Tex Rates (Residential)		
Description	Average Bill	Compared to RRM Cities
RRM Cities	$66.18	-
DARR	$66.07	+ $0.11
ATM Cities	$67.02	- ($0.84)
Environs	$66.07	+ $0.11

RECOMMENDATION

Staff recommends approval of the ordinance.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Presentation
Exhibit 3 - Ordinance
Exhibit 4 - RRM Tariff
Exhibit 5 - Pension and Retiree Benchmark
Exhibit 6 - Average Bill Comparison

Respectfully submitted:
Matt Hamilton
Chief Financial Officer

Atmos Rate Settlement

Matt Hamilton
Chief Financial Officer

ID 26-1219 August 18, 2026

Background

Steering Committee

- Denton is a member of the Atmos Cities Steering Committee (ACSC)
- ACSC is a 181-member coalition of cities
- Represents over 1,000,000 customers
- Atmos has approximately 25,000 accounts in the City of Denton

Rate Review Mechanism (RRM)

- Allows ACSC cities to review and validate costs, recover expenses, and avoid litigation over rates.
- The RRM process has generated significant cost savings for ACSC cities.

Atmos 2026 RRM Filing

RRM Filing Process & Savings

- $291.1M – Atmos Original Request (system-wide)
- $273.6M – RRM Reduction (system-wide)
- $253.4M – ACSC recommended RRM amount
- $260.5M – Final settlement amount
- $30.6M – Settlement savings

2026 Negotiated Settlement

- Rates effective October 1, 2026
- Average Customer Impact:
  - Residential: $13.37 14.15% increase per month
  - Commercial: $44.82 9.90% increase per month

Next Steps

Ordinance

- If approved, the new rates would take effect October 1, 2026.
- If denied, Atmos can appeal to the Texas Railroad Commission (RRC).
  - The expense of contesting the rate increase in the RRC proceedings would be paid by the City.
  - The RRC will issue a final decision that applies across the utility's service area, including the City.
  - The likelihood of prevailing in the RRC proceedings is low, and the City would likely end up paying the requested rates.

QUESTIONS?

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, APPROVING A NEGOTIATED SETTLEMENT BETWEEN THE ATMOS CITIES STEERING COMMITTEE ("ACSC") AND ATMOS ENERGY CORP., MID-TEX DIVISION REGARDING THE COMPANY'S 2026 RATE REVIEW MECHANISM FILING; DECLARING EXISTING RATES TO BE UNREASONABLE; ADOPTING TARIFFS THAT REFLECT RATE ADJUSTMENTS CONSISTENT WITH THE NEGOTIATED SETTLEMENT; FINDING THE RATES TO BE SET BY THE ATTACHED SETTLEMENT TARIFFS TO BE JUST AND REASONABLE AND IN THE PUBLIC INTEREST; APPROVING AN ATTACHMENT ESTABLISHING A BENCHMARK FOR PENSIONS AND RETIREE MEDICAL BENEFITS; REQUIRING THE COMPANY TO REIMBURSE ACSC'S REASONABLE RATEMAKING EXPENSES; DETERMINING THAT THIS ORDINANCE WAS PASSED IN ACCORDANCE WITH THE REQUIREMENTS OF THE TEXAS OPEN MEETINGS ACT; ADOPTING A SAVINGS CLAUSE; DECLARING AN EFFECTIVE DATE; RATIFYING AND AUTHORIZING CITY MEMBERSHIP IN ACSC; AND REQUIRING DELIVERY OF THIS ORDINANCE TO THE COMPANY AND THE ACSC'S LEGAL COUNSEL.

WHEREAS, the City of Denton, Texas ("City") is a gas utility customer of Atmos Energy Corp., Mid-Tex Division ("Atmos Mid-Tex" or "Company"), and a regulatory authority with an interest in the rates, charges, and services of Atmos Mid-Tex; and

WHEREAS, the City is a member of the Atmos Cities Steering Committee ("ACSC"), a coalition of similarly-situated cities served by Atmos Mid-Tex ("ACSC Cities") that have joined together to facilitate the review of, and response to, natural gas issues affecting rates charged in the Atmos Mid-Tex service area; and

WHEREAS, ACSC and the Company worked collaboratively to develop a Rate Review Mechanism ("RRM") tariff that allows for an expedited rate review process by ACSC Cities as a substitute to the Gas Reliability Infrastructure Program ("GRIP") process instituted by the Legislature, and that will establish rates for the ACSC Cities based on the system-wide cost of serving the Atmos Mid-Tex Division; and

WHEREAS, the current RRM tariff was adopted by the City in a rate ordinance in 2018; and

WHEREAS, on about April 1, 2026 Atmos Mid-Tex filed its 2026 RRM rate request with ACSC Cities based on a test year ending December 31, 2025; and

WHEREAS, ACSC coordinated its review of the Atmos Mid-Tex 2025 RRM filing through its Executive Committee, assisted by ACSC's attorneys and consultants, to resolve issues identified in the Company's RRM filing; and

WHEREAS, the Executive Committee, as well as ACSC's counsel and consultants, recommend that ACSC Cities approve an increase in base rates for Atmos Mid-Tex of $260.5 million on a system-wide basis with an Effective Date of October 1, 2026; and

WHEREAS, ACSC agrees that Atmos plant-in-service is reasonable; and

WHEREAS, with the exception of approved plant-in-service, ACSC is not foreclosed from future reasonableness evaluation of costs associated with incidents related to gas leaks; and

WHEREAS, the attached tariffs (Exhibit 1) implementing new rates are consistent with the recommendation of the ACSC Executive Committee, are agreed to by the Company, and are just, reasonable, and in the public interest; and

WHEREAS, the settlement agreement sets a new benchmark for pensions and retiree medical benefits (Exhibit 2); and

WHEREAS, the RRM Tariff contemplates reimbursement of ACSC's reasonable expenses associated with RRM applications.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings set forth in this ordinance are hereby in all things approved.

SECTION 2. Without prejudice to future litigation of any issue identified by ACSC, the City Council finds that the settled amount of an increase in revenues of $260.5 million on a system-wide basis represents a comprehensive settlement of gas utility rate issues affecting the rates, operations, and services offered by Atmos Mid-Tex within the municipal limits arising from Atmos Mid-Tex's 2026 RRM filing, is in the public interest, and is consistent with the City's authority under Section 103.001 of the Texas Utilities Code.

SECTION 3. Despite finding Atmos Mid-Tex's plant-in-service to be reasonable, ACSC is not foreclosed in future cases from evaluating the reasonableness of costs associated with incidents involving leaks of natural gas.

SECTION 4. The existing rates for natural gas service provided by Atmos Mid-Tex are unreasonable. The new tariffs attached hereto and incorporated herein as Exhibit 1, are just and reasonable, and are designed to allow Atmos Mid-Tex to recover annually an additional $260.5 million on a system-wide basis, over the amount allowed under currently approved rates. Such tariffs are hereby adopted.

SECTION 5. The ratemaking treatment for pensions and retiree medical benefits in Atmos Mid-Tex's next RRM filing shall be as set forth on Exhibit 2, attached hereto and incorporated herein.

SECTION 6. Atmos Mid-Tex shall reimburse the reasonable ratemaking expenses of ACSC in processing the Company's 2026 RRM filing.

SECTION 7. To the extent any resolution or ordinance previously adopted by the Council is inconsistent with this ordinance, it is hereby repealed.

SECTION 8. The meeting at which this ordinance was approved was in all things conducted in strict compliance with the Texas Open Meetings Act, Texas Government Code, Chapter 551.

SECTION 9. If any one or more sections or clauses of this ordinance is adjudged to be unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this ordinance, and the remaining provisions of the ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 10. This ordinance shall become effective from and after its passage with rates authorized by attached tariffs to be effective for bills rendered on or after October 1, 2026.

SECTION 11. A copy of this ordinance shall be sent to Atmos Mid-Tex, care of Chris Felan, Vice President of Rates and Regulatory Affairs Mid-Tex Division, Atmos Energy Corporation, 5420 LBJ Freeway, Suite 1862, Dallas, Texas 75240, and to Thomas Brocato, General Counsel to ACSC, at Lloyd Gosselink Rochelle & Townsend, P.C., 816 Congress Avenue, Suite 1900, Austin, Texas 78701.

SECTION 12. This ordinance hereby amends Ordinance 2007-243 to replace ATM, defined therein, with ACSC, replace the Special Counsel approved therein with ACSC's counsel, and ratifies and authorizes the City's past and future participation in ACSC.

[*signature page to follow*]

The motion to approve this ordinance was made by _____ and seconded by _____. The ordinance was passed and approved by the following vote [___ - ___]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM: MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**R – RESIDENTIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Residential Customers for all natural gas provided at one Point of Delivery and measured through one meter.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 24.35 per month
Rider CEE Surcharge	$ 0.05 per month[1]
Total Customer Charge	$ 24.40 per month
Commodity Charge – All Ccf	$ 1.03839 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

[1]Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**C – COMMERCIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Bill	$ 115.50 per month
Rider CEE Surcharge	$ 0.00 per month[1]
Total Customer Charge	$ 115.50 per month
Commodity Charge – All Ccf	$ 0.27784 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

[1] Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and MMBtu charges to the amounts due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.9582 per MMBtu
Next 3,500 MMBtu	$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1505 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee
Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

This tariff is not available to customers with a maximum daily demand of 1,000 MMBtu or greater and a daily/annual load factor of 10% or less. Load factor is calculated as follows: annual usage / (maximum daily connected demand X 365). Load factors will be recalculated once each year to determine appropriate eligibility for Rate T.

Type of Service
Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.9582 per MMBtu
Next 3,500 MMBtu	$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1505 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Imbalance Fees
All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees
Customer shall pay Company the greater of (i) $0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Overpull Fee
Upon notification by Company of an event of interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement
A transportation agreement is required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**SUR – SURCHARGES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application

This Rider is applicable to customer classes in the incorporated areas under the RRM tariff as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, ordinance, order, rule, contract, or agreement.

FASB ASC 740-10 (Fin48) Refund

Applicable to Customers taking service under Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions ("UTPs") arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from the negotiated RRM Tariff, and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-1.1 for the prior fiscal year shall be allocated based on the final class allocations of GUD No. 10170 as per the RRM Tariff, divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the Regulatory Authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Railroad Commission of Texas, and if applicable, the gas utility shall be required to reconcile any discrepancies.

The following refund as authorized in the most recent negotiated RRM Tariff shall be refunded to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill in each month for a 12-month period. The refund amount by month by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ (0.14)
Rate C – Commercial Sales	$ (0.49)
Rate I – Industrial Sales	$ (10.47)
Rate T – Transportation	$ (10.47)

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**SUR – SURCHARGES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Unprotected Excess Deferred Income Tax Amortization

The allocated RRM Cities balance of the Unprotected portion of the Excess Deferred Income Taxes ("EDIT") remaining after implementation of rates at October 1, 2026 shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill for a one-month period. The refund amount by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ (4.45)
Rate C – Commercial Sales	$ (14.80)
Rate I – Industrial Sales	$ (319.02)
Rate T – Transportation	$ (319.02)

Maximum Allowable Operating Pressure ("MAOP") Hydrostatic Testing Cost Recovery

The allocated RRM Cities balance of the MAOP Hydrostatic Testing Cost as of December 31, 2025 is to be recovered through a monthly rate. This monthly rate shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill for approximately twelve (12) months or until all approved costs are recovered from the applicable customer classes. The monthly recovery rate by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ 0.30
Rate C – Commercial Sales	$ 0.98
Rate I – Industrial Sales	$ 21.17
Rate T – Transportation	$ 21.17

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BI_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

$WNA_i = WNAF_i \times q_{ij}$

Where q_{ij} is the relevant sales quantity for the jth customer in ith rate schedule.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Base Use/Heat Use Factors

	Residential		Commercial	
Weather Station	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD
Abilene	9.78	0.1448	91.89	0.8018
Austin	9.07	0.1318	213.26	0.9418
Dallas	12.87	0.1937	192.49	1.1269
Waco	9.39	0.1261	159.17	0.8068
Wichita Falls	10.61	0.1364	133.65	0.6965

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at www.atmosenergy.com/MTXtariffs, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

Exhibit 2

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2026 Willis Towers Watson Report as adjusted (1) (2) (3)	$ 200,382	$ (490,197)	$ 951,536	$ (3,288,240)	$ 72,926	
2	Allocation Factor	46.66%	46.66%	87.00%	87.00%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	$ 93,490	$ (228,707)	$ 827,882	$ (2,860,928)	$ 72,926	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	$ 93,490	$ (228,707)	$ 827,882	$ (2,860,928)	$ 72,926	$ (2,095,337)
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	80.27%	80.27%	36.19%	36.19%	8.73%	
8							
9	Summary of Costs to Approve (1):						
10	Total Pension Account Plan	$ 75,047		$ 299,646			$ 374,693
11	Total Post-Employment Benefit Plan		$ (183,588)		$ (1,035,492)		(1,219,080)
12	Total Supplemental Executive Benefit Plan					$ 6,367	6,367
13	Total (Ln 10 + Ln 11 + Ln 12)	$ 75,047	$ (183,588)	$ 299,646	$ (1,035,492)	$ 6,367	$ (838,020)

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**R – RESIDENTIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
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Commodity Charge – All Ccf	$ 1.03839 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
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[1]Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**C – COMMERCIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Commercial Customers for all natural gas provided at one Point of Delivery and measured through one meter and to Industrial Customers with an average annual usage of less than 30,000 Ccf.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's monthly bill will be calculated by adding the following Customer and Ccf charges to the amounts due under the riders listed below:

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Total Customer Charge	$ 115.50 per month
Commodity Charge – All Ccf	$ 0.27784 per Ccf

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Weather Normalization Adjustment: Plus or Minus an amount for weather normalization calculated in accordance with Rider WNA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

[1] Reference Rider CEE - Conservation and Energy Efficiency as approved in GUD 19196. Surcharge billing effective July 1, 2026.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable to Industrial Customers with a maximum daily usage (MDU) of less than 200 MMBtu per day for all natural gas provided at one Point of Delivery and measured through one meter. Service for Industrial Customers with an MDU equal to or greater than 200 MMBtu per day will be provided at Company's sole option and will require special contract arrangements between Company and Customer.

Type of Service
Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
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Charge	Amount
Customer Charge per Meter	$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.9582 per MMBtu
Next 3,500 MMBtu	$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1505 per MMBtu

Gas Cost Recovery: Plus an amount for gas costs and upstream transportation costs calculated in accordance with Part (a) and Part (b), respectively, of Rider GCR.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

Curtailment Overpull Fee
Upon notification by Company of an event of curtailment or interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of curtailment or interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**I – INDUSTRIAL SALES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Agreement
An Agreement for Gas Service may be required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate I, Customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

Presumption of Plant Protection Level
For service under this Rate Schedule, plant protection volumes are presumed to be 10% of normal, regular, historical usage as reasonably calculated by the Company in its sole discretion. If a customer believes it needs to be modeled at an alternative plant protection volume, it should contact the company at mdtx-div-plantprotection@atmosenergy.com.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application
Applicable, in the event that Company has entered into a Transportation Agreement, to a customer directly connected to the Atmos Energy Corp., Mid-Tex Division Distribution System (Customer) for the transportation of all natural gas supplied by Customer or Customer's agent at one Point of Delivery for use in Customer's facility.

This tariff is not available to customers with a maximum daily demand of 1,000 MMBtu or greater and a daily/annual load factor of 10% or less. Load factor is calculated as follows: annual usage / (maximum daily connected demand X 365). Load factors will be recalculated once each year to determine appropriate eligibility for Rate T.

Type of Service
Company's receipt and delivery of all gas quantities under the applicable Transportation Agreement will be on a wholly interruptible basis subject to the Terms and Conditions incorporated in the Transportation Agreement. If Customer is an Industrial Customer, then Customer may elect, at the reasonable discretion of Company, to contract for Plant Protection transportation quantities defined as the minimum natural gas required to prevent physical harm and/or protect critical safety to the plant facilities, plant personnel, or the public when such protection cannot be achieved through the use of an alternate fuel. Where service of the type desired by Customer is not already available at the Point of Delivery, additional charges and special contract arrangements between Company and Customer may be required prior to service being furnished.

Monthly Rate
Customer's bill will be calculated by adding the following Customer and MMBtu charges to the amounts and quantities due under the riders listed below:

Charge	Amount
Customer Charge per Meter	$ 2,304.50 per month
First 0 MMBtu to 1,500 MMBtu	$ 0.9582 per MMBtu
Next 3,500 MMBtu	$ 0.7018 per MMBtu
All MMBtu over 5,000 MMBtu	$ 0.1505 per MMBtu

Upstream Transportation Cost Recovery: Plus an amount for upstream transportation costs in accordance with Part (b) of Rider GCR.

Retention Adjustment: Plus a quantity of gas as calculated in accordance with Rider RA.

Franchise Fee Adjustment: Plus an amount for franchise fees calculated in accordance with Rider FF. Rider FF is only applicable to customers inside the corporate limits of any incorporated municipality.

Tax Adjustment: Plus an amount for tax calculated in accordance with Rider TAX.

Surcharges: Plus an amount for surcharges calculated in accordance with the applicable rider(s).

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RATE SCHEDULE:	**T – TRANSPORTATION**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Imbalance Fees
All fees charged to Customer under this Rate Schedule will be charged based on the quantities determined under the applicable Transportation Agreement and quantities will not be aggregated for any Customer with multiple Transportation Agreements for the purposes of such fees.

Monthly Imbalance Fees
Customer shall pay Company the greater of (i) $0.10 per MMBtu, or (ii) 150% of the difference per MMBtu between the highest and lowest "midpoint" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" during such month, for the MMBtu of Customer's monthly Cumulative Imbalance, as defined in the applicable Transportation Agreement, at the end of each month that exceeds 10% of Customer's receipt quantities for the month.

Overpull Fee
Upon notification by Company of an event of interruption of Customer's deliveries, Customer will, for each MMBtu delivered in excess of the stated level of interruption, pay Company 200% of the midpoint price for the Katy point listed in *Platts Gas Daily* published for the applicable Gas Day in the table entitled "Daily Price Survey."

Replacement Index
In the event the "midpoint" or "common" price for the Katy point listed in *Platts Gas Daily* in the table entitled "Daily Price Survey" is no longer published, Company will calculate the applicable imbalance fees utilizing a daily price index recognized as authoritative by the natural gas industry and most closely approximating the applicable index.

Agreement
A transportation agreement is required.

Notice
Service hereunder and the rates for services provided are subject to the orders of regulatory bodies having jurisdiction and to the Company's Tariff for Gas Service.

Special Conditions
In order to receive service under Rate T, customer must have the type of meter required by Company. Customer must pay Company all costs associated with the acquisition and installation of the meter.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**SUR – SURCHARGES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Application

This Rider is applicable to customer classes in the incorporated areas under the RRM tariff as authorized by the state or any governmental entity, a municipality, or a regulatory authority pursuant to any statute, ordinance, order, rule, contract, or agreement.

Monthly Calculation

Surcharges will be calculated in accordance with the applicable statute, ordinance, order, rule, contract, or agreement.

FASB ASC 740-10 (Fin48) Refund

Applicable to Customers taking service under Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation.

To ensure that gas utility customers receive the benefit associated with the changes in the Company's Uncertain Tax Positions ("UTPs") arising from recognition of Texas Margin Tax returns.

The decrease shall be calculated as follows:

Beginning with implementation of rates from the negotiated RRM Tariff, and annually thereafter, the portion of UTP liabilities identified in Schedule FIN48-1.1 for the prior fiscal year shall be allocated based on the final class allocations of GUD No. 10170 as per the RRM Tariff, divided by the annual bill count to derive rates to be refunded through Rider SUR in the subsequent fiscal year. Each year's calculation will include a true-up (+ or -) due to account for over/under collections. Amounts identified in Schedule FIN48-1 shall be adjusted to reflect any audit adjustments received from the Texas Comptroller of Public Accounts.

No action on the part of the Regulatory Authority is required to give effect to the amount to be refunded to customers. However, any amount refunded to customers shall be fully subject to review for reasonableness and accuracy in the gas utility's next statement of intent proceeding with the Railroad Commission of Texas, and if applicable, the gas utility shall be required to reconcile any discrepancies.

The following refund as authorized in the most recent negotiated RRM Tariff shall be refunded to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill in each month for a 12-month period. The refund amount by month by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ (0.14)
Rate C – Commercial Sales	$ (0.49)
Rate I – Industrial Sales	$ (10.47)
Rate T – Transportation	$ (10.47)

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**SUR – SURCHARGES**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Unprotected Excess Deferred Income Tax Amortization

The allocated RRM Cities balance of the Unprotected portion of the Excess Deferred Income Taxes ("EDIT") remaining after implementation of rates at October 1, 2026 shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill for a one-month period. The refund amount by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ (4.45)
Rate C – Commercial Sales	$ (14.80)
Rate I – Industrial Sales	$ (319.02)
Rate T – Transportation	$ (319.02)

Maximum Allowable Operating Pressure ("MAOP") Hydrostatic Testing Cost Recovery

The allocated RRM Cities balance of the MAOP Hydrostatic Testing Cost as of December 31, 2025 is to be recovered through a monthly rate. This monthly rate shall be applied to each Rate Schedules R – Residential, C – Commercial, I – Industrial and T – Transportation customer's monthly bill for approximately twelve (12) months or until all approved costs are recovered from the applicable customer classes. The monthly recovery rate by Rate Schedule is shown in the table below:

Rate Schedules	Rate
Rate R – Residential Sales	$ 0.30
Rate C – Commercial Sales	$ 0.98
Rate I – Industrial Sales	$ 21.17
Rate T – Transportation	$ 21.17

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Provisions for Adjustment

The Commodity Charge per Ccf (100 cubic feet) for gas service set forth in any Rate Schedules utilized by the cities of the Mid-Tex Division service area for determining normalized winter period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment." The Weather Normalization Adjustment shall apply to all temperature sensitive residential and commercial bills based on meters read during the revenue months of November through April. The five regional weather stations are Abilene, Austin, Dallas, Waco, and Wichita Falls.

Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment Factor shall be computed to the nearest one-hundredth cent per Ccf by the following formula:

$$WNAF_i = R_i \frac{(HSF_i \times (NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where

i = any particular Rate Schedule or billing classification within any such particular Rate Schedule that contains more than one billing classification

$WNAF_i$ = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per Ccf

R_i = Commodity Charge rate of temperature sensitive sales for the i^{th} schedule or classification.

HSF_i = heat sensitive factor for the i^{th} schedule or classification divided by the average bill count in that class

NDD = billing cycle normal heating degree days calculated as the simple ten-year average of actual heating degree days.

ADD = billing cycle actual heating degree days.

BI_i = base load sales for the i^{th} schedule or classification divided by the average bill count in that class

The Weather Normalization Adjustment for the jth customer in ith rate schedule is computed as:

$WNA_i = WNAF_i \times q_{ij}$

Where q_{ij} is the relevant sales quantity for the jth customer in ith rate schedule.

MID-TEX DIVISION
ATMOS ENERGY CORPORATION

RIDER:	**WNA – WEATHER NORMALIZATION ADJUSTMENT**	
APPLICABLE TO:	**ALL CUSTOMERS IN THE MID-TEX DIVISION UNDER THE RRM TARIFF**	
EFFECTIVE DATE:	**Bills Rendered on or after 10/01/2026**	

Base Use/Heat Use Factors

	Residential		Commercial	
Weather Station	Base use Ccf	Heat use Ccf/HDD	Base use Ccf	Heat use Ccf/HDD
Abilene	9.78	0.1448	91.89	0.8018
Austin	9.07	0.1318	213.26	0.9418
Dallas	12.87	0.1937	192.49	1.1269
Waco	9.39	0.1261	159.17	0.8068
Wichita Falls	10.61	0.1364	133.65	0.6965

Weather Normalization Adjustment (WNA) Report

On or before June 1 of each year, the company posts on its website at www.atmosenergy.com/MTXtariffs, in Excel format, a *Weather Normalization Adjustment (WNA) Report* to show how the company calculated its WNAs factor during the preceding winter season. Additionally, on or before June 1 of each year, the company files one hard copy and an Excel version of the *WNA Report* with the Railroad Commission of Texas' Gas Services Division, addressed to the Director of that Division.

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
PENSIONS AND RETIREE MEDICAL BENEFITS FOR CITIES APPROVAL
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Shared Services		Mid-Tex Direct			Adjustment Total
		Pension Account Plan	Post-Employment Benefit Plan	Pension Account Plan	Post-Employment Benefit Plan	Supplemental Executive Benefit Plan	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	Proposed Benefits Benchmark - Fiscal Year 2026 Willis Towers Watson Report as adjusted (1) (2) (3)	$ 200,382	$ (490,197)	$ 951,536	$ (3,288,240)	$ 72,926	
2	Allocation Factor	46.66%	46.66%	87.00%	87.00%	100.00%	
3	Proposed Benefits Benchmark Costs Allocated to Mid-Tex (Ln 1 x Ln 2)	$ 93,490	$ (228,707)	$ 827,882	$ (2,860,928)	$ 72,926	
4	O&M and Capital Allocation Factor	100.00%	100.00%	100.00%	100.00%	100.00%	
5	Proposed Benefits Benchmark Costs to Approve (Ln 3 x Ln 4)	$ 93,490	$ (228,707)	$ 827,882	$ (2,860,928)	$ 72,926	$ (2,095,337)
6							
7	O&M Expense Factor (WP_F-2.3, Ln 2)	80.27%	80.27%	36.19%	36.19%	8.73%	
8							
9	Summary of Costs to Approve (1):						
10	Total Pension Account Plan	$ 75,047		$ 299,646			$ 374,693
11	Total Post-Employment Benefit Plan		$ (183,588)		$ (1,035,492)		(1,219,080)
12	Total Supplemental Executive Benefit Plan					$ 6,367	6,367
13	Total (Ln 10 + Ln 11 + Ln 12)	$ 75,047	$ (183,588)	$ 299,646	$ (1,035,492)	$ 6,367	$ (838,020)

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	**Rate R @ 40.7 Ccf**							
2	Base Rates:							
3	Customer Charge		$ 23.65	$ 24.35	$ 23.65	$ 24.35	$ 0.70	
4	Consumption Charge (Ccf)	40.7	$ 0.74748	$ 1.03839	30.44	42.29	11.85	
5	Total Base Rates				$ 54.09	$ 66.64	$ 12.55	23.20%
6								
7	Gas Cost:							
8	Rider GCR Part A (Ccf)	40.7	$ 0.26375	$ 0.26375	$ 10.74	$ 10.74	$ -	
9	Rider GCR Part B (Ccf)	40.7	$ 0.58642	$ 0.58642	23.88	23.88	-	
10	Total Gas Cost				$ 34.62	$ 34.62	$ -	0.00%
11								
12	Total Base with Gas Cost				$ 88.71	$ 101.26	$ 12.55	
13	Rider FF & Rider TAX		0.06509	0.06509	5.77	6.59	0.82	14.15%
14								
15	**Total Residential Average Bill**				**$ 94.48**	**$ 107.85**	**$ 13.37**	**14.15%**
16								
17	**Rate C @ 372.6 Ccf**							
18	Base Rates:							
19	Customer Charge		$ 94.00	$ 115.50	$ 94.00	$ 115.50	$ 21.50	
20	Consumption Charge (Ccf)	372.6	$ 0.22261	$ 0.27784	82.95	103.53	20.58	
21	Total Base Rates				$ 176.95	$ 219.03	$ 42.08	23.78%
22								
23	Gas Cost:							
24	Rider GCR Part A	372.6	$ 0.26375	$ 0.26375	$ 98.28	$ 98.28	$ -	
25	Rider GCR Part B	372.6	$ 0.40258	$ 0.40258	150.02	150.02	-	
26	Total Gas Cost				$ 248.30	$ 248.30	$ -	0.00%
27								
28	Total Base with Gas Cost				$ 425.25	$ 467.33	$ 42.08	
29	Rider FF & Rider TAX		0.06509	0.06509	27.68	30.42	2.74	9.90%
30								
31	**Total Commercial Average Bill**				**$ 452.93**	**$ 497.75**	**$ 44.82**	**9.90%**
32								

ATMOS ENERGY CORP., MID-TEX DIVISION
MID-TEX RATE REVIEW MECHANISM
AVERAGE BILL COMPARISON - BASE RATES
TEST YEAR ENDING DECEMBER 31, 2025

Line No.	Description	Average Volumes	Current Rates	Proposed Rates	Current Average Bill	Proposed Average Bill	Amount Change	Percent Change
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
33	**Rate I at 1263 MMBTU**							
34	Base Rates:							
35	Customer Charge		$1,848.75	$ 2,304.50	$ 1,848.75	$ 2,304.50	$ 455.75	
36	Block 1 - Consumption Charge (MMBtu)	1,263	$ 0.7678	$ 0.9582	969.87	1,210.38	240.51	
37	Block 2 - Consumption Charge (MMBtu)	-	$ 0.5623	$ 0.7018	-	-	-	
38	Block 3 - Consumption Charge (MMBtu)	-	$ 0.1206	$ 0.1505	-	-	-	
39	Total Base Rates	1,263			$ 2,818.62	$ 3,514.88	$ 696.26	24.70%
40								
41	Gas Cost:							
42	Rider GCR Part A (MMBtu)	1,263	$ 2.63750	$ 2.63750	$ 3,331.65	$ 3,331.65	$ -	
43	Rider GCR Part B (MMBtu)	1,263	$ 0.90813	$ 0.90813	1,147.13	1,147.13	-	
44	Total Gas Cost				$ 4,478.78	$ 4,478.78	$ -	0.00%
45								
46	Total Base with Gas Cost				$ 7,297.41	$ 7,993.67	$ 696.26	
47	Rider FF and Rider TAX		0.06509	0.06509	475.01	520.33	45.32	9.54%
48								
49	**Total Industrial Average Bill**				**$ 7,772.42**	**$ 8,514.00**	**$ 741.58**	**9.54%**
50								
51	**Rate T at 4935 MMBTU**							
52	Base Rates:							
53	Customer Charge		$1,848.75	$ 2,304.50	$ 1,848.75	$ 2,304.50	$ 455.75	
54	Block 1 - Consumption Charge (MMBtu)	1,500	$ 0.7678	$ 0.9582	1,151.70	1,437.30	285.60	
55	Block 2 - Consumption Charge (MMBtu)	3,435	$ 0.5623	$ 0.7018	1,931.41	2,410.57	479.16	
56	Block 3 - Consumption Charge (MMBtu)	-	$ 0.1206	$ 0.1505	-	-	-	
57	Total Base Rates	4,935			$ 4,931.86	$ 6,152.37	$ 1,220.51	24.75%
58								
59	Gas Cost:							
60	Rider GCR Part B (MMBtu)	4,935	$ 0.90813	$ 0.90813	$ 4,481.46	$ 4,481.46	$ -	
61	Total Gas Cost				$ 4,481.46	$ 4,481.46	$ -	0.00%
62								
63	Total Base with Gas Cost				$ 9,413.33	$ 10,633.84	$ 1,220.51	
64	Rider FF and Rider TAX		0.06509	0.06509	612.74	692.19	79.45	12.97%
65								
66	**Total Transportation Average Bill**				**$ 10,026.07**	**$ 11,326.02**	**$ 1,299.96**	**12.97%**

City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Water Utilities

ACM: Christine Taylor

DATE: August 18, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas approving the execution and delivery of a financing agreement with the Texas Water Development Board regarding the issuance of utility system revenue bonds by the City for waterworks system improvements and related issuance costs, and approving the obligations of the City with respect to such agreement; authorizing the City Manager, City Secretary and Chief Financial Officer to take the actions necessary to accomplish the purposes of the ordinance and resolving other matters relating to the subject; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

In 2024, the Water Utilities Department applied for and received approval for $195,845,000 in funding from the Texas Water Development Board (TWDB) State Water Implementation Fund for Texas (SWIFT) program. The SWIFT program offers financial assistance for projects outlined in the state water plan, enabling communities to develop and optimize their water supplies. SWIFT offers fixed-rate loans at below-market interest rates. The exact rates will be provided when TWDB makes the annual funding commitment.

This is the third year of the approved loan which is being used for the Ray Roberts Water Treatment Plant (RRWTP) Expansion project. This project will expand RRWTP's treatment capacity by an additional 20 million gallons per day (MGD) through the design and construction of a parallel membrane process train, with space reserved for an additional 30 MGD in the future for a total of 50 MGD at full build-out. To achieve the goal of completing the RRWTP Expansion, City staff evaluated the use of a Construction Manager at Risk. This alternative delivery method will make project delivery more efficient. By utilizing this methodology, staff's goal of construction sequencing to mitigate increasing costs, pre-purchasing equipment to plan for long lead times, and gaining overall cost value will be prioritized. The total opinion of probable construction cost for this project when the application was approved was approximately $195,845,000.

The application for the SWIFT low-interest loan was approved on June 23, 2024, by the TWDB. Attached is the draft financing agreement, Exhibit 2, for the third of the five-year SWIFT funding plan, which has been reviewed by staff, the City's bond counsel, and financial advisers. The financing agreement is a mutual commitment between the City and the TWDB stating that the City is committed to entering into a loan agreement with the TWDB with funds made available by bonds that will be issued by the TWDB. The financing agreement also details termination penalties in the event the City does not execute the loan after executing the financing agreement. While the application was approved for $195,845,000, staff elected a multi-year funding term to align with project needs. Annually, both a financing and a loan agreement will

be executed with totals not to exceed the total approved loan amount. Below is the estimated five-year breakdown. Year one, FY 2024-25, and year two, FY 2025-26, have been issued. With this financing agreement, the City is preparing for the issuance of year three, FY 2026-27.

- FY 24/25: $10,135,000
- FY 25/26: $11,235,000
- **FY 26/27: $57,240,000**
- FY 27/28: $87,690,000
- FY 28/29: $29,545.000

The current financing agreement is for $57,240,000 and is due to the TWDB on or before September 4, 2026. The TWDB will sell bonds and use the proceeds to fund the SWIFT loans. The City will be expected to close the loan in mid-November to early December and will then be fully obligated to repay the loan.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On April 2, 2024, the City Council adopted a resolution (Res 24-562) authorizing the submission of a funding application to the Texas Water Development Board in the amount of $195,845,000.

On October 22, 2024, the City Council adopted an ordinance (Ord 24-1526) authorizing the issuance, sale, and delivery of $10,135,000 for year one of the multi-year funding.

On October 21, 2025, the City Council adopted an ordinance (Ord 25-1676) authorizing the issuance, sale, and delivery of $11,235,000 for year two of the multi-year funding.

RECOMMENDATION

Staff recommends approval of the ordinance to execute the financing agreement with the Texas Water Development Board.

FISCAL INFORMATION

The required loan payment is budgeted in the Water Utilities operating account 630900.8301. Loan proceeds are appropriated for use in the fiscal year 2026-27 capital improvement program.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance
Exhibit 3: Presentation
Exhibit 4: Draft Financing Agreement

Respectfully submitted:
Stephen D. Gay
General Manager
Water Utilities and Street Operations
940-349-8086

For information concerning this acquisition, contact: Katherine Koch, 940-349-8419.

Legal point of contact: Susan Keller at 940-349-8333.

ORDINANCE NO. 26-_____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS APPROVING THE EXECUTION AND DELIVERY OF A FINANCING AGREEMENT WITH THE TEXAS WATER DEVELOPMENT BOARD REGARDING THE ISSUANCE OF UTILITY SYSTEM REVENUE BONDS BY THE CITY FOR WATERWORKS SYSTEM IMPROVEMENTS AND RELATED ISSUANCE COSTS, AND APPROVING THE OBLIGATIONS OF THE CITY WITH RESPECT TO SUCH AGREEMENT; AUTHORIZING THE CITY MANAGER, CITY SECRETARY AND CHIEF FINANCIAL OFFICER TO TAKE THE ACTIONS NECESSARY TO ACCOMPLISH THE PURPOSES OF THE ORDINANCE AND RESOLVING OTHER MATTERS RELATING TO THE SUBJECT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton, Texas (the "City") has received a multi-year commitment from the Texas Water Development Board ("TWDB") pursuant to which TWDB agrees to loan $195,845,000 to the City (the "Loan"), as evidenced by the issuance of the City's Utility System Revenue Bonds to be sold to TWDB, to fund costs related to acquiring, constructing, installing and equipping improvements to the City's waterworks system, including the renovation and expansion of the Lake Ray Roberts Water Treatment Plant; and

WHEREAS, the City issued its Utility System Revenue Bonds, Series 2024 in December of 2024 in the amount of $10,135,000 to sell to the TWDB as the first of five installments of Utility System Revenue Bonds to be sold to the TWDB; and

WHEREAS, the City issued its $11,235,000 Utility System Revenue Bonds, Series 2025 in December of 2025 as the second installment of Utility System Revenue Bonds to be sold to TWDB; and

WHEREAS, the City intends to issue its $57,240,000 Utility System Revenue Bonds, Series 2026 ("Series 2026 Bonds"), in November or December of 2026 as the third installment of Utility System Revenue Bonds to be sold to TWDB; and

WHEREAS, TWDB has presented to the City a financing agreement (the "Financing Agreement") in connection with the Series 2026 Bonds, in which the City agrees to certain conditions with respect to the Series 2026 Bonds, including the payment by the City to TWDB of termination fees and expenses if certain specified events occur or do not occur; and

WHEREAS, this City Council hereby finds and determines that it is a public benefit to and in the best interests of the City and its residents to enter into the Financing Agreement in order to obtain the installment of the Loan evidenced by the Series 2026 Bonds to fund needed improvements and additions to the City's waterworks system; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed, was open to the public and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated into the body of this ordinance as if they were fully set out herein.

SECTION 2. The Financing Agreement, in substantially the form presented at this meeting, is hereby approved and the City Manager is hereby authorized and directed to execute and deliver the

Financing Agreement with such changes as such authorized officer determines to be necessary or acceptable in connection therewith.

SECTION 3. The City hereby designates the Water System Fund for payment of the amounts set forth in the Financing Agreement that may become due as described in the Financing Agreement. Until such time as the obligations of the City under the Financing Agreement have terminated, such funds are hereby appropriated, budgeted and reserved for such purposes.

SECTION 4. The City Manager, Chief Financial Officer and City Secretary, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to take such actions and to execute and deliver in the name and on behalf of the City all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance.

SECTION 5. This Ordinance shall become effective immediately upon adoption.

The motion to approve this Ordinance was made by _____ and seconded by _____. This Ordinance was passed and approved by the following vote [__ – __ – __]:

	Aye	**Nay**	**Abstain**	**Absent**
Mayor Chris Watts:	_____	_____	_____	_____
Jordan E. Villarreal, District 1:	_____	_____	_____	_____
Nick Stevens, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
George Ferrie, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the 18th day of August, 2026.

_____
CHRIS WATTS, MAYOR

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Susan Keller Digitally signed by Susan Keller Date: 2026.08.04 22:41:35 -05'00'

Texas Water Development Board (TWDB) State Water Implementation Fund for Texas (SWIFT) Financing Agreement Authorization

Katie Koch
Project Manager

Matt Hamilton
Chief Financial Officer

File ID 26-1207 August 18, 2026

Ray Roberts Water Treatment Plant Expansion Project

- In 2024, the Water Utilities department applied for and received approval for a multi-year low-interest loan totaling $195,845,000 from the Texas Water Development Board (TWDB) State Water Implementation Fund for Texas (SWIFT) program to fund the Ray Roberts Water Treatment Plant (RRWTP) Expansion Project.

- The RRWTP was placed into service in 2002 and has a current treatment capacity of 20 million gallons a day (MGD). Based on Hunter-Cole Development Analysis, MUD growth analysis, and average annual city growth, it is currently anticipated that the RRWTP will need to support a build-out capacity of approximately 110 MGD by the year 2053.

- This project will expand RRWTP's treatment capacity by an additional 20 million gallons per day (MGD) through the design and construction of a parallel membrane process train, with space reserved for an additional 30 MGD in treatment capacity.

- The RRWTP Expansion Project is in the Design phase with the CMAR and the Design Engineer on contract as of September 2025. It is anticipated that construction will begin in early 2027 and be complete by early 2032.

State Water Implementation Fund for Texas (SWIFT) Loan Program

- Passed by the Legislature and approved by Texas voters through a constitutional amendment, the State Water Implementation Fund for Texas (SWIFT) program helps communities develop and optimize water supplies at cost-effective rates.

- Benefits of the program include:
  - Diversification of our financial portfolio
  - Interest Savings – TWDB offers subsidized interest rates typically 1%-2% lower than the rates the City would receive issuing COs.
  - Extended amortization or deferred repayment options

- It is anticipated that the City will save upwards of $20 million by utilizing SWIFT funding.

Financing Agreement

- The Financing Agreement is a binding commitment between the City and the TWDB that obligates the City to borrow $57,240,000 during FY 2026-27.

- Annually, both a financing and a loan agreement will be executed for the below amounts.
  - FY 24/25: $10,135,000 (funding closed)
  - FY 25/26: $11,235,000 (funding closed)
  - **FY 26/27: $57,240,000**
  - FY 27/28: $87,690,000
  - FY 28/29: $29,545,000

- Debt service payments are included in the proposed FY 2026-27 budget and financial proforma. Payments on the $57.2 million TWDB financing agreement begin June 2027.

Year 3 Funding Timeline

- August 18, 2026 – Financing Agreement presented to Council
- September 4, 2026 – Executed Financing Agreement due to TWDB
- September 25, 2026 – TWDB sells bonds which will fund the City's approved loan application
- October TBD – City Council considers ordinance authorizing the issuance of City bonds to TWDB
- Late November/Early December – Funding closes

Questions?

FINANCING AGREEMENT

This FINANCING AGREEMENT (Agreement) is entered into between the TEXAS WATER DEVELOPMENT BOARD (TWDB), and the City of Denton (City). The TWDB and the City may be referred to as the "Party or the Parties" in this Agreement.

RECITALS

The TWDB adopted Resolution 24-048 (Attachment A referred to as the Resolution) on July 23, 2024, making a commitment to the City for financial assistance in a total amount of $195,845,000 (TWDB Commitment) from the State Water Implementation Revenue Fund for Texas (SWIRFT)] or the Financial Assistance Account of the Development Fund II (DFund II) as the source account as determined by the Executive Administrator.

Through this Agreement, the City intends to sell to the TWDB the City's $195,845,000 City of Denton, Texas Utility System Revenue Bonds, Proposed Series 2026 (City Bonds) for the TWDB's financial assistance as further described in Attachment B.

The City shall execute (a) separate financing agreement(s) for the remaining amount(s) of the commitment made in the Resolution at a date or dates to be determined by the Executive Administrator of the TWDB; and

The SWIRFT is funded in part with proceeds of the expected issuance of TWDB's revenue bonds (SWIRFT Bonds), issued under authority of Texas Water Code §§ 15.472 and 15.475, and Texas Constitution, Article III, Section 49-d-13.

The SWIRFT is funded, in part, with money received as repayment of financial assistance provided from the SWIRFT, under Texas Water Code § 15.472, which is used to pay the principal and interest on the SWIRFT Bonds, under Texas Water Code § 15.474, and Texas Constitution, Article III, Section 49-d-13(d) and (f.).

The SWIRFT Bonds are additionally secured by money made available under the terms of a bond enhancement agreement executed under authority of Texas Water Code §§ 15.434 and 15.435, and Texas Constitution, Article III, Section 49-d-12.

DFund II is funded, in part, with proceeds of the expected issuance of TWDB's Water Financial Assistance Bonds authorized under Texas Water Code § 17.959 and Texas Constitution, Article III, Sections 49-d-8, 49-d-9, 49-d-11, and money received as repayment of financial assistance provided from DFund II used to pay the principal and interest on such

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Bonds.

The Resolution provides that funding the TWDB Commitment is contingent on future sales of SWIRFT Bonds designated by the TWDB or a future sale of DFunds II Bonds or on the availability of funds on hand.

The Resolution authorizes the Executive Administrator of the TWDB to determine the source account, whether the SWIRFT or DFundII.

The TWDB intends to provide financial assistance from the SWIRFT to the City with proceeds of SWIRFT Bonds or from DFund II Bonds to the City.

The TWDB and the City desire to enter into this Agreement to set forth the obligations of the Parties with respect to the TWDB providing financial assistance to the City.

NOW, THEREFORE, for and in consideration of the promises and the mutual covenants contained in this Agreement, the TWDB and the City agree as follows:

AGREEMENT

SECTION 1. MUTUAL COMMITMENT. As further described in the Resolution, the TWDB committed to provide financial assistance to the City and the City hereby commits to borrow from the TWDB an amount not to exceed $57,240,000 from the SWIRFT or DFund II (collectively or individually the TWDB Bonds) to be evidenced by the issuance and delivery of City Bonds to the TWDB consistent with the terms and conditions described in this Agreement, Attachment A, Attachment B, and Attachment C. The City agrees that the Executive Administrator of the TWDB will determine the source account, whether the SWIRFT or the DFundII.

SECTION 2. TRANSACTION SCHEDULE AND EARLY REDEMPTION. By execution of this Agreement, the City acknowledges and represents that it has a current need for financial assistance from the TWDB and will take all necessary steps to issue and deliver the City Bonds to evidence the TWDB Commitment described in Section 1. The City further acknowledges and understands that the TWDB is entering into this Agreement for the sole purpose of issuing TWDB Bonds to fund the TWDB commitment described in the Resolution and in this Agreement. The City acknowledges that the TWDB Bonds, the subject of this Agreement, are being issued for the purpose of funding the City's requested financial assistance.

With respect to the City Bonds and the TWDB Bonds, the Parties agree to structure such public securities in a manner that will allow for substantially similar terms, redemption provisions, and related matters to allow the TWDB to timely pay the debt service on the TWDB Bonds. The foregoing notwithstanding, the TWDB consents to early redemption, or prepayment of the City Bonds, as provided for in this Agreement and the Resolution. The City Bonds may be prepaid by the City on any date beginning on or after the first scheduled

interest payment date that occurs no earlier than 10 years from the dated date of the City Bonds. To confirm the terms of the City Bonds and the TWDB Bonds, the City shall execute this Agreement.

To mutually assure the performance of the Parties under this Agreement, the Parties agree that the issuance and delivery of the TWDB Bonds and the issuance and delivery of the City's Bonds to TWDB must occur not more than sixty-four (64) days apart as reflected in Attachment C. Failure by the City to issue and deliver to the TWDB the City's Bonds will result in the City being liable to the TWDB for the stipulated damages agreed to by the Parties in Section 3 of this Agreement.

SECTION 3. BINDING COMMITMENT. The TWDB agrees to take all necessary steps to issue the TWDB Bonds for the purposes described in this Agreement and in the Resolution upon receipt of this Agreement, which shall be signed and delivered by the City to the Executive Administrator of the TWDB at least seventeen (17) days before the initiation of the pricing of the TWDB Bonds, as set forth in Attachment C. The City acknowledges that the schedule provided in Attachment C is a best estimate by the TWDB and is subject to change by the TWDB. The TWDB expressly reserves the right to modify Attachment C at any time and shall provide the City with an updated Attachment C as soon as practicable upon any modification; provided that, if such modification of Attachment C occurs before the initiation of pricing of the TWDB Bonds and such modification results in an earlier scheduled pricing date, no such modification of Attachment C may result in the City having fewer than five (5) days between the receipt of the modified schedule and the TWDB posting the Preliminary Official Statement for the TWDB Bonds.

SECTION 4. BREACH OF AGREEMENT, LIQUIDATED DAMAGES.

A. The Parties agree that the City may terminate this Agreement in writing with no penalty at any time up to fourteen (14) days before the initiation of the pricing of the TWDB Bonds, as set forth in Attachment C.

B. The City understands and agrees that the City may terminate this Agreement in writing between thirteen (13) days and six (6) days prior to the initiation of the pricing of the TWDB Bonds (currently estimated to occur on September 25, 2026) as set forth in Attachment C, provided the City agrees to reimburse the TWDB from lawfully available funds of the City for its proportional share of transaction costs incurred by the TWDB, such as, but not limited to, any fees or costs related to any rating agency, financial advisor, legal counsel, or other similar party or related costs pertaining to the TWDB Bonds in an amount not to exceed $62,826 (Transaction Cost Payment). The City shall be obligated to pay such costs to the TWDB no later than March 4, 2027.

C. The City understands and agrees that the City may terminate this Agreement in writing within five (5) days prior to the initiation of the pricing of the TWDB Bonds as set forth in Attachment C and no later than 9:00 am Central Standard Time on the

day before the TWDB Bond Pricing, provided the City agrees to pay to the TWDB from lawfully available funds 1.0 percent of the amount of the commitment authorized in Section 1 of this Agreement (Pre-pricing Termination Payment), and additionally shall reimburse the TWDB from lawfully available funds of the City its Transaction Cost Payment. The City shall be obligated to pay such costs to the TWDB no later than March 4, 2027. The City understands and agrees that termination under this section will result in a total penalty amount of $635,226.

D. The City understands and agrees that TWDB would suffer and incur severe and irreparable damages if the City Bonds are not issued and delivered. Failure to issue the City Bonds by the date specified in Attachment C, as contemplated in this Agreement, shall be a breach of this Agreement and the City shall pay, from lawfully available funds of the City, a "Post-pricing Termination Payment" to the TWDB. The Post-pricing Termination Payment shall be an amount equal to 5.0 percent of the amount of the commitment authorized in Section 1 of this Agreement. The City shall pay the Post-pricing Termination Payment to the TWDB no later than March 4, 2027. The City shall also reimburse the TWDB from lawfully available funds of the City, its Transaction Cost Payment, plus the City's proportional share of the underwriters' discount incurred by the TWDB, no later than March 4, 2027. The City understands and agrees that failure by the City to issue the City Bonds by the date specified in Attachment C, will result in a total penalty amount pursuant to this section not to exceed $3,196,716.

SECTION 5. AMORTIZATION STRUCTURE. The City shall provide the TWDB a maturity schedule in the form set forth in Attachment B at the time of execution of this Agreement. A final amortization structure will be required at least fourteen (14) days before the initiation of pricing of the TWDB Bonds in accordance with the provisions of this Agreement. The par amount included in Attachment B may be revised, subject to approval by the Executive Administrator of the TWDB, at any time up to the fourteenth (14) day before the initiation of pricing of the TWDB Bonds with no penalty.

The final amortization schedule adopted by the City as included in the City's Private Placement Memorandum and Bond Resolution must reflect the final amortization structure set forth in Attachment B. The City must provide the TWDB a final amortization schedule at least seven (7) days prior to adoption of City's Bond Resolution. To the extent the amortization schedule included in Attachment B does not match the amortization schedule included in the finally adopted bonds, the City will be subject to the damages described above in Section 4D.

SECTION 6. CONTINGENCIES AND TERMINATION.

A. The Parties agree that the TWDB's obligation to purchase the City's Bonds with theTWDB Bond proceeds is contingent upon the TWDB receiving all legally required approvals for the issuance of the TWDB Bonds from the Legislative Budget Board, the Bond Review Board, and the Texas Attorney General. The TWDB's obligation to

purchase the City's Bonds with the TWDB is also contingent upon the purchase and delivery of the TWDB Bond proceeds by the underwriters pursuant to the Bond Purchase Agreement relating to the TWDB Bonds.

Accordingly, if any contingency described in the preceding paragraph above is unmet, the TWDB, upon delivery of written notice thereof to the City, may extend or terminate this Agreement together with all of its obligations and duties without incurring any cost, fee, or penalty for either the TWDB or the City.

B. The Parties agree that the City's obligation to issue and deliver the City Bonds is contingent upon approval by the Texas Attorney General of the City Bonds. The City agrees to use its best efforts to obtain approval by the Texas Attorney General of the City Bonds to satisfy the closing requirements set forth in Section 2 of this Agreement. To this end, the City agrees as follows:

(1) City shall timely file the transcript of proceedings for the City Bonds with the Texas Attorney General in accordance with the schedule contained in Attachment C;

(2) City shall comply with the requirements and conditions contained in the Resolution;

(3) City shall provide the TWDB with a copy of the preliminary approval letter from the Texas Attorney General promptly upon receipt;

(4) City shall provide the TWDB with a copy of its responses to the preliminary approval letter concurrently with the submission of such responses to the Texas Attorney General; and

(5) City shall allow TWDB to brief the Texas Attorney General on any issues noted in the preliminary approval letter and initiate or participate in conferences with the Texas Attorney General related to the approval of the City Bonds.

Accordingly, if, after the City employs its best efforts to obtain approval by the Texas Attorney General and such approval cannot be obtained by the date specified in Attachment C, the TWDB, as a matter of law, at its sole discretion, may terminate this Agreement and upon termination the City shall pay, from any of its lawfully available funds, the Post-pricing Termination Payment no later than March 4, 2027, as provided in Section 4D. The City shall also reimburse the TWDB from lawfully available funds of the City its Transaction Cost Payment plus the City's proportional share of the underwriters' discount no later than March 4, 2027. The City understands and agrees that if the City does not obtain approval from the Texas Attorney General and issue its City Bonds by the date specified in Attachment C, it will be subject to total damages pursuant to this section not to exceed $3,196,716.

SECTION 7. REDEMPTION OF OUTSTANDING DEBT. Proceeds of the City Bonds shall not be used, in whole or in part, to redeem outstanding bonds, commercial paper, or other

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obligations issued by the City. The City agrees that it will not take or fail to take any action that will cause the TWDB Bonds to be considered to be advance refunding bonds under Section 149(d) of the Internal Revenue Code of 1986, as amended.

SECTION 8. NOTICES. All notices, agreements or other communications required by this Agreement will be given, and will be deemed given, when delivered in writing to the address, facsimile, or email of the identified Party or Parties set forth below:

Texas Water Development Board Development Fund Manager P.O. Box 13231 Austin, Texas 78711-3231 Telephone (512) 475-4584 Facsimile (512) 475-2053	City of Denton Attn: <<ENTITY CONTACT>> <<ENTITY ADDRESS>> Telephone: Facsimile: E-mail:

SECTION 9. SEVERABILITY. In the event any provision of this Agreement is held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate, render unenforceable or otherwise affect any other provisions.

SECTION 10. AMENDMENTS, SUPPLEMENTS AND MODIFICATIONS. Other than the changes allowed under Section 3 and Section 5, this Agreement may be amended, supplemented, or modified only in a writing executed by duly authorized representatives of the Parties.

SECTION 11. APPLICABLE LAW. This Agreement and any amendments will be governed by and construed in accordance with the laws of the State of Texas.

SECTION 12. STATE AUDIT. By executing this Agreement, the City accepts the City of the Texas State Auditor's Office to conduct audits and investigations in connection with all state funds received pursuant to this Agreement. The City must comply with any directive from the Texas State Auditor and will cooperate in any such investigation or audit. The City agrees to provide the Texas State Auditor with access to any information the Texas State Auditor considers relevant to the investigation or audit.

SECTION 13. FORCE MAJEURE. Either Party to this Agreement may be excused from performance under this contract for any period when performance is prevented as the result of an act of God, strike, war, civil disturbance, or epidemic, provided that the Party experiencing the event of Force Majeure has prudently and promptly acted to take any and all steps that are within the Party's control to ensure performance and to shorten the duration of the event of Force Majeure. The Party suffering an event of Force Majeure must provide notice of the event to the other Party as soon as practicable but not later than five business days after the event. Subject to this provision, such nonperformance will not be deemed a breach or a ground for termination.

SECTION 14. EFFECTIVE DATE. This Agreement is effective as of the date of the last signature below.

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SECTION 15. BINDING AGREEMENT. The execution of this Agreement has been authorized by the governing boards of both Parties. The individuals executing this Agreement have the legal City to bind each respective Party to the terms and conditions of this Agreement. The respective commitments of the TWDB and the City set forth above is binding upon the TWDB and the City upon both Parties' execution of this Agreement.

[Remainder of Page Intentionally Left Blank]

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EXECUTED in multiple counterparts, each of which shall be deemed to be an original.

CITY OF DENTON

By: _____
Name: <<RESPONSIBLE OFFICIAL>>
Title: <<TITLE>>

Date: _____

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TEXAS WATER DEVELOPMENT BOARD

By: _____
Name: Bryan McMath
Title: Executive Administrator

Date: _____

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ATTACHMENT A

TWDB RESOLUTION NO. 24-048

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A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE TO
THE CITY OF DENTON
IN THE FORM OF A MULTI-YEAR COMMITMENT
FROM THE STATE WATER IMPLEMENTATION REVENUE FUND FOR TEXAS
THROUGH THE PROPOSED PURCHASE OF
$195,845,000 CITY OF DENTON, TEXAS UTILITY SYSTEM REVENUE BONDS,
PROPOSED SERIES 2024 THROUGH PROPOSED SERIES 2028

(24-048)

Recitals:

The City of Denton (City), located in Denton County, has filed an application for financial assistance in the amount of $195,845,000 from the State Water Implementation Revenue Fund for Texas (SWIRFT) to finance the planning, acquisition, design, and construction of a water supply project identified as Project No. 51083 (Project).

The City seeks financial assistance from the Texas Water Development Board (TWDB) in the form of a multi-year commitment through the TWDB's proposed purchase of $195,845,000 City of Denton, Texas Utility System Revenue Bonds, Proposed Series 2024 through Proposed Series 2028, (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the Executive Administrator's staff.

The City has offered a pledge of utility system revenue as sufficient security for the repayment of the Obligations.

The commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 363.1307.

Subject to the City's use of an approved debt service structure, interest rate subsidies are available to the City for State Fiscal Year 2024 at up to the following levels: 25% for financial assistance for a term of 20 years, 18% for financial assistance for a term of 21 to 25 years, and 14% for financial assistance for a term of 26 to 30 years. The interest rate subsidy applicable to each subsequent proposed series may be different than the interest rate subsidy available for State Fiscal Year 2024 and will be set through each financing agreement executed between the TWDB and the City.

The interest rate subsidies provided above are based on assumptions necessary to generate an optimum debt service structure for the anticipated TWDB SWIRFT bond issuance and are subject to modification as necessary to preserve and maintain the integrity of the SWIRFT Program.

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The City requests a waiver of the requirement that a portion of the financial assistance received from the TWDB be used to mitigate the City's system water loss because of a current project of the City that is addressing water loss.
Findings:

1. The application and assistance applied for meet the requirements of Texas Water Code, Chapter 15, Subchapters G and H and 31 TAC Chapter 363, Subchapters A and M.

2. The Project is a recommended water management strategy project in the State Water Plan adopted pursuant to Texas Water Code § 16.051, in accordance with Texas Water Code § 15.474(a).

3. The City has submitted and implemented a water conservation plan in accordance with Texas Water Code § 16.4021 and 31 TAC § 363.1309(b)(1).

4. The City has completed its current water audit and filed it with the TWDB in accordance with Texas Water Code § 16.0121 and 31 TAC § 358.6.

5. Based on the conditions described above, the City is satisfactorily addressing the City's system water loss, supporting a waiver of the requirement that a portion of the financial assistance received from the TWDB be used to mitigate the City's system water loss in accordance with Texas Water Code § 16.0121(g).

6. The City acknowledges its legal obligation to comply with any applicable requirements of federal law related to contracting with disadvantaged business enterprises and any applicable state law related to contracting with historically underutilized businesses, in accordance with Texas Water Code § 15.435(h) and 31 TAC § 363.1309(b)(3).

NOW THEREFORE, based on these findings, the TWDB commits to the following:

1. For the reasons stated above, the TWDB waives the requirements of Texas Water Code § 16.0121(g).

2. The TWDB will provide financial assistance to City of Denton in the amount of $195,845,000 from the State Water Implementation Revenue Fund for Texas to be evidenced by the TWDB's proposed purchase of City of Denton, Texas Utility System Revenue Bonds as follows:

   a. $10,135,000 Proposed Series 2024, to expire on December 31, 2024;
   b. $11,235,000 Proposed Series 2025, to expire on December 31, 2025;
   c. $57,240,000 Proposed Series 2026, to expire on December 31, 2026;
   d. $87,690,000 Proposed Series 2027, to expire on December 31, 2027; and
   e. $29,545,000 Proposed Series 2028, to expire on December 31, 2028.

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The commitment is subject to the following:

Standard Conditions:

1. This commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand.

2. This commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that the City has complied with all of the requirements of the laws under which the Obligations were issued, that the Obligations were issued in conformity with the Constitution and laws of the State of Texas, and that the Obligations are valid and binding obligations of the City.

3. This commitment is contingent upon the City's continued compliance with all applicable laws, rules, policies, and guidance as these may be amended from time to time to adapt to a change in law, in circumstances, or any other legal requirement.

4. This commitment is contingent upon the City executing a separate financing agreement, approved as to form and substance by the Executive Administrator, and submitting the executed agreement to the TWDB consistent with the terms and conditions described in it.

5. Interest rate subsidies for non-level debt service structure are subject to adjustment by the Executive Administrator.

6. The City shall use a paying agent/registrar in accordance with 31 TAC § 363.42(c)(2) and shall require the paying agent/registrar to provide a copy of all receipts documenting debt service payments to the TWDB and to the TWDB's designated Trustee.

Required Obligation Conditions:

7. The Obligations must provide that the Obligations can be called for early redemption on any date beginning on or after the first interest payment date that is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption.

8. The Obligations must provide that the City will comply with all applicable TWDB laws and rules related to the use of the financial assistance.

9. The Obligations must provide that the City must comply with all conditions as specified in the final environmental finding of the Executive Administrator when issued, including the standard emergency discovery conditions for threatened and endangered species and cultural resources.

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10. The Obligations must contain a provision requiring the City to maintain insurance coverage sufficient to protect the TWDB's interest in the project.

11. The Obligations must include a provision wherein the City, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the City's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by the Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of SEC rule 15c2-12, the continuing disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the City's Obligations, if the TWDB sells or otherwise transfers the Obligations, and the beneficial owners of the TWDB's bonds if the City is an obligated person with respect to the bonds under SEC Rule 15c2-12.

12. The Obligations must contain a provision requiring the City to levy a tax or maintain and collect sufficient rates and charges to produce system revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations.

13. The Obligations must include a provision requiring the City to use any proceeds from the Obligations that are determined to be surplus proceeds remaining after completion of the Project and completion of a final accounting in a manner approved by the Executive Administrator.

14. The Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect.

15. Financial assistance proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257.

16. Financial assistance proceeds shall not be used by the City when sampling, testing, removing, or disposing of contaminated soils or media at the Project site. The Obligations shall include a provision that states the City is solely responsible for liability resulting from acts or omissions of the City, its employees, contractors, or agents arising from the sampling, analysis, transport, storage, treatment, recycling, and disposition of any contaminated sewage sludge,

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contaminated sediments or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees as a result of activities relating to the Project to the extent permitted by law.

17. The Obligations must include a provision stating that the City shall report to the TWDB the amounts of Project funds, if any, that were used to compensate historically underutilized businesses that worked on the Project, in accordance with 31 TAC § 363.1312.

18. The Obligations must contain a provision that the TWDB will purchase the Obligations, acting through the TWDB's designated Trustee, and the Obligations shall be registered in the name of Cede & Co. and closed in book-entry-only form in accordance with 31 TAC § 363.42(c)(1).

19. The Obligations must contain a provision stating that the City shall abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by Texas Government Code, Chapter 2252, Subchapter G and Texas Water Code § 17.183.

20. The City must immediately notify TWDB in writing of any suit against it by the Attorney General of Texas under Texas Government Code § 2.103 and Texas Penal Code § 1.10(f), related to federal laws regulating firearms, firearm accessories, and firearm ammunition.

21. The Obligations must provide that the City will submit annually an audit prepared by a certified public accountant in accordance with generally accepted auditing standards.

22. The Obligations must include a provision that if the collateral or credit pledged by the City securing the Obligations is rated by a nationally-recognized statistical rating agency, the City, or other obligated person, will not discontinue the rating issued by a nationally-recognized statistical rating agency until the underlying Obligations are retired or no longer held by TWDB.

Tax-Exempt Conditions:

23. The Obligations must include a provision prohibiting the City from using the proceeds of this financial assistance in a manner that would cause the Obligations to become "private activity bonds" within the meaning of section 141 of the Internal Revenue Code as amended (Code) and the Treasury Regulations promulgated under it (Regulations).

24. The Obligations must provide that no portion of the proceeds of the financial assistance will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage bonds" within the meaning of section 148(a) of the Code and Regulations, including to acquire or to replace funds that were used,

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directly or indirectly, to acquire Nonpurpose Investments, as defined in the Code and Regulations, that produce a yield materially higher than the yield on the TWDB's bonds issued to provide the financial assistance (Source Series Bonds), other than Nonpurpose Investments acquired with;

a. proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until the proceeds are needed for the facilities to be financed;

b. amounts invested in a bona fide debt service fund within the meaning of section 1.148-1(b) of the Regulations; and

c. amounts deposited in any reasonably required reserve or replacement fund to the extent the amounts do not exceed the lesser of maximum annual debt service on the Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations.

25. The Obligations must include a provision that the City must take all necessary steps to comply with the requirement that amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of section 148 of the Code. The Obligations must provide that the City will:

a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures, and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures, and investments thereof) and retain all records of the accounting for at least six years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of its financial assistance with other money of the City, provided that the City separately accounts for each receipt and expenditure of the Gross Proceeds and the obligations acquired with the Gross Proceeds;

b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its financial assistance, not less frequently than each Computation Date, in accordance with rules set forth in section 148(f) of the Code, section 1.148-3 of the Regulations, and the associated rulings. The City shall maintain a copy of the calculations for at least six years after the final Computation Date;

c. pay to the United States the amount described in paragraph (b) above within 30 days after each Computation Date as additional consideration for providing financial assistance and in order to induce providing financial assistance by measures designed to ensure the excludability of the

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interest on the TWDB's Source Series Bonds from the gross income of the owners of TWDB's Bonds for federal income tax purposes;

d. exercise reasonable diligence to ensure that no errors are made in the calculations required by paragraph (b) and, if an error is made, to discover and promptly correct the error within a reasonable amount of time, including payment to the United States of any interest and any penalty required by the Regulations.

26. The Obligations must include a provision prohibiting the City from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes.

27. The Obligations must provide that the City will not cause or permit the Obligations to be treated as "federally guaranteed" obligations within the meaning of section 149(b) of the Code.

28. The Obligations must contain a covenant that the City will refrain from using the proceeds of the Obligations to pay debt service on another issue of the borrower's obligations in contravention of section 149(d) of the Code (related to "advance refundings").

29. The Obligations must provide that neither the City nor a party related to it will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the City by the TWDB.

Pledge Conditions:

30. The Obligations must require the accumulation of a reserve fund of no less than average annual debt service requirements, to be accumulated in equal monthly installments over the initial sixty (60) months following the issuance of the Obligations.

31. If the City has existing revenue obligations with the same pledge of security as the proposed Obligations that will remain outstanding after the term of any financial assistance provided by the TWDB pursuant to this commitment, the Obligations must contain a provision providing that the lien or liens securing the Obligations issued to the TWDB shall be at least on a parity with lien or liens securing the outstanding obligations.

32. The Obligations must contain a provision providing that additional revenue obligations may only be incurred if:

    1. Net system revenues are equal to the lesser of (A) at least 1.25 times the average annual debt service requirements, or (B) at least 1.10 times the maximum annual debt service requirements, of, in either case, the parity senior lien obligations to be outstanding at the time of issuance of the then

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proposed additional senior lien obligations, but excluding the additional senior lien obligations than being issue; and

2. An independent accountant or qualified independent engineer provides its opinion that projected net system revenues will be, for each of the five fiscal years subsequent to the date the capital improvement project that is being financed becomes commercially operative equal to the lesser of (A) at least 1.25 times the average annual debt service requirements, or (B) at least 1.10 the maximum annual debt service requirements, of, in either case, senior lien obligations then outstanding and all additional senior lien obligations then estimated to be issued, if any, for all improvements to the utility system and for all additional improvements then in progress or then being initiated during the period from the date the first series of obligations for the improvements is to be delivered through the fifth fiscal year subsequent to the date the improvements are estimated to become commercially operative.

Conditions To Close or For Release of Funds:

33. Before closing, the City shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements.

34. Before closing, if not previously provided with the application, the City shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel for the Project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator.

35. Before closing, when any portion of financial assistance is to be held in escrow or in trust, the City shall execute an escrow agreement or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB.

36. Before closing, the City shall provide certification that the average weighted maturity of the Obligations purchased by the TWDB does not exceed 120% of the average reasonably expected economic life of the Project.

37. Before closing, the City's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the City when rendering this opinion.

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38. Before closing, the City's bond counsel must prepare a written opinion that states that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the City when rendering this opinion.

39. The transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the City's reasonable expectations regarding the use, expenditure, and investment of the proceeds of the Obligations.

40. The transcript must include evidence that the information reporting requirements of section 149(e) of the Internal Revenue Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of section 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply.

APPROVED and ordered of record this the 23rd day of July 2024.

TEXAS WATER DEVELOPMENT BOARD

Brooke T. Paup

Brooke T. Paup, Chairwoman

DATE SIGNED: July 23, 2024

ATTEST:

Bryan McMath, Interim Executive Administrator

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ATTACHMENT B

DESCRIPTION OF BORROWER BONDS

Title of Borrower Bonds:

Project Name:

Project Number:

Aggregate Principal Amount of Borrower Bonds:

Anticipated Closing Date:

Dated Date:

First Principal Payment Date:

First Interest Payment Date:

Interest Accrual Date:

Maturity Schedule:

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ATTACHMENT C

FINANCING SCHEDULE*

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ATTACHMENT C

FINANCING SCHEDULE*

DATE	ACTION
07/23/2026	**TWDB approval of commitments**
09/7/2026	*Labor Day Holiday***
09/4/2026	***Financing agreement – last day to execute (19 calendar days prior to initiation of pricing)***
09/9/2026	Financing agreement (Sec. 4A) - last day political subdivisions can terminate without penalty (14 calendar days prior to initiation of pricing)
09/9/2026	Financing agreement (Sec. 5) - last day political subdivisions can modify maturity schedule (14 calendar days prior to initiation of pricing)
09/17/2026	Financing agreement (Sec. 4B) - last day political subdivisions can terminate with costs of issuance (6 calendar days prior to initiation of pricing)
09/21/2026	Financing agreement (Sec. 4C) - before 9:00 a.m. CDT political subdivisions can terminate with costs of issuance and 1% penalty (1 calendar day prior to pricing).
09/22/2026	**TWDB bond pricing initiation (pre-pricing begins)**
09/24/2026 - 09/25/2026	**TWDB bond pricing**
10/1/2026	TWDB approves interest rates available to political subdivisions
10/9/2026	TWDB bond closing (political subdivisions must close within 56 calendar days)
10/10/2026 to 12/11/2026	Closings on political subdivision obligations
10/12/2026	Columbus Day Holiday (TWDB open)**
Various	Political subdivisions adopt bond resolutions and/or master agreements
Various	Political subdivisions submit transcripts to Texas Attorney General in preparation of closing
11/11/2026	*Veteran's Day Holiday***
11/26/2026	*Thanksgiving Holiday***
11/27/2026	*Thanksgiving Holiday***
12/11/2026	**Last day to close on political subdivision obligations**
12/11/2026	Financing agreement (Sec. 4D) - penalty applied to any political subdivision failing to issue debt Start of post - pricing termination payment period (includes costs of issuance, underwriters' discount and 5% penalty)
03/4/2027	Last due date for payment of penalties

**Preliminary, subject to change*

***State agency holidays are reflected to show when TWDB is closed; they are counted towards deadlines.*

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