City of Denton

Meeting Agenda

City Council

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

Tuesday, March 24, 2026 | **2:00 PM** | **Council Work Session Room & Council Chambers**

SPECIAL CALLED

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

REGISTRATION GUIDELINES FOR ADDRESSING THE CITY COUNCIL

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

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, March 24, 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 26-0061 Meeting Questions, Responses & Handouts

Attachments: Exhibit 1 - Agenda Information Sheet

3. Work Session Reports

A. ID 25-2325 Receive a report, hold a discussion, and give staff direction regarding the FY 2024-25 Annual Comprehensive Financial Report and annual audit.

[Estimated Presentation/Discussion Time: 30 minutes]

Attachments: Exhibit 1. Agenda Information Sheet
Exhibit 2. FY 2024-25 Annual Comprehensive Financial Report
Exhibit 3. Single Audit Report
Exhibit 4. Auditor's Communication
Exhibit 5. Auditor's Presentation
Exhibit 6. Definitions

B. ID 26-2456 Receive a report, hold a discussion, and give staff direction regarding Audit Project 030-Solid Waste Operations: Follow-Up Review.

[Estimated Presentation/Discussion Time: 15 minutes]

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Follow-up Review of the Audit of Solid Waste Operations: Scale Hous
Exhibit 3 - Presentation

C. ID 26-2457 Receive a report, hold a discussion, and give staff direction regarding Audit Project 034-Fire Prevention: Follow-Up Review.

[Estimated Presentation/Discussion Time: 15 minutes]

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Follow-up Review of the Audit of Fire Prevention
Exhibit 3 - Presentation

D. ID 26-0278 Receive a report, hold a discussion, and give staff direction on pending City Council requests for:

1) Denton's Newspaper of Record

[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 26-0331 Deliberations Regarding Certain Public Power Utilities: Competitive Matters - Under Texas Government Code Section 551.086.

Receive information from staff regarding the energy cost adjustment schedule of rates for large load commercial customers that include public power utility competitive data; discuss, deliberate, and provide direction to staff regarding same. This agenda item is related to Consent Agenda item ID 26-0295 and will be a placeholder if Council Members have questions requiring confidential discussion as allowed by law.

B. ID 26-0373 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. 26-0500-442 styled "Alejandro Turco vs. Kyle Bishop and the City of Denton" pending in the 442nd 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. This agenda item is related to Consent Agenda item ID 26-0374 and will be a placeholder if Council members have questions requiring confidential discussion as allowed by law.

C. ID 26-2472 Deliberations regarding Personnel Matters - Under Texas Government Code Section 551.074.

Deliberate and discuss the evaluation, reassignment, duties, discipline, or dismissal of Internal Auditor to complete mid-year review.

D. ID 26-2473 Deliberations regarding Personnel Matters - Under Texas Government Code Section 551.074.

Deliberate and discuss the evaluation, reassignment, duties, discipline, or dismissal of Municipal Judge to complete mid-year review.

E. ID 26-2471 Deliberations regarding Personnel Matters - Under Texas Government Code Section 551.074.

Deliberate and discuss the evaluation, reassignment, duties, discipline, or dismissal of City Attorney to complete mid-year review.

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 SPECIAL CALLED MEETING OF THE CITY OF DENTON CITY COUNCIL WILL CONVENE IN THE COUNCIL CHAMBERS AT CITY HALL, 215 E. MCKINNEY STREET, DENTON, TEXAS FOR CONSIDERATION OF THE CONSENT AGENDA AND ITEMS FOR INDIVIDUAL CONSIDERATION IMMEDIATELY FOLLOWING THE CLOSED MEETING.

2. 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 – AB). 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 26-0385 Consider a nomination to the City of Denton Airport Advisory Board.

Attachments: Exhibit 1 - Agenda Information Sheet

B. ID 26-0297 Consider an appointment and reappointments to the Tax Increment Reinvestment Zone Number One Board (TIRZ 1) Board of Directors.

Attachments: Exhibit 1 - Agenda Information Sheet

C. ID 26-0426 Consider approval of a resolution of the City of Denton excusing the February 25, 2026, meeting absence of a Planning and Zoning Commission member; and providing an effective date.

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

D. ID 26-0124 Consider adoption of an ordinance of the City of Denton approving a Fourth Amendment to Airport Lease for Sheltair Aviation Denton, LLC covering property at 4849 Spartan Drive, Denton, Texas at the Denton Enterprise Airport; amending the existing airport lease; authorizing the City Manager to execute the Fourth Amendment of Airport Lease; and providing an effective date. Airport Advisory Board recommends approval (5-0).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Location Map
Exhibit 3 - Ordinance – Fourth Amendment to Airport Lease
Exhibit 4 - Statement of Parking Sufficiency
Exhibit 5 - LLC Information

E. ID 25-1726 Consider adoption of an ordinance of the City of Denton, Texas; adding an Article XIII entitled Cross-Connection Control and Backflow Prevention to Chapter 26 of the City of Denton Code of Ordinances; providing for a replacement program to control cross-connections and prevent backflow; regulating the protection of the city's potable water supply; providing backflow prevention assembly and installation requirements; providing a maintenance and testing program for backflow prevention assemblies; repealing Ordinance No. 97-369; providing a penalty up to $2000 for each violation of this ordinance; providing a severability clause; providing a savings clause; providing a repealer clause; and providing an effective date.

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

F. ID 26-0425 Consider adoption of an ordinance of the City of Denton ratifying and approving a settlement agreement between McCart St, LLC and the City of Denton, Texas concerning petitions for streamlined expedited release (Public Utility Commission of Texas Docket Nos. 58460 and 58462); directing the city manager or designee and the city's attorneys to effectuate as necessary and appropriate the terms of the settlement agreement; and declaring an effective date.

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

G. ID 26-0270 Consider adoption of an ordinance of the City of Denton, Texas, amending Chapter 28, Article XI ("Irrigation Systems") of the Code of the City of Denton, Texas to align with state regulations, clarify irrigator obligations, and revise enforcement provisions; establishing the minimum standards for installation of irrigation systems within the corporate limits and extraterritorial jurisdiction of the City of Denton, Texas; providing a penalty up to $2,000 for each violation of this ordinance; providing a severability clause; providing a savings clause; providing a repealer clause; and providing an effective date

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance
Exhibit 3 - Redline comparison

H. ID 26-0237 Consider adoption of an ordinance of the City of Denton granting HBA Design Build, LLC a noise exception pursuant to section 17-20(c)(3)(f) of the City of Denton code of ordinances with respect to sound levels and hours of operation for approximately 7 concrete parking lot and foundation pours utilizing concrete pumps, generators, and lights related to the construction of a new indoor recreation facility located at 3615 E McKinney St; granting an increase in sound levels and a variance in the hours of operation

which may be affected by weather, from 2:00 a.m. To 7:00 a.m., with sound not to exceed 91 decibels; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Applicant Request
Exhibit 3 - Aerial Map
Exhibit 4 - Paving Sequence
Exhibit 5 - Site Plan
Exhibit 6 - Additional Noise Request Backup
Exhibit 7 - Ordinance

I. ID 26-0311 Consider adoption of an ordinance of the City of Denton, a Texas Home-Rule Municipal Corporation, authorizing the City Manager to execute a Development Agreement with Mulberry Apartments LP for the construction of a replacement eight (8") inch water line along Mulberry Street, prior to future CIP Project 180007-1 in order to accommodate the future CIP improvements in the area for the Denton Water Utilities; providing for the expenditure of funds therefor in an amount not-to-exceed $140,085; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance and Development Agreement

J. ID 26-0295 Consider adoption of an ordinance of the City of Denton, Texas, establishing the schedule of rates for Electric Service; providing for a repealer; providing for a severability clause; and providing for an effective date. The Public Utilities Board recommends approval (5-0).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Rate Ordinance Redline
Exhibit 3 - Rate Ordinance
Exhibit 4 - Presentation

K. ID 26-0296 Consider adoption of an ordinance of the City of Denton amending Chapter 26 of the Code of Ordinances to update section 26-23(4) amending utility billing adjustment period provisions; and providing a severability clause; providing a savings clause; providing for codification; and an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance Redline
Exhibit 3 - Ordinance

L. ID 26-0194 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to apply for and accept on behalf of the City a reimbursement grant from the Federal Aviation Administration ("FAA"), administered by and through the Texas Department of Transportation ("TxDOT") relating to an Infrastructure Investment and Jobs Act ("IIJA") grant of $844,000.00 for Taxilane and Taxiway Design and Preliminary Engineering Report for the Airport; requiring the City to provide contributory funds up to $93,777.78, which is up to ten percent of the estimated

total project cost in an amount not to exceed $937,777.78; designating the Director of Airport as the authorized Representative for the City of Denton as it relates to this funding opportunity; and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance
Exhibit 3 - Designation of Sponsor

M. ID 26-0195 Consider adoption of an ordinance of the City of Denton ratifying the submission of an application to the U.S. Department of Transportation (USDOT) FY 2026 Better Utilizing Investments to Leverage Development (BUILD) Grant Program in the amount of $12,000,000 in grant funding, which will require $3,000,000 in City matching fund for a multimodal enhancement project for railroad crossings at US 377 and Bonnie Brae and US 377 and Johnson Lane (Brush Creek Corridor); and providing an effective date.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance
Exhibit 3 - BUILD Notice of Funding Opportunity

N. ID 26-0374 Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release implementing the terms of the settlement in litigation styled "26-0500-442 styled "Alejandro Turco vs. Kyle Bishop and the City of Denton" pending in the 442nd Judicial District Court, Denton County, Texas; and directing the City Manager or designee and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; and declaring an effective date.

Attachments: Exhibit 1 - AIS
Exhibit 2 - Ordinance and Settlement Agreement and Release

O. ID 26-0345 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8957 for the Denton Downtown Square Cleaning Services for the Parks and Recreation Department; and providing an effective date (RFP 8957).

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

P. ID 26-0341 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with Freese and Nichols, Inc., for the Lake Lewisville Water Treatment Plant Ozone Building Air Conditioning Installation Support for the Water Utilities Department as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8213-016 - Professional Services Agreement for support services awarded to Freese and Nichols, Inc., in the not-to-exceed amount of $114,984.00). The Public Utilities Board recommends approval (5 - 0).

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

Q. ID 26-0342 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 4X Construction Group, LLC, for the Cell 6 Construction Project at the Landfill for the Solid Waste and Recycling Department; providing for the expenditure of funds therefor; and providing an effective date (CSP 8907 - awarded to 4X Construction Group, LLC, in the not-to-exceed amount of $4,872,755.00). The Public Utilities Board recommends approval (5 - 0).

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

R. ID 26-0343 Consider adoption of 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 & Associates, Inc., for the Highway Safety Improvement Program design of traffic signals at the intersections of US 377 (Fort Worth Drive) at Lindsey Street and FM 1830 (Country Club Road) and Hobson Lane for the Traffic Engineering Department as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8377-013 - Professional Services Agreement for design services awarded to Kimley-Horn & Associates, Inc., in the not-to-exceed amount of $140,000.00).

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

S. ID 26-0344 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with Halff Associates, Inc., for professional landscape architecture design services for Pecan Creek Linear Trail Segments 1, 3, and 4A for the Capital Projects and Parks and Recreation Departments as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8596-003 - Professional Services Agreement for landscape architect services awarded to Halff Associates, Inc., in the not-to-exceed amount of $2,079,400.00).

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

T. ID 26-0346 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 RT Solutions Group LLC., for uninterrupted power supply services for various city buildings for the Facilities Management Department, providing for the expenditure of funds therefor; and providing an effective date (RFP 8960 - awarded to RT Solutions Group LLC., for one (1) year, with the option for four (4) additional one (1) year extensions, in total five (5) year not-to-exceed amount of $2,123,920.00).

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

U. ID 26-0347 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute an Interlocal Cooperative Purchasing Agreement with the City of Justin, under the Texas Government Code, Section 791.001, to authorize the City of Justin and City of Denton to utilize each entities' solicited contracts for the purchasing of various goods and services; authorizing the expenditure of funds therefor; and declaring an effective date (File 8978 - award an Interlocal Cooperative Purchasing Agreement with the City of Justin).

Attachments: Exhibit 1- Agenda Information Sheet

Exhibit 2 - Ordinance and Interlocal Agreement

V. ID 26-0349 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 Closner Equipment Co., Inc., for the acquisition, rental, maintenance, and repairs of various medium-duty and heavy-duty construction equipment for the Fleet Services Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8987 - awarded to Closner Equipment Co., Inc., 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 $4,168,500.00). The Public Utilities Board will consider this item on Monday, March 23, 2026.

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Ordinance and Contract

W. ID 26-0350 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 Ferguson Enterprises, LLC, for the supply of concrete and cement for various City departments to be stocked in the Warehouse; providing for the expenditure of funds therefor; and providing an effective date (IFB 8992 - awarded to Ferguson Enterprises, LLC, 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 $120,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Bid Tabulation

Exhibit 3 - Ordinance and Contract

X. ID 26-0354 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 Schweitzer Engineering Laboratories, Inc., for the purchase of protective relay panels for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFP 8965 - awarded to Schweitzer Engineering Laboratories, Inc., in the not-to-exceed amount of $110,583.00). The Public Utilities Board will consider this item on Monday, March 23, 2026.

Attachments: Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Pricing Evaluation

Exhibit 3 - Ordinance and Contract

Y. ID 26-0368 Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to approve a qualified professional services list of veterinary service providers; authorizing staff to manage veterinary service providers in accordance with procurement policies; authorizing the expenditure of funds for professional veterinary services as needed for animals in care of the Animal Services Department; and providing an effective date (File 9028 - providing for a recurring annual fiscal year expenditure not-to-exceed amount of $750,000.00).

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

Z. ID 26-0286 Consider adoption of an ordinance of the City of Denton amending the naming policy guidelines for city buildings, facilities, land, or any portion thereof to designate the Park, Recreation, and Beautification board as the ad hoc naming committee; and providing an effective date.

Attachments: Exhibit 1- Agenda Information Sheet
Exhibit 2- Existing Naming Policy (2020)
Exhibit 3- Ordinance
Exhibit 4- Redline Policy Changes
Exhibit 5- Policy Changes (Clean)

AA. ID 26-0290 Consider adoption of an ordinance of the City of Denton, authorizing the city manager to enter into an agreement between the City and Denton Independent School District to provide summer breakfasts and lunches to children enrolled in the City of Denton Parks and Recreation summer camp program at no charge to said recipients at designated Denton Independent School District sites and Denton Parks and Recreation facility sites; and providing an effective date.

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

AB. ID 25-1254 Consider adoption of an ordinance of the City of Denton approving an agreement with the Denton Parks Foundation to encourage community interest and involvement in the maintenance and development of the City of Denton park areas, facilities, and recreational opportunities, through promotion and solicitation of funds, as well as the holding and investing of these funds to benefit the City of Denton; authorizing the City Manager to execute the Denton Parks Foundation agreement and carry out the duties of the City therein; authorizing the provision of in-kind services; and providing an effective date.

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

3. ITEMS FOR INDIVIDUAL CONSIDERATION

A. ID 26-0348 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 CBS Mechanical Services, Inc. dba CMS Mechanical Services, Inc., for HVAC Services for the Facilities Management Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8982 - awarded to CBS Mechanical Services, Inc. dba CMS Mechanical Services, 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 $9,075,437.00).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Pricing Evaluation
Exhibit 3 - Presentation
Exhibit 4 - Ordinance and Contract

B. ID 26-0352 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 Accelleron US Inc., for turbo replacement, parts, and service for the Denton Energy Center; providing for the expenditure of funds therefor; and providing an effective date (RFP 8816 - awarded to Accelleron US 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 $9,520,000.00). The Public Utilities Board will consider this item on Monday, March 23, 2026.

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Pricing Evaluation
Exhibit 3 - Presentation
Exhibit 4 - Ordinance and Contract

C. ID 26-0394 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 Jagoe-Public Company, as the primary vendor, and Eurovia Atlantic Coast LLC, dba Sunmount Paving Company, as the secondary vendor, for the supply and installation of hot mix asphalt concrete for the Streets Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8980 - awarded to Jagoe-Public Company and Eurovia Atlantic Coast LLC, dba Sunmount Paving Company, for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year total not-to-exceed amount of $20,000,000.00).

Attachments: Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Pricing Evaluation
Exhibit 3 - Presentation
Exhibit 4 - Ordinance and Contracts

D. A25-0004d Consider adoption of an ordinance of the City of Denton, Texas, regarding the issuance of a Service Plan, pursuant to Tex. Loc. Govt. Code Sec. 43.052, for the provision of city services to approximately 1.09 acres of land, generally located 740 feet south of Edwards Road and 290 feet west of Swisher Road; authorizing the City Manager to execute the Plan; and providing an effective date. (A25-0004d, Swisher Road Annexation, Bryce Van Arsdale)

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

E. A25-0004c Conduct the second of two readings and consider adoption of an ordinance of the City of Denton, Texas annexing approximately 1.09 acres of land, generally located 290 feet west of Swisher Road, and 740 feet south of Edwards 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. (A25-0004c, Swisher Road, Bryce Van Arsdale)

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

F. A25-0003c Conduct the second of two readings and consider adoption of an ordinance of the City of Denton, Texas, annexing approximately 1.03 acres of land, generally located on the north side of Mills Road, approximately 1,453 feet west of South Trinity Road to 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. (A25-0003c, Mills Rd 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 - Signed Non-Annexation Agreement
Exhibit 6 - Presentation

G. A25-0005c Conduct the second of two readings and consider adoption of an ordinance of the City of Denton, Texas, annexing approximately 2.00 acres of land, approximately located 300.77 feet north of Mills Road, approximately 1,453 feet west of South Trinity Road to 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. (A25-0005c, 5811 Mills Rd Annexation, Angie Manglaris)

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

H. ID 26-0266 Consider approval of a resolution of the City of Denton nominating a member to the Board of Directors of the Denton Central Appraisal District; and providing an effective date.

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

4. 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 MARCH 18, 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: Sara Hensley

DATE: March 24, 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: **Finance**

ACM: **Christine Taylor**

DATE: **March 24, 2026**

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding the FY 2024-25 Annual Comprehensive Financial Report and annual audit.

BACKGROUND

Each year, the City hires an independent accounting firm to conduct an audit of the City's basic financial statements. The purpose of the audit is to express an opinion as to whether the City's financial statements present fairly, in all material respects, the financial position of the City. The annual audit report is comprised of three major components: 1) the Annual Comprehensive Financial Report, 2) Management Letter (when appropriate), and 3) Single Audit.

The Financial Report represents the entire financial position of the City, specifically for the fiscal year ending September 30, 2025. The document includes the independent auditor's opinion of management's representations within the annual report. The auditors have provided the City a clean opinion (unmodified), which means that in the opinion of Weaver & Tidwell, L.L.P., the City's financial statements present fairly, in all material respects, the financial position of the City. A clean or unmodified opinion is the best opinion that may be rendered in an audit of the financial statements. The audit specifically included the following items:

- Audit of the City's Annual Comprehensive Financial Report in accordance with generally accepted auditing standards.
- Performance of a Single Audit, which is an audit of the City's expenditures of State and Federal grant awards.
- An evaluation of the City's internal control over financial reporting.

The auditor's examination of internal controls was conducted at a level sufficient to gain an understanding of the internal control structure to determine the nature, timing, and extent of audit procedures. The auditors did not perform an audit of internal controls but performed limited tests of internal controls for the purpose of providing an opinion on the financial statements. Additionally, the auditors examined, on a test basis, evidence supporting amounts and disclosures in the combined financial statements. The City did not receive a management letter as there were no material weaknesses or recommendations for strengthening controls identified.

The following points are highlighted as key financial information from the report:

1. Overall positive financial results
2. Unassigned General Fund balance
    - $42.8 million
    - 20.6% of FY 2024-25 final budgeted expenditures
    - $0.8 million increase from prior year but still within the policy (20%-25%)
3. Unrestricted Net Position of Enterprise Funds (Utilities, Solid Waste, and Airport)
    - $172.7 million
    - $2.3 million increase from prior year; overall net position increase year-over-year

Representatives from Weaver & Tidwell, L.L.P. will be present at the City Council meeting to provide their opinion and to answer any questions that you may have.

EXHIBITS

1. Agenda Information Sheet
2. FY 2024-25 Annual Comprehensive Financial Report
3. Single Audit Report
4. Auditor's Communication
5. Auditor's Presentation
6. Definitions

Respectfully submitted:
Matt Hamilton
Chief Financial Officer

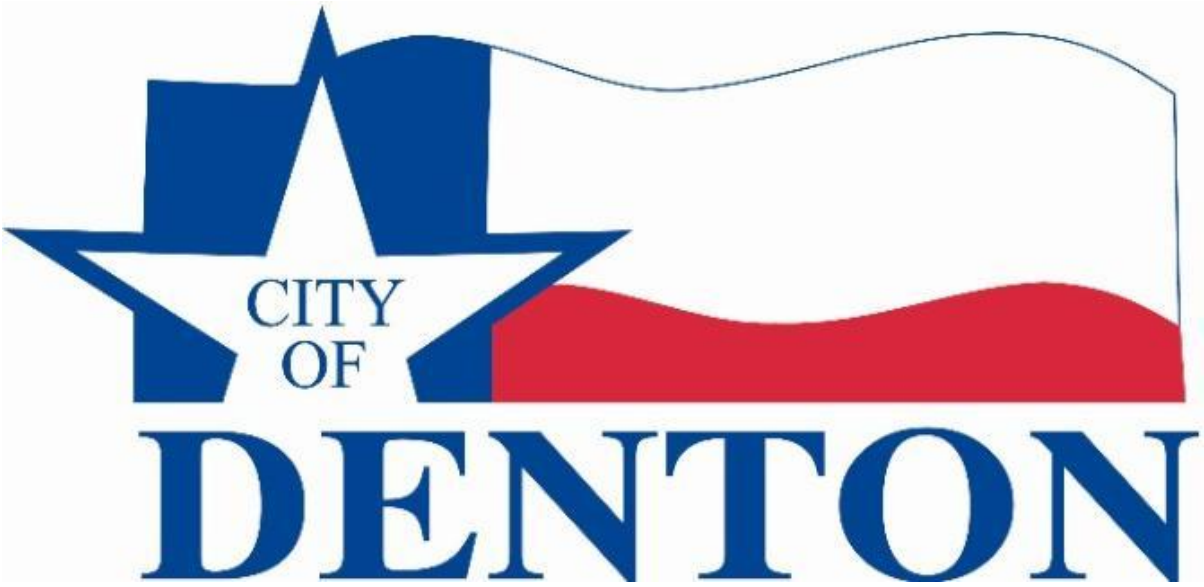
Prepared by:
Sarah Burton
Administrative Assistant

Annual Comprehensive Financial Report
Fiscal Year Ended
September 30, 2025

CITY OF DENTON, TEXAS

CITY OF DENTON

Inclusion | Collaboration | Quality Service | Strategic Focus | Fiscal Responsibility


CITY
OF
DENTON

CITY OF DENTON CORE VALUES

Inclusion
Creating an environment where individuals and groups are valued, respected, and supported.

Collaboration
Listening, being open-minded and forward-thinking, while working together towards a collective goal.

Quality Service
Anticipating, recognizing, and proactively addressing the needs of those we serve.

Strategic Focus
Always thinking with the future in mind.

Fiscal Responsibility
Ensuring financial sustainability through the responsible use of City resources.

CITY OF DENTON

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CITY OF DENTON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2025

CITY COUNCIL

Gerard Hudspeth, Mayor
Vicki Byrd, District 1
Brian Beck, District 2
Suzi Rumohr, Mayor Pro Tem, District 3
Joe Holland, District 4
Brandon McGee, At-Large District 5
Jill Jester, At-Large District 6

CITY MANAGER

Sara Hensley

ASSISTANT CITY MANAGER

Christine Taylor

CHIEF FINANCIAL OFFICER

Matt Hamilton, CFO

Prepared by:

Finance Department

City of Denton, Texas
Annual Comprehensive Financial Report
For Year Ended September 30, 2025

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION (UNAUDITED):
- Transmittal Letter i
- Organizational Chart xii
- Certificate of Achievement xiii

FINANCIAL SECTION:
- Independent Auditor's Report 1
- Management's Discussion and Analysis 5
- Basic Financial Statements:
  - Government-wide Financial Statements:
    - Exhibit I - Statement of Net Position 17
    - Exhibit II - Statement of Activities 18
  - Fund Financial Statements:
    - Governmental Fund Financial Statements:
      - Exhibit III - Balance Sheet 20
      - Exhibit IV - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 21
      - Exhibit V - Statement of Revenues, Expenditures and Changes in Fund Balances 22
      - Exhibit VI - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 23
      - Exhibit VII - Statement of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual General Fund 25
    - Proprietary Fund Financial Statements:
      - Exhibit VIII - Statement of Net Position 26
      - Exhibit IX - Statement of Revenues, Expenses and Changes in Fund Net Position 30
      - Exhibit X - Statement of Cash Flows 32
    - Fiduciary Fund Financial Statements:
      - Exhibit XI - Statement of Fiduciary Net Position 34
      - Exhibit XII Statement of Changes in Fiduciary Net Position 35
  - Notes to Basic Financial Statements 36
- Required Supplementary Information:
  - Exhibit XIII - Schedule of Changes in Net Pension Liability and Related Ratios – Texas Municipal Retirement System – Last Ten Fiscal Years 96
  - Exhibit XIV - Schedule of Contributions – Texas Municipal Retirement System – Last Ten Fiscal Years 99
  - Exhibit XV - Schedule of Changes in Net Pension Liability and Related Ratios – Denton Firemen's Relief and Retirement Fund – Last Ten Fiscal Years 100
  - Exhibit XVI - Schedule of Contributions – Denton Firemen's Relief and Retirement Fund – Last Ten Fiscal Years 102
  - Exhibit XVII - Schedule of Changes in Total OPEB Liability and Related Ratios – Medical – Last Eight Fiscal Years 103
  - Exhibit XVIII - Schedule of Changes in Total OPEB Liability and Related Ratios – Texas Municipal Retirement System Supplemental Death Benefit Fund – Last Eight Fiscal Years 104
- Combining and Individual Fund Financial Statements and Schedules:
  - Exhibit XIX - Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual: Debt Service Fund 105
  - Exhibit XX - Combining Balance Sheet – Nonmajor Governmental Funds 108

City of Denton, Texas
Comprehensive Annual Comprehensive Financial Report
For Year Ended September 30, 2025

TABLE OF CONTENTS
(Continued)

Page

FINANCIAL SECTION (continued):

Combining and Individual Fund Financial Statements and Schedules (continued):

Exhibit XXI - Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds 110

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual:

Exhibit XXII - Police Confiscation Fund 112
Exhibit XXIII - Tourist and Convention Fund 113
Exhibit XXIV - Street Improvement Fund 114
Exhibit XXV - Gas Well Revenues Fund 115
Exhibit XXVI - Citizens' Park Trust Fund 116

Exhibit XXVII - Combining Statement of Net Position – Internal Service Funds 118

Exhibit XXVIII - Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds 120

Exhibit XXIX - Combining Statement of Cash Flows – Internal Service Funds 122

STATISTICAL SECTION (UNAUDITED):

Table

1 Net Position by Component 126
2 Changes in Net Position 128
3 Fund Balances of Governmental Funds 132
4 Changes in Fund Balances of Governmental Funds 134
5 Assessed Value and Estimated Actual Value of Taxable Property 136
6 Property Tax Rates (Per $100 of Assessed Value) – Direct and Overlapping Governments 138
7 Principal Property Taxpayers 140
8 Property Tax Levies and Collections 141
9 Ratio of Outstanding Debt by Type 142
10 Ratio of General Bonded Debt Outstanding 144
11 Direct and Overlapping Governmental Activities Debt 146
12 Pledged Revenue Coverage 148
13 Demographic and Economic Statistics 150
14 Principal Employers 151
15 Full-Time Equivalent City Government Employees by Function/Program 152
16 Operating Indicators by Function/Program 154
17 Capital Asset Statistics by Function/Program 156

OTHER SUPPLEMENTAL INFORMATION:

Exhibit XXX - Schedule of Expenditures – Budget and Actual – General Fund 159

Finance Department
215 E. McKinney St., Denton, TX 76201 • (940) 349-8244

March 17, 2026

The Honorable Mayor, Members of the City Council and Citizens
City of Denton
Denton, Texas

It is with great pleasure that we present to you a copy of the Annual Comprehensive Financial Report (ACFR) of the City of Denton (the City) for the fiscal year ended September 30, 2025. The purpose of the report is to provide the City Council, management, citizens, and other interested parties with detailed information concerning the City's financial condition.

THE REPORT

The Texas Local Government Code (§ 103.001) requires an annual audit for municipalities. In addition, the City Charter (Section 2.13) requires a Certified Public Accountant who, as of the end of the fiscal year, shall make an "independent audit of accounts" and prepare a report to the City Council and the City Manager. This document fulfills the above-mentioned requirements, and the independent auditor's opinion is included in the report for the fiscal year ended September 30, 2025.

The ACFR is presented in three main sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The Financial Section includes the Management's Discussion and Analysis (MD&A), Basic Financial Statements, Required Supplementary Information, Combining and Individual Fund Financial Statements, along with the independent auditors' report. The Statistical Section and Other Supplementary Information include selected financial and demographic information, generally presented on a multi-year basis.

The responsibility for both the accuracy of the presented information and the completeness and fairness of the presentation of the data, including all disclosures, rests with the City, and is based upon a comprehensive framework of internal control established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the results of our operations in each of the various funds reported by the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The accounting firm of Weaver and Tidwell, L.L.P. has issued an unmodified opinion on the City of Denton's financial statements for the period ended September 30, 2025. As a recipient of federal and state grant awards, a separate audit is prepared to meet the requirements of the Single Audit Act Amendments of 1996 and related Uniform Guidance. As a part of the City's single audit, tests are conducted to determine that the City has complied with applicable laws and regulations related to federal awards.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY OF DENTON PROFILE

Denton distinguishes itself from other cities in North Texas through its vibrant arts and culture scene, robust university partnerships, dynamic community collaborations, and commitment to 100% renewable energy. Originally incorporated on September 26, 1866, Denton has evolved from a serene college town on the outskirts of the Dallas-Fort Worth metroplex into one of the fastest-growing cities in the United States, with a current

population of approximately 158,933. This figure is projected to reach 229,192 by 2040, according to U.S. Census Bureau forecasts. Denton combines a reverence for its history with an eagerness to innovate. The City of Denton is in the northern portion of the Dallas/Fort Worth Consolidated Metropolitan Statistical Area (CMSA). The City is a part of the Dallas/Fort Worth Metroplex and is situated at the apex of a triangle based by Dallas (37 miles to the southeast) and Fort Worth (35 miles to the southwest) providing excellent access to and from all parts of the area. The heart of the city's urban core is anchored by a vibrant cultural arts district within Downtown Denton as well as three university campuses. The community is also recognized for its commitment to sustainability and environmental stewardship, in addition to its focus on health and wellness, highlighted by over 5,000 acres of parkland, more than 60 hiking trails, and numerous recreational facilities.

CITY SERVICES AND ORGANIZATION OF THE GOVERNMENT

The City is a home rule city and operates under the Council-Manager form of government. The elected seven-member council consists of a Mayor and six Council Members. The Mayor and two Council Members are elected at large, while the remaining representatives are elected from single member districts. The City Council enacts local laws, determines policy, and adopts the annual budget, and the City Manager is the chief executive officer for the City.

The City provides a full range of general government services to its citizens including public safety (police and fire protection); public works (construction and maintenance of highways, streets, and infrastructure); parks and recreation; library; planning and zoning; economic development; and general administrative services. The City's enterprise fund operations consist of a utility system, solid waste, and airport operations. The City's utility system provides electric, water, and wastewater services.

The internal service operations consist of Materials Management, Fleet Services, Risk Retention, Health Insurance, Engineering Services, Technology Services, Customer Service, Facilities, and Environmental Services funds. The Materials Management Fund accounts for the financing of Warehouse and Purchasing services which are provided to other City departments. The Fleet Services Fund accounts for the financing of goods and services provided by the municipal garage to other departments within the City. The Risk Retention Fund accounts for the accumulation of resources for the payment of workers' compensation, general liability claims, and insurance policies. The Health Insurance Fund accounts for administration of the self-insurance program for health coverage in the City. The Engineering Services Fund accounts for the provision of internal engineering services to various City operations and capital projects. The Technology Services Fund provides support for the various information and computer systems within the City. The Customer Service Fund accounts for the financing of customer service activities provided to the residents and businesses of the City on behalf of other departments within the City. The Facilities Management Fund is responsible for maintaining all city-owned facilities and vertical construction projects. The Environmental Services Fund accounts for the consolidated environmental-related services provided across the City. The financial statements presented include all government activities, organizations, and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB).

LOCAL ECONOMY

As the Dallas Ft. Worth Metroplex continues to grow, the City of Denton is seeing increased growth. In Fiscal year 2024-25, the City continued to see an increase in development and economic activity, resulting in strong property tax collection, sales tax collection, and an increase in return on investment (ROI) revenue from city utilities. Greater than one-third of the total General Fund revenue is generated from property taxes, also referred to as ad valorem taxes. As shown below, the 2025 certified value increased by 7.10%, approximately, or $1,509,020,092 (excluding TIRZ) from the 2024 certified value. Analysis of the increase shows there was approximately $623.3 million in new value added to the appraisal roll due to new growth and construction.

Below is a chart with a detailed breakdown of certified values:

	Tax Year 2024 Certified Total AV	Tax Year 2025 Certified Total AV	Increase (Decrease)	Percent Change	New Value
General Government	$21,246,581,740	$22,755,601,832	$1,509,020,092	7.10%	$599,600,902
Downtown TIRZ [1]	$136,240,592	$172,838,244	$36,597,652	26.86%	$23,677,508
Westpark TIRZ [2]	$165,462,701	$179,489,315	$14,026,614	8.48%	$ -
Total:	$21,548,285,033	$23,107,929,391	$1,559,644,358	7.24%	$623,278,410

[1] Downtown TIRZ - Reflects 90% of incremental value through FY 2039 per Ordinance No. 2010-316.

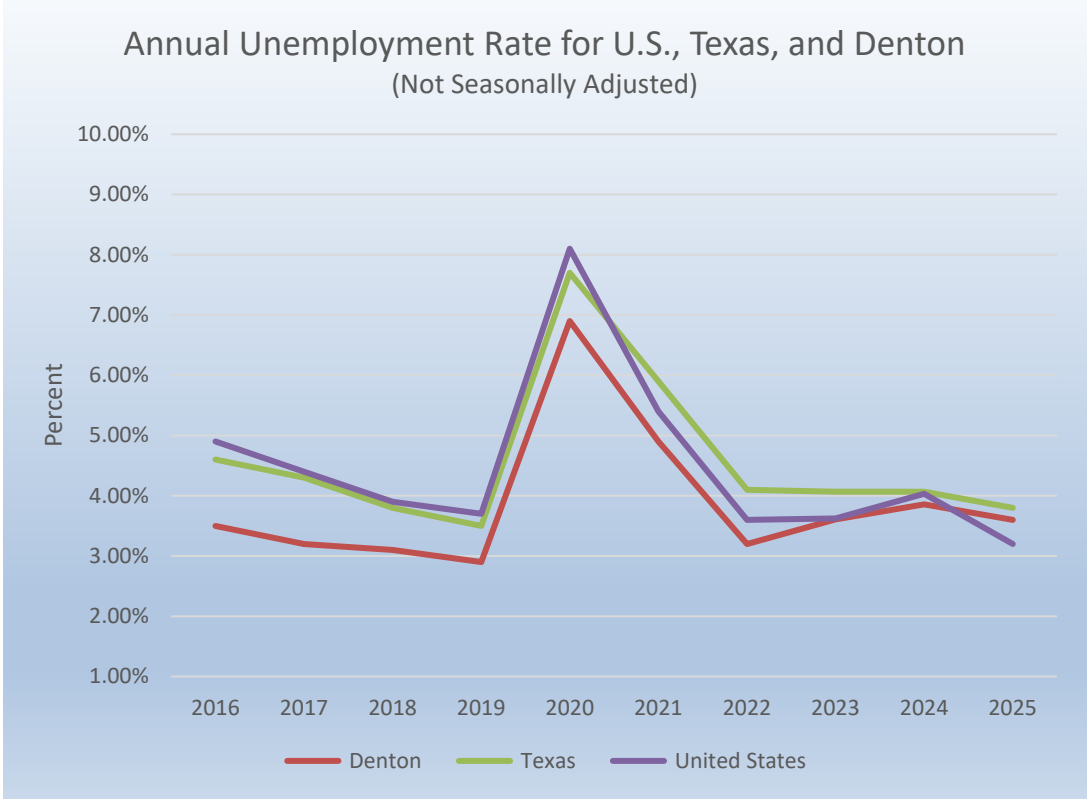
[2] Westpark TIRZ - Reflects 40% of incremental value through FY 2037 per Ordinance No. 2013-033.

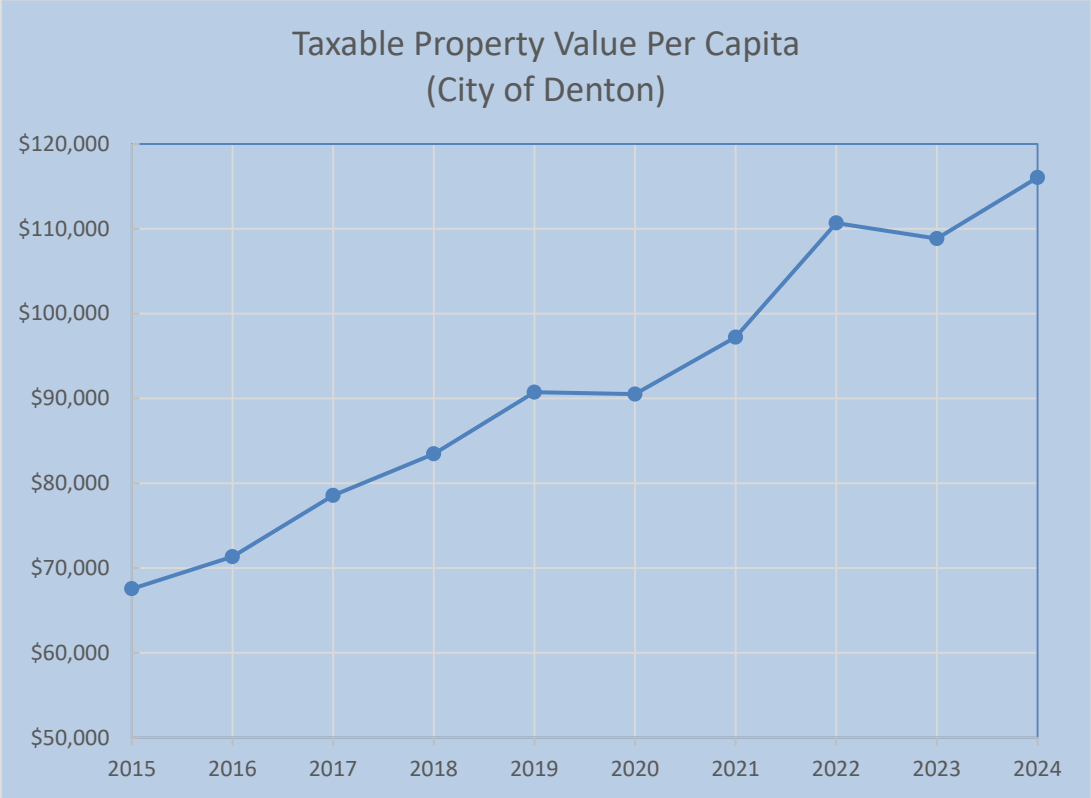
Sales tax represents approximately 28.71% of overall revenue in the General Fund, sales tax is a significant revenue source that is dependent upon a variety of economic factors. For FY 2024-25, total sales tax revenues equaled $58,972,691 which is $1,897,849 or 3.33%, more than the prior year collections of $57,074,842. The budgeted FY 2025-26 collections total $62,944,986 which is 6.74% above the FY 2024-25 actual collection. The chart below illustrates collections over the prior twelve-year period with an estimate of collection in FY 2025-26.

On a budgetary basis, the General Fund received $201.5 million in revenue and incurred $200.7 million in expenses resulting in an increase in fund balance of $0.8 million.

The City of Denton's not seasonally adjusted annual unemployment average rate remains on par with state & national levels at an average of 4.3 percent in FY 2024-25 which has slightly increased compared to 4.0 percent average in FY 2023-24. The City of Denton issued 2,187 residential, commercial, multi-family building permits for FY 2024-25, with an estimated value of $1.2 billion (excluding City buildings, County buildings, schools, and churches). This compares to a total of 1,893 issued for FY 2023-24 with an estimated value of $1.4 billion. The overall permit numbers increased, primarily in single family residential housing.

The following two charts highlight the strength of the local economy over the last ten years by displaying the City of Denton's unemployment rate compared to Texas and the United States and the taxable property values per capita in the City of Denton.





https://data.bls.gov/timeseries/LNS14000000
https://texaslmi.com/
Accessed 3-2-26

In fiscal year 2024-25, the Rayzor Ranch mixed-use development in Denton experienced significant growth, enhancing both its residential and commercial offerings.

The Rayzor Ranch mixed-use development is located on both the north and south sides of US Highway 380 in Denton. Rayzor Ranch Marketplace, on the north side of the development, has constructed over 500,000 square feet of retail and commercial space. Sam's Club and Wal-Mart anchor the development that includes a Home Depot, as a recent addition. The Town Center also includes the Embassy Suites Hotel and Convention Center. In addition, a new 300-unit multifamily project, the Village at Rayzor Ranch, opened in late 2019. In 2021, the Residences at Rayzor Ranch opened. This is a 40-acre site that includes 215 three- and four-bedroom town homes as well as 65 single-family homes. Teriyaki Madness, First Watch, Nation's Giant Hamburger and Great Pies are new restaurant tenants at the Town Center. Recent developments include Esmse Nail Spa, Smile Dental and a 148,000 square foot and $22.7 million Target store.

Residential Developments:

Landmark

- Landmark, by developer, Hillwood (a Perot Company), is a master planned 3,200 acre residential and commercial development in Southern Denton. At full build-out, the development will have over 6,000 homes and 5 million square feet of commercial, entertainment and office space. The first phase will include 747 home sites from 9 area builders, 250,000 square feet of commercial development, and 600 multifamily units. The first model homes are anticipated to open in 2026.

Bloomfield Homes:

- A market leading homebuilder focused primarily in the Dallas–Fort Worth metroplex, Bloomfield Homes, is currently constructing 248 new homes in two communities (Country Lakes and Glenwood Meadows) in the City of Denton.

First Texas Homes:

- First Texas Homes has planned a total of 151 homes for the Parkside Community, contributing to the City's residential growth and expanding the housing inventory in the Denton area.

Resia Rayzor Ranch:

- This 433-unit apartment community officially opened in December 2024, offering one-, two-, and three-bedroom apartments with modern amenities such as stainless-steel appliances, in-unit washers and dryers, and granite countertops. Residents can also enjoy a 24-hour fitness center, swimming pool, basketball court, and a forthcoming pickleball court.

Altera Rayzor Ranch:

- In October 2024, Wood Partners broke ground on a 192-unit multifamily community within Rayzor Ranch. This development will feature one-, two-, and three-bedroom layouts, with amenities including a resort-style pool, modern fitness facility, outdoor socializing spaces, and coworking areas.

Commercial Developments:

H-E-B:

- Two H-E-B stores are planned for Denton. One store will be located on a 20- acre site at the Hillwood Landmark development and the other is slated for a location on University and Bonnie Brae. The latter will include a 119,000 square foot store which is scheduled to start construction in Spring of 2026. The Hillwood Landmark location is anticipated to open early in 2027.

Target Store:

- A new 148,000-square-foot Target store, representing a $22.7 million investment, was completed within Rayzor Ranch. This addition will further enhance the retail offerings available to residents and visitors.

During the fiscal year 2024-25, Denton experienced significant retail and industrial development, enhancing its economic landscape:

International House of Pancakes (IHOP):

- In September 2025, the International House of Pancakes opened in one of the outparcels in front of the Buc-ee's Travel Center.

Exeter Property Group:

- Constructed three industrial buildings at the northeast corner of Western Boulevard and Jim Christal Road, measuring 324,000, 421,000, and 1,076,000 square feet.

Enginetech:

- A global plastic injection manufacturer based in India, selected Denton for their North America Headquarters. The Denton location will provide parts to PACCAR (Peterbilt and Kenworth) in Canada, Denton, and Mexico. The company designs, tests, and manufactures their parts and holds patents on the parts and technology. The technology is so unique that they will be the only injection molding manufacturer of engine parts in Texas based on their NAICS codes. The company will create 133 high-paying and knowledge-based jobs over five years, making them a top 20 employer in Denton.

Panel Rey/PR Gypsum:

- The first manufacturing expansion in the United States for a company that produces joint compound used in the construction of residential and commercial projects. Panel Rey is seeking to purchase an existing 60,000 square foot building at 3651 Shelby Lane in Denton as Phase I of their U.S. expansion. The company's planned investment in the building, machinery, and equipment will be approximately $15 million. The project involves plans to create 20 jobs with a weighted salary of $72,733.

Mayday Manufacturing Company:

- Mayday currently maintains a manufacturing facility in Denton and employs approximately 400. Mayday plans to expand its existing facility and estimates that its investment in the building, machinery, and equipment will generate $14.5 million in new capital investment. The project involves plans to create 50 new jobs with an average salary of $54,020.

Lotte Global Logistics:

- Opened an automated distribution and warehouse facility for wellness products comprising 232,000 SF at I-35 Convergence, which was unoccupied for two years. The company hired an estimated 85 employees.

Novartis

- A Swiss pharmaceutical corporation formed in 1996, Novartis, has selected Denton for an expansion of its radiopharmaceutical manufacturing operations. The company is the eighth largest pharmaceutical company in the world by revenue, selling products in 118 countries. Novartis is considering the purchase of an existing three-building site on 20 acres at 2101 Shady Oaks in Denton for advanced isotope production and radiopharmaceutical drug product manufacturing. The Novartis Denton site would produce pharmaceuticals for radioligand therapy (RLT), a cancer treatment, targeting prostate and advanced gastroenteropancreatic

cancer. The facility will undergo significant rehabilitation projects including environmental remediation and renovations of approximately 40,000 square feet to suit the manufacturing process. The company estimates that the investment in building, machinery, equipment, and improvements to the land will be about $280 million. The project involves plans to create 150 jobs with an average salary of greater than $124,000.

Holt Lunsford Commercial Investments:

- Secured $32.7 million in August 2024 for the development of Denton Point III, IV, and V, totaling 451,856 square feet at 670-710 Masch Branch Road. A groundbreaking was held this year for the Class A warehouse space.

EastGroup Properties:

- Initiated construction of Denton Exchange 35 Industrial Facility in Q2 2024, comprising two Class A industrial buildings totaling approximately 243,859 square feet, with completion anticipated by Q4 2025.

Southwire Company:

- Announced a 100,000-square-foot expansion of its Denton facility, investing $85.4 million over three years, with an expected valuation increase of over $69 million and the creation of 95 new jobs in 2024

Ironwood Realty Partners and Scannell Properties:

- Partnered on Denton Crossing @ I-35, a project encompassing approximately 1.2 million square feet of industrial speculative space along Western Boulevard. Buildings 1 and 2, totaling nearly 700,000 square feet, have been completed, with Buildings 3 and 4 adding 398,000 and 127,000 square feet, respectively.

The City of Denton uses various economic development tools including financial districts to improve and enhance infrastructure and encourage private investment in specific areas of the City. These development districts support development and revitalization and are commonly known as public improvement districts, tax increment reinvestment zones, or municipal management districts.

Denton currently has two active development districts:

- Tax Increment Reinvestment Zone Number One (Downtown TIRZ)
- Tax Increment Reinvestment Zone Number Two (Westpark TIRZ)

In the Downtown TIRZ area, the following projects are underway:

Fine Arts Theater:

- The Denton City Council approved a $1.6 million economic development agreement to help with renovations and redevelopment at the Fine Arts Theater of Denton. The Theatre will be a multi-use facility for live performances, movies, special festivals, concerts, and private rentals. The 9,900-square-foot theater has been part of downtown since 1877, when it opened as an opera house, then became part of the Texas movie theater chain in 1935 and then the Fine Arts Theater in 1957. The theater is expected to open in August 2026.

The Plot Twist:

- New romance novel Book Bar, opened in Downtown Denton on January 19, 2025. The business received a $35,000 Downtown Reinvestment Grant for utility upgrades, interior/code improvements, and new signs.

Several projects are currently underway in the Westpark Tax Increment Reinvestment Zone (TIRZ).

Westpark Industrial:

- A 16-acre parcel, at 251 N Western Boulevard, will include two speculative buildings at just over 100,000 square feet each.

Turcott Development:

- A 31,363 square foot building is planned for a single-tenant LEED certified training center that will be comprised of 45% office and 55% warehouse use, located at Jim Christal Road and Western Boulevard.

United States Cold Storage (USCS):

- USCS currently maintains a cold storage facility in Westpark TIRZ and currently employs 148 with an average salary of $53,053. The company plans on adding on a second phase to its existing refrigerated warehouse facility and estimate that their investment in new buildings, machinery, and equipment will create approximately $35 million in new ad valorem value in Denton. The project involves plans to create 172 jobs with a weighted average salary of $57,164.

During the fiscal year 2024-25, Denton experienced notable advancements in its tech and entrepreneurial sectors, significantly bolstered by initiatives from Stoke Denton and Texas Woman's University's (TWU) Center for Women Entrepreneurs (CWE). Hickory and Rail Ventures LLC renewed the lease on Suite 128, which included a 2,725 square foot expansion.

AccelerateHER Program:

- In collaboration with TWU's CWE, Stoke Denton concluded the fifth cohort of the AccelerateHER program in 2020. This incubator supports women entrepreneurs by providing resources and education to fast-track their startups into scalable businesses. Thirty-four women have completed the weekly workshops and one-on-one mentorship sessions over five months. The program culminated in a virtual showcase, allowing each entrepreneur to present their business and growth strategies. Alumni meetups were started this year and will be held on a quarterly basis.

FlintConf 2025:

- In May 2025, Stoke Denton hosted FlintConf, Denton's annual startup conference aimed at empowering the local economy, entrepreneurs, and creatives. The event featured six speaker sessions, one workshop and two networking opportunities, attracting a diverse group of over 84 attendees and fostering collaboration within the entrepreneurial community.

Global Entrepreneurship Week (GEW) 2024:

- From November 18-24, 2024, Stoke Denton celebrated GEW by organizing multiple events to support and inspire local entrepreneurs. The lineup included a virtual Coffee + Convo session with Anita O'Neal, CPA, CFA; a Big Ideas Creative Mixer at Denton County Brewing Company; and the Denton Pitch Competition and Lunch and learn with Sky McClure, Improve Google Ads. These events collectively enhanced community engagement and provided valuable resources for business development with over 175 attendees throughout the week

Denton Pitch Competition:

- As part of GEW 2024, the Denton Pitch Competition offered local entrepreneurs a platform to present their business ideas to potential investors and partners. The event featured ten businesses pitching their concepts, with a total of 40 entrepreneurs participating in the accompanying Entrepreneur Expo. This initiative awarded $30,000 to Denton businesses, of

which, 80% were women entrepreneurs, fostering business growth and innovation within the community.

Coffee + Convo Sessions:

- Throughout the fiscal year, Stoke Denton hosted monthly "Coffee + Convo" sessions with Shay Nuckles, from Uptown Discovery Group, Madison Newman, branding expert, and Juli James, designer and innovator. These informal gatherings facilitated discussions on various business topics, allowing entrepreneurs to share experiences, seek advice, and build networks within the local startup ecosystem.

These developments reflect Denton's robust industrial growth during the 2024-25 fiscal years, contributing to economic expansion and job creation.

FINANCIAL INFORMATION AND FINANCIAL POLICY

The City's financial direction begins with the City's Charter, which is the basis for all financial policies the City implements. The City maintains financial policies for general operations, which include policies for financial management and fund balances, budget compliance, debt issuance and management, accounts payable, water service, and purchasing, among others.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable, and expenditures being recorded when the liability is incurred. Proprietary (which includes Internal Service Funds) operations are maintained on the full accrual basis.

The City's Annual Operating Budget is proposed by the City Manager and approved by the City Council following public discussion. The City's Charter requires adoption of the City's budget no later than September 30th. The budget structure is organized by funds. Normally, funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The two types of funds utilized in the budget are Governmental and Proprietary (which includes Internal Service Funds). Budgetary control is maintained at the fund level by the Finance Department.

All legally required funds are budgeted annually by type, as follows:

- Governmental Funds
    - General Fund
    - General Debt Service Fund
    - Street Improvement Fund
    - Tourist and Convention Fund
    - Police Confiscation Fund
    - Catalyst Fund (formerly the Economic Development Investment Fund)
    - Parks Gas Well Fund
    - Roadway Impact Fee Fund
    - Tree Mitigation Fund
    - Public Education Government (PEG) Fund
    - McKenna Trust Fund
    - Park Land Dedication and Development Trust Fund
    - Downtown Tax Increment Reinvestment Zone (TIRZ) Fund
    - Westpark Tax Increment Reinvestment Zone (TIRZ) Fund
    - Sustainability Framework Fund
    - Other Miscellaneous Special Revenue Funds
- Proprietary Funds
    - Electric Fund
    - Water Fund
    - Wastewater Fund

- Solid Waste Fund
- Airport Fund
- Internal Service Funds
  - Customer Service Fund
  - Engineering Services Fund
  - Environmental Services Fund
  - Facilities Management
  - Fleet Management Fund
  - Health Insurance Fund
  - Materials Management Fund
  - Risk Retention Fund
  - Technology Services Fund

LONG-TERM FINANCIAL PLANNING

In conjunction with this document, interested parties are encouraged to read the City of Denton's FY 2025-26 Annual Budget document. This document details the City's strategic plan, long-term financial policies, program accomplishments, and other key initiatives. The document also includes the long-term financial forecasts for each of the major funds, and a summary of the assumptions that are included in these plans. In addition, the budget document provides an overview of the adopted Capital Improvement Program and planned future debt issuances. The Annual Budget can be accessed through the City's web site at www.cityofdenton.com and selecting Financial Transparency under the "Open Government" link.

RELEVANT FINANCIAL POLICIES

The City of Denton maintains reserve balances for emergencies. In the General Fund, the target reserve level is a minimum of 20% of budgeted expenditures with an additional 5% resiliency reserve for a combined total of 25% to provide stability and flexibility for the organization. As described in the accompanying ACFR document, the unassigned fund balance is $42.8 million, or 20.6%, of the budgeted General Fund expenditures for the fiscal year ended September 30, 2025.

Beginning in FY 2011-12, the City adopted a policy which requires a minimum ending working capital balance (current assets minus current liabilities) of at least 8% of budgeted expenditures for the Electric, Water, Wastewater and Solid Waste Funds. If the working capital level should fall below the desired minimum, the City will implement necessary corrective action with a five-year plan to restore the working capital balance to 8% of budgeted expenditures.

Additionally, rate reserve levels were established for the Electric, Water, Wastewater, and Solid Waste Funds in FY 2011-12 according to the unique operational aspects of each utility. The rate reserve levels were most recently revised in FY 2020-21 based on the factors of revenue stability, expense and demand volatility, infrastructure age, debt levels and management plans for the use of these reserves. The reserve rate is established at a range of 38% to 61% of expenses for the Electric Fund, at a range of 20% to 31% of expenses for the Wastewater Fund, at a range of 25% to 42% of expenses for the Water Fund, and at a range of 6% to 10% of expenses for the Solid Waste Fund. If the rate reserve level falls below the range, the City will implement the necessary corrective action within a five-year plan to restore the balances to the levels outlined above.

The City of Denton has adopted an Investment Policy which guides the investment of all City funds. In accordance with State law, the policy is reviewed annually by the City Council to ensure that public funds are being invested in a conservative and prudent fashion. In addition, the City also annually reviews and approves a Debt Management policy. The purpose of this policy is to provide general guidelines regarding the issuance of City debt and the use and limitation of such debt. The City complied with all aspects of the Investment and Debt Management policies during FY 2024-25.

MAJOR INITIATIVES

The City's Strategic Plan and Council specifically identified improving facility infrastructure as a major goal. In response to this goal, the FY 2025-26 Budget includes additional issuance of General Obligation Bonds. This increase in funding shows the City's continued commitment to facility infrastructure and equipment funding.

The combination of increased operating funding along with the issuance of debt shows the strong commitment to improving our infrastructure. In the future, the City staff will continue efforts to identify additional funding for facility infrastructure and equipment funding activities along with potential future debt issuances for street reconstruction to continue to improve the condition of the City's streets over the long term.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers' Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024, for thirty-eight consecutive years. To be awarded the Certificate of Achievement in Financial Reporting, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfies both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is held for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The City also received the GFOA award for Distinguished Budget Presentation for its fiscal year 2024-25 Annual Budget for thirty-eight consecutive years. To qualify for the Distinguished Budget Presentation Award, the City's budget document was judged according to its compliance with specific guidelines established by GFOA. These guidelines help ensure that Denton's budget is distinguished as an operations guide, financial plan, policy document, and communications device. The City has submitted its fiscal year 2025-26 Annual Budget to GFOA to determine its eligibility for another certificate. We believe it continues to meet the Distinguished Budget Presentation Award criteria.

The City received a Certificate of Distinction from the Government Treasurers of Texas (GTOT). The distinction was received for developing an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing as established by GTOT. GTOT awards an estimated 40 distinctions annually, which the City has received ten times since 1999.

The City also received the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended September 30, 2024. To be eligible for the PAFR Award, the City must also submit its Annual Comprehensive Financial Report to GFOA's Certificate of Achievement for Excellence in Financial Reporting Program and receive the Certificate for the same fiscal year. Eligible reports are reviewed by judges who evaluate them based on reader appeal, clarity and understandability, distribution methods, creativity, and other key elements.

In 2024, City of Denton was awarded the Six Transparency Stars by the Texas Comptroller, which recognizes cities, counties, special purpose districts and school districts to provide easy online access to important financial data. The City of Denton is only one of five local governments in Texas to receive all six transparency stars. Transparency Stars are granted and maintained on an ongoing basis.

We would like to thank the City Council for their strong leadership and support that helped make the presentation of this report possible. We would also like to thank the City Manager, Finance staff, department directors, division heads and especially the Accounting Division staff for their diligent efforts in the preparation of the annual financial report.

DocuSigned by:
Christine Taylor
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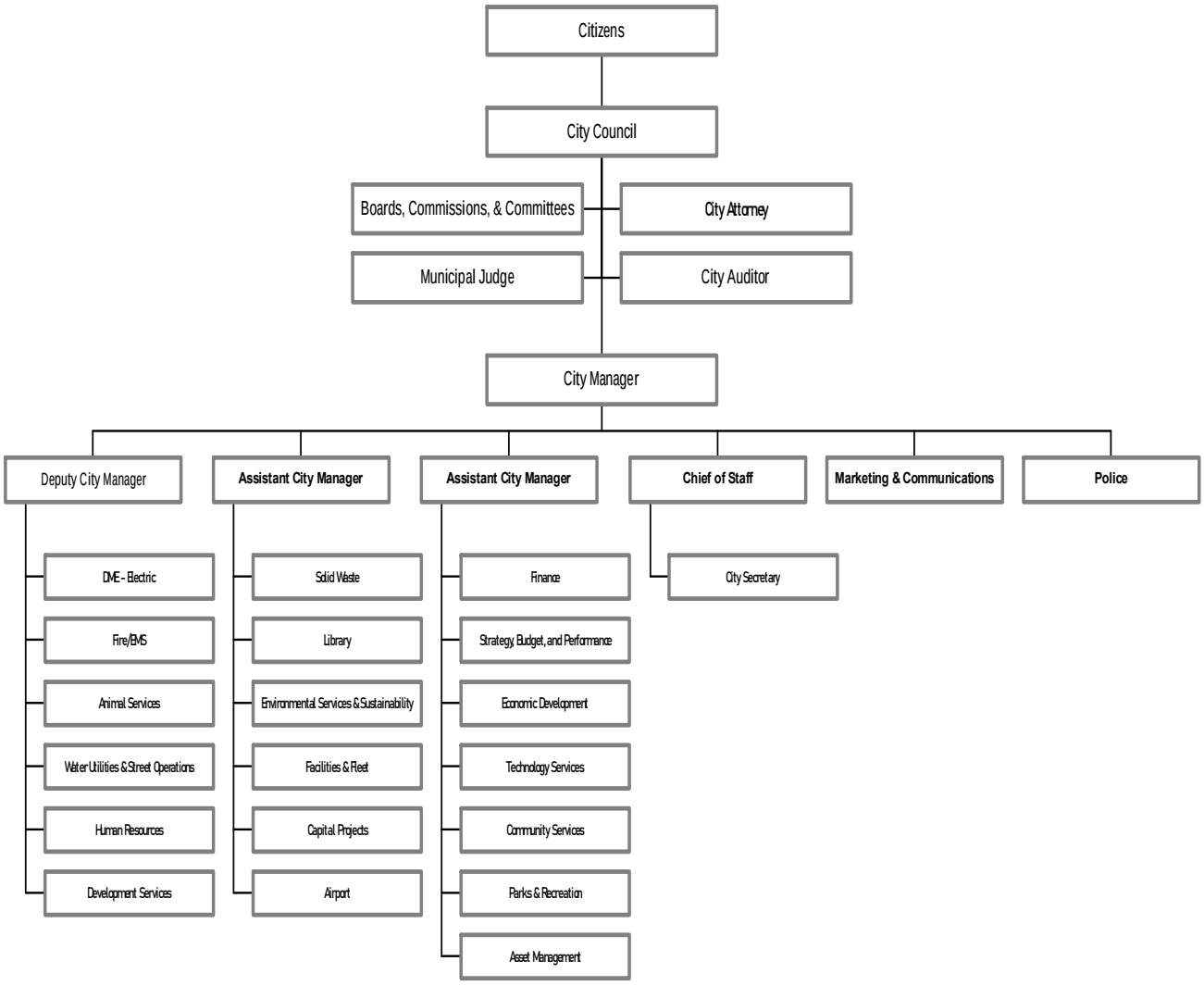
Christine Taylor
Assistant City Manager

Signed by:
M. Hamilton
AFA2974F165F44F...
Matt Hamilton
Chief Financial Officer

ORGANIZATIONAL CHART



Organizational Chart Effective January 31, 2026

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

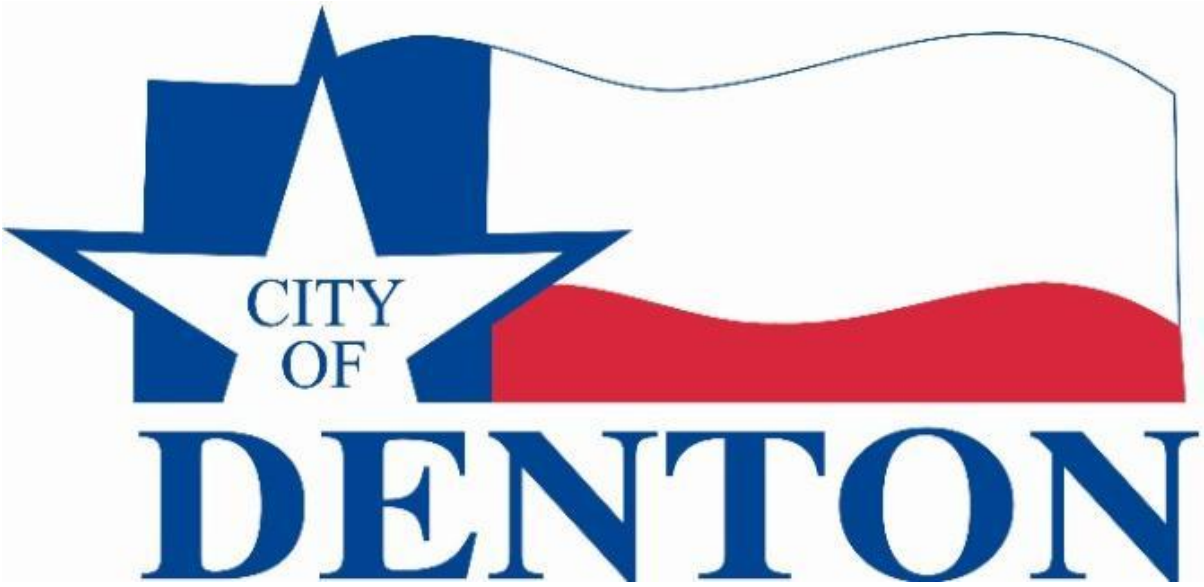
City of Denton
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO


CITY
OF
DENTON

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

Independent Auditor's Report

To the Honorable Mayor
and Members of the City Council
of the City of Denton, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Denton, Texas (the "City"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable Mayor
and Members of the City Council
of the City of Denton, Texas

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

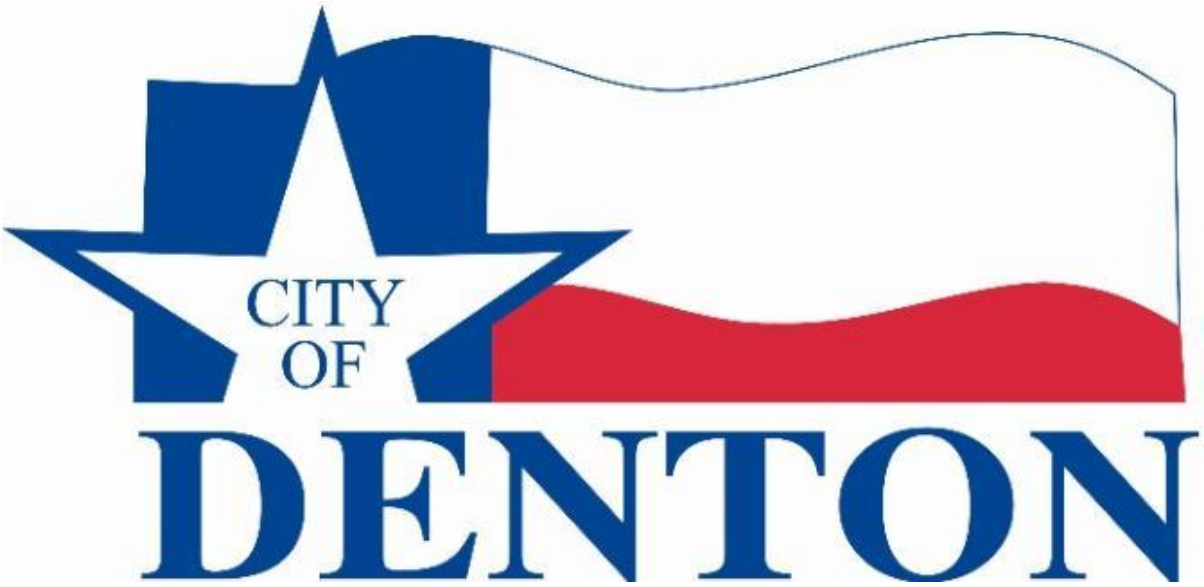
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 17, 2026


CITY
OF
DENTON

Introduction

The Management's Discussion and Analysis is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the City's financial activity, (c) identify changes in the City's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

This narrative should be read in conjunction with the transmittal letter at the beginning of the report and the financial statements following this section.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year ended September 30, 2025 by $1,852,038,136 (net position), an increase of 10.54 percent from prior year net position. Of this amount, $182,482,381 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Net Pension Liability of the City is $87,894,665, as compared to $110,806,951 for the year ended September 30, 2024. Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions,* requires the City to report its net pension liability for participation in Texas Municipal Retirement System (TMRS) and Firemen's Relief and Retirement Fund (FFRF) of the total Net Pensions Liability reported by the TMRS and FFRF. For the year ended September 30, 2025, the City recorded a decrease in their portion of net pension liability of $22,912,286, an increase in deferred pension inflows of $6,287,024 and a decrease in deferred pension outflows of $14,620,416.
- Governmental activities general and transfer revenues were $251,281,664 as compared to $224,097,580 for the year ended September 30, 2024. The increase of $27,184,084 is primarily driven by an increase in property tax, miscellaneous income, sales tax revenues, franchise fees, and transfers. Business-type activity general revenues and transfers were $20,397,135 compared to $29,203,943 for the year ended September 30, 2024. The decrease of $8,806,808 is primarily driven by investment revenue and transfers.
- Governmental funds reported combined ending fund balances of $373,311,681 as of September 30, 2025 which is an increase of $17,788,012 from fiscal year 2023-2024 ending fund balance total of $355,523,669, primarily due to issuance of long-term debt and increased revenues.
- The City's primary General Fund resources are property taxes, sales tax, and franchise fees. These combined resources account for 85.4 percent of total General Fund revenues, which decreased 3.2 percent compared to the prior year.
- The City's long-term liabilities outstanding increased by $178,720,926 in fiscal year 2024-2025. The increase is primarily attributable to an increase of $199,050,000 of Certificates of Obligation and General Obligations Bonds Payable.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City of Denton's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, liabilities, deferred inflows, and deferred outflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are considered regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both the statement of net position and the statement of activities are prepared using the accrual basis of accounting as opposed to the modified accrual basis.

In the Statement of Net Position and the Statement of Activities, the City is divided into two kinds of activities:

- **Governmental activities**. Most of the City's basic services are reported here, including police, fire, libraries, development, public services and operations, public works, building inspection, technology services and general administration. Property taxes, sales taxes, and franchise fees finance most of these activities.
- **Business-type activities**. The City charges a fee to customers to cover the cost of services it provides. The City's utility systems (electric, water and wastewater), solid waste, and airport activities are reported here.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by state law or bond covenants. However, the City Council establishes many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other monies. The following illustration summarizes the major features of the City's financial statements. The City of Denton's funds are categorized as governmental, proprietary funds or fiduciary funds.

- **Governmental funds**. The majority of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are detailed in a reconciliation following the fund financial statements.

  The City of Denton maintains twelve governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, and ARPA fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for seven of these non-major governmental funds, along with an aggregate of all other governmental funds, is provided in the form of combining statements elsewhere in this report.

- **Proprietary funds**. The City charges customers for certain services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities. The City's enterprise funds are similar to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows. The City's internal service funds are used to accumulate and allocate costs internally among the City of Denton's various functions. Both enterprise funds and internal service funds are components of proprietary funds.

The City of Denton maintains five enterprise funds. The City uses enterprise funds to account for its electric, water, wastewater, solid waste, and airport operations. The individual funds provide the same type of information as the government-wide financial statements, only in more detail. The City considers all enterprise funds to be major funds.

The City of Denton maintains nine internal service funds. The City uses internal service funds to account for materials management, fleet services, health insurance, risk retention, technology services, engineering services, customer service, facilities management, and environmental services. Because these services benefit both governmental and business-type functions, they have been included in both the governmental and business-type activities in the government-wide financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

- **Fiduciary funds**. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements.
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information.
The combining non-major fund statements and individual fund schedules are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of September 30, 2025, the City's combined net position was $1,852,038,136 of which $568,703,509 can be attributed to governmental activities and $1,283,334,627 attributed to business-type activities. This analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City's governmental and business-type activities.

The largest portion of the City's net position (78.9%) reflects its investment in capital assets (e.g., land, building, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1
Net Position
(in thousands)

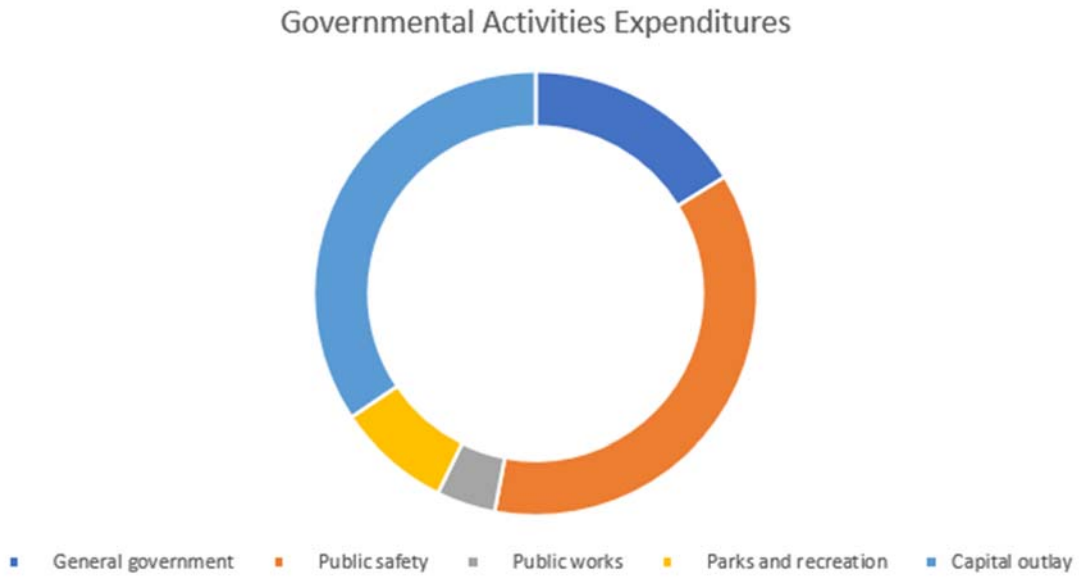
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 455,094	$ 451,238	$ 921,202	$ 797,426	$ 1,376,296	$ 1,248,664
Capital assets, net of accumulated depreciation/amortization	879,180	786,807	1,885,862	1,715,971	2,765,042	2,502,778
Total assets	1,334,274	1,238,045	2,807,064	2,513,397	4,141,338	3,751,442
Deferred outflows of resources	31,786	51,057	8,175	16,181	39,960	67,238
Long-term liabilities outstanding	741,390	707,646	1,440,741	1,295,763	2,182,130	2,003,409
Other liabilities	47,765	66,779	82,084	52,037	129,850	118,816
Total liabilities	789,155	774,425	1,522,825	1,347,800	2,311,980	2,122,225
Deferred inflows of resources	8,201	12,532	9,080	8,454	17,280	20,986
Net position:						
Net investment in capital assets	502,428	444,565	960,266	884,537	1,462,694	1,329,102
Restricted	49,801	44,845	157,060	119,996	206,861	164,841
Unrestricted	16,475	12,735	166,008	168,791	182,483	181,526
Total net position	$ 568,704	$ 502,145	$ 1,283,334	$ 1,173,324	$ 1,852,038	$ 1,675,469

Governmental activities increased the City's net position by $66,558,982. Business-type activities increased the City's net position by $110,010,611. The key elements of these increases are contained in Table 2.

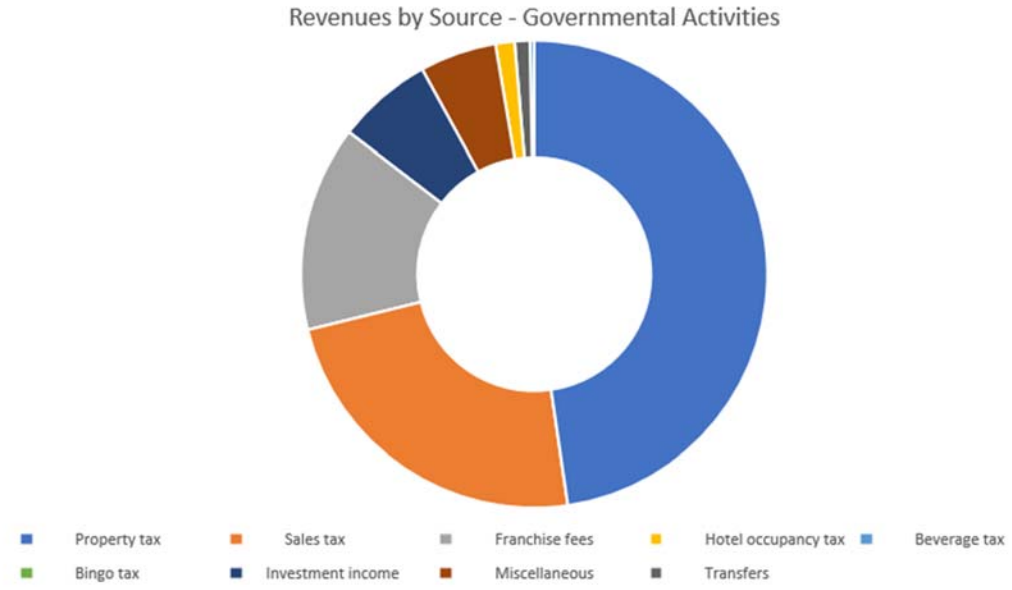
Table 2
Changes in Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	$ 29,671	$ 23,488	$ 425,046	$ 417,598	$ 454,717	$ 441,086
Operating grants and contributions	13,399	13,042	-	-	13,399	13,042
Capital grants and contributions	31,370	35,256	37,399	35,949	68,769	71,205
General Revenues:						-
Property tax	119,835	106,556	-	-	119,835	106,556
Sales tax	58,972	57,075	-	-	58,972	57,075
Franchise tax	35,761	34,985	-	-	35,761	34,985
Hotel occupancy tax	3,320	2,965	-	-	3,320	2,965
Beverage tax	724	703	-	-	724	703
Bingo tax	16	14	-	-	16	14
Investment income (loss)	16,357	17,015	22,655	27,498	39,012	44,513
Gain (loss) on sale of capital assets	301	265	387	836	688	1,101
Miscellaneous	13,348	5,391	-	-	13,348	5,391
Total revenues	323,075	296,755	485,487	481,881	808,561	778,636
Expenses:						
General government	64,603	57,476	-	-	64,603	57,476
Public safety	119,031	112,543	-	-	119,031	112,543
Public works	27,466	27,467	-	-	27,466	27,467
Parks and recreation	30,703	29,842	-	-	30,703	29,842
Interest on long-term debt	17,359	12,699	-	-	17,359	12,699
Electric	-	-	234,784	286,616	234,784	286,616
Water	-	-	38,644	34,826	38,644	34,826
Wastewater	-	-	52,675	46,815	52,675	46,815
Solid waste	-	-	43,879	41,283	43,879	41,283
Airport	-	-	2,850	2,681	2,850	2,681
Total expenses	259,162	240,027	372,832	412,221	631,994	652,248
Increase in net position before transfers	63,913	56,728	112,655	69,660	176,568	126,388
Transfers	2,646	(870)	(2,646)	870	-	-
Increase in net position	66,559	55,858	110,009	70,530	176,568	126,388
Net position at beginning of year	502,145	446,287	1,173,325	1,102,795	1,675,470	1,549,082
Net position at end of year	$ 568,704	$ 502,145	$ 1,283,334	$ 1,173,325	$ 1,852,038	$ 1,675,470

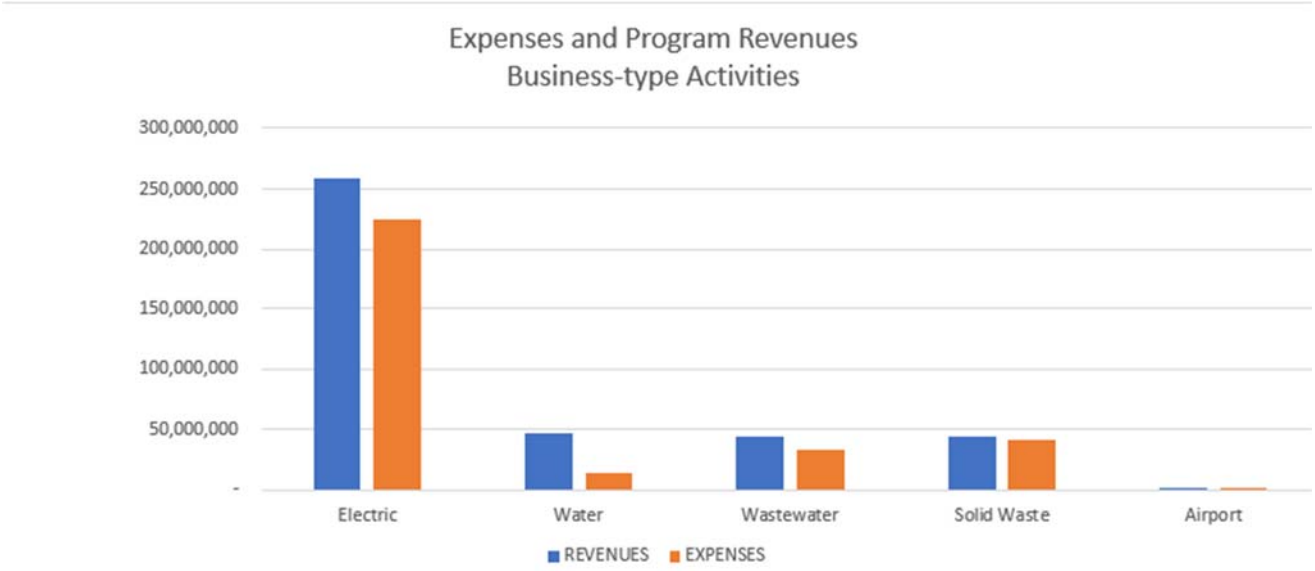
Governmental activities. Expenses for governmental activities reflect an increase of $19.1 million over the prior year. Increases include $7.1 million in General Government, $6.5 million in Public Safety, $4.6 million in interest expense, and $0.9 million for Parks and Recreation. The most significant governmental activities expense was in providing public safety, which incurred expenses of $119,030,615. The largest expense for public safety is the cost of personnel, which totaled $92,588,310. Last year the City added 14.0 new positions in public safety including 7.0 in the police department, 3.0 in the fire department, 3.0 in the animal service department, and 1.0 in the public safety communication department.



Governmental expenses were funded by revenues collected from a variety of sources, with the largest being from property taxes, which are $119,835,095 for the fiscal year ended September 30, 2025. Governmental activities program revenues increased $2.7 million over the prior year. Capital grants and contributions decreased $3.9 million from contributed asset revenues and American Rescue Plan Act (ARPA) funding for public works transportation and general government projects were completed. Operating grants and contributions increased $356 thousand from funding for public safety and parks and recreation. Charges for Services increased $6.2 million from general government and parks and recreation. Governmental activities general revenues included an increase of $13.3 million for property tax due to rising values and new construction. Sales tax increased $1.9 million due to population and business growth. Transfers reflect a net $2.6 million transfer in for governmental activities for the current year.



Business-type activities. Business-type activities increased the City's net position by $110,010,611. This accounts for 62.3% of the growth in the entity-wide net position. Total utility service revenues decreased by $7.3 million. The fiscal year 2025 included an Electric base rate increase of 1.50%, Water rate increase of 3%, Wastewater rate increase of 11%, and Solid Waste rate increase of 1.50%. Electric charges for services decreased by $14.8 million mainly due to a decrease in data center revenues. Water charges for services decreased by $22 thousand as compared to the service charges from prior year. Wastewater charges increased by $3.6 million compared to the prior year. Solid Waste charges for service increased by $3.6 million compared to the prior year. Airport charges for goods and services increased by $318 thousand. Water and Wastewater collected $16.9 million and $12.6 million in impact fees, respectively, reflecting a $12.4 million increase over the prior year. Capital contributions reflected an increase of $1.5 million from the prior year. Water capital contributions increased by $3.3 million while Wastewater capital contributions decreased by $1.8 million. The Airport gas well revenues contributed an additional $259 thousand in revenue, an increase of $20 thousand from the prior year. Total enterprise funds operating costs, before depreciation, decreased $38.0 million. Electric operating costs, before amortization and depreciation, account for 65.3 percent of total enterprise fund expenses. Cost decreases include purchase power costs of $35.8 million from the prior year. Expenses for personnel services and administrative costs decreased by $9.0 million. Water expenses increased $3.7 million from the prior year, due to an increase in materials and supplies by 8 percent and administrative costs by 11 percent from prior year. Wastewater expenses increased $1.2 million, due to an increase in personnel and administrative costs. Solid Waste expenses increased $2.9 million from the prior year, due to increased personnel services and administrative costs.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources available to spend. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of $373.3 million, an increase of $17.8 million in comparison with the prior year. $41.2 million constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the

fund balance has been classified to indicate that it is not available for new spending because it has already been classified as restricted ($282.0 million), committed ($32.2 million), and assigned ($17.9 million).

The General Fund is the chief operating fund of the City. At September 30, 2025, the unassigned fund balance of the General Fund was $42.8 million, or 20.6% of budgeted general fund expenditures. Revenues were $12.2 million higher compared to the previous year primarily due to increases in taxes of $2.9 million, licenses and permits of $1.3 million, franchise fees of $1.9 million, fees for service of $1.4 million and miscellaneous revenues of $6.1 million, partially offset due to decrease in investment revenue of $1.0 million and intergovernmental revenue of $683 thousand. The net change in General Fund expenditures was $9.4 million higher compared to the previous year primarily due to increased costs related to personnel services and operations. Personnel costs increased $9.0 million over the prior year which includes a 3% cost of living adjustment (COLA) and 2.5% merit increase. Public safety increased $5.0 million over the prior year due to 14.0 new positions in public safety including 7.0 in the police department, 3.0 in the fire department, 3.0 in the animal service department, and 1.0 in the public safety communication department.

At the end of the fiscal year, the Capital Projects Fund has a total fund balance of $273.5 million, an increase of $10.3 million. The total fund balance is made up of $244.8 million in restricted funds, $10.8 million in committed funds, and $17.9 million in assigned funds, all for capital construction and acquisition. In 2025, the City received $70.1 million of proceeds from the issuance of debt and recognized $7.3 million current year of regional toll revenues from the Texas Department of Transportation, while expending $102.6 million on construction and acquisition. In addition, the capital projects fund received $14.9 million of transfers from other funding sources. The City also received approximately $11.0 million in developer's contributed capital recorded in the government-wide financial statements. This is $3.3 million less than in the prior year.

The Debt Service Fund has a total fund balance of $2.6 million, all of which is restricted for the payment of debt service. As compared with the prior year results, the overall increase in the debt service fund balance of $1.2 million. An increase of $11.9 million in tax revenue was offset by an increase of $11.0 million in principal and interest costs.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at September 30, 2025 in proprietary funds is $88.4 million for Electric, $47.0 million for Water, $21.0 million for Wastewater, $14.7 million for Solid Waste, and $1.5 million for the Airport fund. The results reflect decreases of the unrestricted net position in the Water Fund of $10.6 million, Wastewater of $7.2 million, and Airport fund of $0.2 million, partially offset by increases in the Electric fund of $16.5 million, and Solid Waste fund of $3.6 million. Other factors concerning the finances of these funds have already been addressed in the discussion of the City of Denton's business-type activities.

BUDGETARY HIGHLIGHTS

No amendments were made to adjust the City of Denton's Annual Program of Service for the fiscal year.

GENERAL FUND BUDGET TO ACTUAL HIGHLIGHTS

For fiscal year 2025, General Fund actual expenditures (including transfers) on a budgetary basis were $200.7 million compared to the final budget of $207.7 million. The $4.9 million favorable variance from a transfer expense was offset with increased costs of personnel services of $9.0 million.

Actual revenues for the General Fund (including transfers and sale of capital asset) on a budgetary basis were $200.7 million compared to the final budget of $207.6 million. Included in the $6.2 million unfavorable revenue variance was $3.5 million decrease in taxes and $10.6 million decrease in franchise fees. These unfavorable

variances were offset by $4.9 million of transfers, $5.2 million in miscellaneous revenue, $1.8 million in fees for services, and $0.6 million in fines and forfeitures.

The City of Denton's General Fund unassigned fund balance at September 30, 2025 is $42.8 million, or 20.6% of budgeted expenditures. Below is a listing of the ending unassigned balances for the prior year, as well as the fiscal year 2025 unassigned fund balance.

	Actual 9/30/2025	Actual 9/30/2024
Unassigned balance	$42,825,552	$42,077,084
% of final budgeted expenditures	20.6%	22.3%
Policy level	20% plus up to a 5% resiliency reserve	20% plus up to a 5% resiliency reserve

The largest revenue source of the General Fund's budget was the ad valorem tax. Denton's ad valorem tax rate is composed of two components. The first is the operations and maintenance component that is used to calculate revenue for the City's General Fund operations. The second component is the debt portion that is used to calculate revenue to pay the City's general debt service obligations. The Denton Central Appraisal District's certified appraisal roll shows an increase of 10.16% compared to the prior year certified value, which showed an increase of 15.1%. The current property tax year included $1.21 billion of new growth and construction that was added to the tax rolls in Tax year 2025 as compared to Tax year 2024. The fiscal year 2025 ad valorem tax rate remained the same compared to fiscal year 2024 at $0.585420 per $100 of valuation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At the end of fiscal year 2025, the City had $2.8 billion invested in a broad range of capital assets, including police and fire equipment, buildings, park facilities, roads, bridges, electrical infrastructure, water and sewer lines, SBITA assets and lease assets (see Table 3 below). This amount represents a net increase (including additions and deductions) of $262.3 million or 10.5% over the prior fiscal year.

Table 3
Capital Assets at Year-end
(Net of Accumulated Depreciation/Amortization, in Thousands)

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 53,786	$ 49,344	$ 91,575	$ 89,923	$ 145,361	$ 139,267
Landfill improvements	-	-	139	700	139	700
Building and improvements	84,610	84,704	24,648	25,591	109,258	110,295
Plant, machinery and equipment	63,185	63,597	592,495	592,666	655,680	656,263
Water rights	-	-	44,563	45,259	44,563	45,259
Infrastructure	227,078	229,346	660,400	566,985	887,478	796,331
SBITA assets	11,394	6,249	3,740	4,957	15,134	11,206
Lease assets	94	169	-	-	94	169
Construction in progress	439,033	353,398	468,302	389,892	907,335	743,290
Total capital assets	$ 879,180	$ 786,807	$ 1,885,862	$ 1,715,973	$ 2,765,042	$ 2,502,780

This year's major asset additions included:

Description	Amount
Lewisville Lake Water Treatment Plant Upgrade Phase II	$ 18,984,384
Northwest Booster Pump Station & Transmission Line	17,128,696
Northwest Transmission Line	14,954,546
Hickory Creek Interceptor III	6,363,830
Hickory Creek Interceptor II	6,014,048
Eden Village	4,656,711
King's Way	4,126,907
Sagebrook Phase 2	4,086,265
Stuart Ridge Phase 3	3,933,760
Dry Fork Hickory Creek Tributary I	3,380,860
Hickory Grove Phase 1A (Offsite)	3,257,877
Hickory Grove Phase 1A (Onsite)	3,012,368
Mayhill Road	3,000,000
Ft Worth Drive Relocation I-35E	2,965,393
380 Mayhill Industrial	2,509,686
	$ 98,375,331

Additional information on the City's capital assets can be found in note IV. D. of this report.

Debt. At year-end, the City had $1,864.7 million in bonds and notes outstanding as compared to $1,674.6 million at the end of the prior fiscal year, an increase of 11.4%, as shown in Table 4.

Table 4
Principal Outstanding Debt at Year-end
(in thousands)

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 353,395	$ 328,400	$ 132,280	$ 124,070	$ 485,675	$ 452,470
Certificates of obligation	209,590	193,855	839,365	689,255	1,048,955	883,110
Revenue bonds	-	-	330,070	339,010	330,070	339,010
Total	$ 562,985	$ 522,255	$ 1,301,715	$ 1,152,335	$ 1,864,700	$ 1,674,590

These amounts do not include net unamortized premiums/(discounts) of $110,771,019 nor net deferred gain/(loss) on refunding of $1,869,950.

During the fiscal year, the City issued three types of debt in June and August 2025. The first debt issuance included $10.1 million in utility system bonds. The second debt issuance included $78.2 million in general obligation refunding bonds of which $26.6 million was for business-type activities. Of this amount, $51.6 million was issued to pay the costs of bond election capital improvements for streets, parks, and public safety projects in the Capital Projects fund. The remaining $26.6 million was issued to refund outstanding debt obligations. The third debt issuance included $232.6 million ($201.3 million of which is included as part of business-type

activities) in certificates of obligation. The debt was issued to pay the costs of various capital improvements in the Capital Projects Fund ($30.1 million), the Electric Fund ($42.2 million), the Water Fund ($75.4 million), the Wastewater Fund ($73.0million), the Solid Waste fund ($10.6 million), the Technology Service Fund ($1.7 million), and the Fleet Fund ($925 thousand).

Standard and Poor's Corporation has given both the City's General Obligation Bonds and Certificates of Obligation an "AA+" rating. Standard and Poor's Corporation has given the City's Utility System Revenue Bonds a rating of "A+". Fitch has given the City's General Obligation Bonds and the Certificates of Obligation a rating of "AA+." Fitch has given the City's Utility System Revenue Bonds a rating of "A". The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 2.9%.

Other long-term liabilities. The City maintains a self-insurance program for property, excess flood (for specific properties), general liability and excess general liability, aviation ground operations liability, auto liability and physical damage, public officials' liability, professional liability for EMT operations, employment practices liability, law enforcement professional liability, cyber, commercial crime, and workers' compensation. Private insurance companies cover claims for property loss on a per occurrence basis, except for specific perils, with deductibles that vary depending on location and property values, for workers' compensation losses over $1,000,000 per occurrence, and general liability over $500,000 per occurrence. The Risk Retention Fund has a reserve for claims and judgments of $7.2 million outstanding at year-end. Other obligations include pension liabilities, accrued vacation pay, and sick leave. More detailed information about the City's long-term liabilities is presented in Note IV. G.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

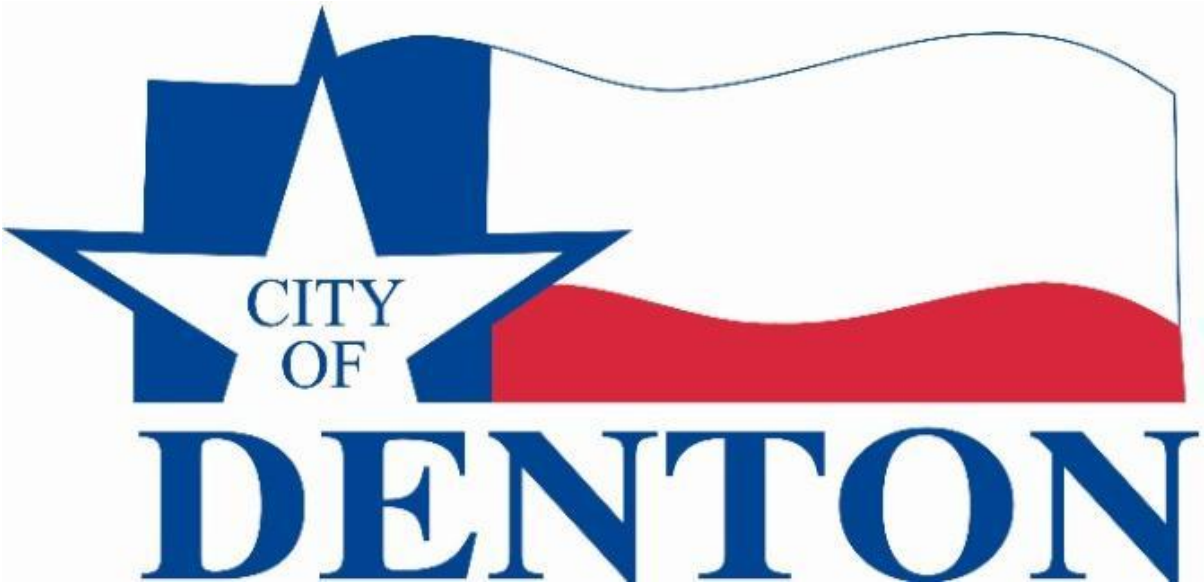
While growth for the Denton community is expected to be moderate in the short term, demand for city services are expected to remain strong over the long term. The adopted budget includes a tax rate of $0.595420 per $100 valuation. Of this amount $0.334780 is provided for operations and maintenance and $0.260640 is provided for debt service. While sales tax collections increased $1.9 million compared to the prior fiscal year, 2026 Budget projects an increase of 4.62% from actual fiscal year 2025 sales tax revenue. The fiscal year 2026 Budget includes approximately $7 million in reductions.

The unemployment rate for the City was 4.2 percent on September 30, 2025 compared to 3.8 percent as of September 30, 2024.

The fiscal year 2026 budget includes a Wastewater rate increase of 11% and Water rate increase of 3% to fund current and future growth.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Denton Finance Department, 215 E. McKinney, Denton, Texas 76201.


CITY
OF
DENTON

CITY OF DENTON, TEXAS **Exhibit I**
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash, cash equivalents and investments, at fair value	$ 96,791,610	$ 188,178,903	$ 284,970,513
Receivables, net of allowances:			
Taxes	11,455,100	-	11,455,100
Accounts	-	16,447,221	16,447,221
Unbilled utility service	-	22,807,361	22,807,361
Interest	639,697	1,251,712	1,891,409
Other	4,846,607	6,837,849	11,684,456
Internal balances	(18,707,139)	18,707,139	-
Due from other governments	9,233,855	2,107,243	11,341,098
Inventory	26,229,223	-	26,229,223
Prepaid items	6,606	41,368,323	41,374,929
Restricted assets:			
Cash, cash equivalents and investments, at fair value	321,588,990	482,019,429	803,608,419
Escrow deposits	244,000	5,437,022	5,681,022
Taxes	615,357	-	615,357
Accrued interest	2,131,066	3,206,391	5,337,457
Other receivables	19,203	83,453	102,656
Debt issuance costs - insurance	-	413,079	413,079
Other assets	-	132,336,721	132,336,721
Capital, Lease and Right-to-use assets:			
Right-to-use assets, net of accumulated amortization	11,394,115	3,739,623	15,133,738
Lease assets, net of accumulated amortization	94,014	-	94,014
Capital assets not being depreciated	492,818,715	559,877,095	1,052,695,810
Capital assets, net of accumulated depreciation	374,872,771	1,322,245,757	1,697,118,528
Total assets	1,334,273,790	2,807,064,321	4,141,338,111
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred loss on refundings	66,297	467,878	534,175
Deferred pension balances	27,829,360	6,031,106	33,860,466
Deferred other post-employment benefit balances	3,889,936	1,675,891	5,565,827
Total deferred outflows of resources	31,785,593	8,174,875	39,960,468
LIABILITIES:			
Accounts payable	15,158,747	11,201,519	26,360,266
Retainage payable	534,805	1,129,604	1,664,409
Deposits	145,945	13,947,049	14,092,994
Accrued interest	282,573	-	282,573
Due to other governments	30	-	30
Other liabilities	792,904	-	792,904
Unearned revenue	16,317,466	21,956,924	38,274,390
Payable from restricted assets:			
Accounts payable	7,185,076	15,778,270	22,963,346
Retainage payable	4,369,285	8,352,012	12,721,297
Accrued interest	2,978,605	9,719,005	12,697,610
Noncurrent liabilities:			
Noncurrent liabilities due within one year	59,306,733	80,458,071	139,764,804
Noncurrent liabilities due in more than one year	682,083,050	1,360,282,551	2,042,365,601
Total liabilities	789,155,219	1,522,825,005	2,311,980,224
DEFERRED INFLOWS OF RESOURCES:			
Deferred lease revenues	898,062	2,141,861	3,039,923
Deferred gain on refundings	542,447	1,861,678	2,404,125
Deferred other post-employment benefit balances	6,760,147	2,968,782	9,728,929
Deferred other		2,107,243	2,107,243
Total deferred inflows of resources	8,200,656	9,079,564	17,280,220
NET POSITION:			
Net investment in capital assets	502,427,544	960,266,998	1,462,694,542
Restricted for:			
Debt service	-	23,357,305	23,357,305
Parks and recreation	17,168,837	-	17,168,837
Capital acquisition	27,199,327	133,702,448	160,901,775
Grant	403,677	-	403,677
Public safety	1,792,148	-	1,792,148
Puplic education	1,211,378	-	1,211,378
Special Assesment Projects	443,543	-	443,543
Tourism	1,582,550	-	1,582,550
Unrestricted	16,474,505	166,007,876	182,482,381
Total net position	$ 568,703,509	$ 1,283,334,627	$ 1,852,038,136

The notes to the basic financial statements are an integral part of this statement.

CITY OF DENTON, TEXAS **Exhibit II**
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Primary government:				
Governmental activities:				
General government	$ 64,602,853	$ 11,476,392	$ 4,876,406	$ 15,099,167
Public safety	119,030,615	7,218,413	7,419,210	-
Public works	27,465,600	634,097	-	13,952,028
Parks and recreation	30,703,498	10,341,751	1,102,899	2,318,617
Interest expense	17,359,096	-	-	-
Total governmental activities	259,161,662	29,670,653	13,398,515	31,369,812
Business-type activities:				
Electric system	234,784,149	258,295,781	-	-
Water system	38,643,794	63,776,494	-	14,760,897
Wastewater system	52,675,288	56,094,632	-	22,638,150
Solid waste	43,878,520	44,585,934	-	-
Airport	2,850,255	2,293,594	-	-
Total business-type activities	372,832,006	425,046,435	-	37,399,047
Total primary government	$ 631,993,668	$ 454,717,088	$ 13,398,515	$ 68,768,859

(continued on the following page)

The notes to the basic financial statements are an integral part of this statement.

CITY OF DENTON, TEXAS **Exhibit II**
STATEMENT OF ACTIVITIES (concluded)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
Functions/Programs	**Governmental Activities**	**Business-type Activities**	**Total**
Primary government:			
Governmental activities:			
General government	**$ (33,150,888)**	**$ -**	**$ (33,150,888)**
Public safety	**(104,392,992)**	**-**	**(104,392,992)**
Public works	**(12,879,475)**	**-**	**(12,879,475)**
Parks and recreation	**(16,940,231)**	**-**	**(16,940,231)**
Interest expense	**(17,359,096)**	**-**	**(17,359,096)**
Total governmental activities	**(184,722,682)**	**-**	**(184,722,682)**
Business-type activities:			
Electric system	**-**	**23,511,632**	**23,511,632**
Water system	**-**	**39,893,597**	**39,893,597**
Wastewater system	**-**	**26,057,494**	**26,057,494**
Solid waste	**-**	**707,414**	**707,414**
Airport	**-**	**(556,661)**	**(556,661)**
Total business-type activities	**-**	**89,613,476**	**89,613,476**
Total primary government	**(184,722,682)**	**89,613,476**	**(95,109,206)**
General revenues:			
Taxes:			
Property tax	**119,835,095**	**-**	**119,835,095**
Sales tax	**58,972,691**	**-**	**58,972,691**
Franchise fees	**35,761,375**	**-**	**35,761,375**
Hotel occupancy tax	**3,319,923**	**-**	**3,319,923**
Beverage tax	**724,191**	**-**	**724,191**
Bingo tax	**15,948**	**-**	**15,948**
Investment income	**16,357,066**	**22,655,173**	**39,012,239**
Gain on sale of capital assets	**301,091**	**387,604**	**688,695**
Miscellaneous	**13,348,642**	**-**	**13,348,642**
Transfers	**2,645,642**	**(2,645,642)**	**-**
Total general revenues and transfers	**251,281,664**	**20,397,135**	**271,678,799**
Change in net position	**66,558,982**	**110,010,611**	**176,569,593**
Net position at beginning of year	**502,144,527**	**1,173,324,016**	**1,675,468,543**
Net position at end of year	**$ 568,703,509**	**$ 1,283,334,627**	**$ 1,852,038,136**

The notes to the basic financial statements are an integral part of this statement. **(concluded)**

CITY OF DENTON, TEXAS **Exhibit III**
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash, cash equivalents and investments, at fair value	$ 40,122,505	$ 2,480,938	$ 297,315,867	$ 1,001,667	$ 53,005,341	$ 393,926,318
Receivables, net of allowances for uncollectibles:						
Taxes	11,053,500	606,254	-	-	410,703	12,070,457
Accrued interest	267,671	16,502	1,977,744	-	346,958	2,608,875
Other	2,957,249	-	-	-	36,569	2,993,818
Interfund receivables	2,203,273	-	-	-	1,285,663	3,488,936
Due from other governments	1,194,135	-	5,055,479	-	2,984,241	9,233,855
Total assets	$ 57,798,333	$ 3,103,694	$ 304,349,090	$ 1,001,667	$ 58,069,475	$ 424,322,259
LIABILITIES:						
Accounts payable	10,240,890	-	6,605,842	116,771	1,359,769	18,323,272
Retainage payable	-	-	4,802,910	61,107	10,614	4,874,631
Interfund payables		-	-	-	353,537	353,537
Due to other governments	30	-	-	-	-	30
Other liabilities	792,904	-	-	-	-	792,904
Unearned revenues	-	-	15,419,464	823,789	74,213	16,317,466
Total liabilities	11,033,824	-	26,828,216	1,001,667	1,798,133	40,661,840
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	799,960	509,682	-	-	-	1,309,642
Unavailable revenue - general services	908,749	-	4,062,947	-	1,667,482	6,639,178
Unavailable revenue - intergovernmental	2,230,248	-	-	-	169,670	2,399,918
Total deferred inflows of resources	3,938,957	509,682	4,062,947	-	1,837,152	10,348,738
FUND BALANCES:						
Restricted for:						
Debt service	-	2,594,012	-	-	-	2,594,012
Parks and recreation	-	-	67,381,777	-	17,018,873	84,400,650
Streets and drainage projects	-	-	68,669,534	-	12,396,304	81,065,838
Other capital projects	-	-	107,479,058	-	-	107,479,058
Grant	-	-	1,222,210	-	224,007	1,446,217
Public safety	-	-	-	-	1,792,147	1,792,147
Public education	-	-	-	-	1,211,379	1,211,379
Special Assesment Projects	-	-	-	-	443,543	443,543
Tourism	-	-	-	-	1,582,550	1,582,550
Committed to:						
Streets	-	-	10,750,603	-	6,205,504	16,956,107
Parks and recreation	-	-	4,433	-	222,621	227,054
Economic development	-	-	-	-	12,911,890	12,911,890
Capital Projects	-	-	35,297	-	-	35,297
Tree Preservation	-	-	-	-	2,031,893	2,031,893
Assigned to:						
Streets and drainage projects	-	-	11,464,997	-	-	11,464,997
Capital projects	-	-	5,762,916	-	-	5,762,916
Other purposes	-	-	687,102	-	1,010	688,112
Unassigned	42,825,552	-	-	-	(1,607,531)	41,218,021
Total fund balances	42,825,552	2,594,012	273,457,927	-	54,434,190	373,311,681
Total liabilities, deferred inflows of resources and fund balances	$ 57,798,333	$ 3,103,694	$ 304,349,090	$ 1,001,667	$ 58,069,475	$ 424,322,259

The notes to the basic financial statements are an integral part of this statement.

CITY OF DENTON, TEXAS **Exhibit IV**
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2025

Total fund balances - governmental funds (Exhibit III)			**$ 373,311,681**
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Includes capital assets of internal service funds.			**879,179,615**
Certain receivables will be collected next year but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds.			**10,348,738**
Deferred outflows of resources are not reported in the governmental funds. Includes deferred outflows of internal service funds:			
Deferred loss on refundings		**(476,150)**	
Deferred pension balances		**27,829,360**	
Deferred other post-employment benefits contributions		**3,889,936**	**31,243,146**
An internal charge to business-type activities is not recorded at the fund level.			**6,647,914**
Several internal service funds are used by the City's management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets, liabilities, deferred outflows, and deferred inflows of the internal service funds are included with governmental activities. Internal service fund balances not included in other reconciling items listed above or below:			
Current and other assets	**$**	**52,967,993**	
Liabilities	**$**	**(32,686,408)**	
Deferred inflows	**$**	**(898,062)**	**19,383,523**
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Includes balances of internal service funds. Long-term liabilities and related balances at year-end consist of:			
General obligation bonds payable	**$**	**(353,395,000)**	
Certificates of obligation payable		**(209,590,000)**	
Bond (premiums)/discounts		**(38,949,231)**	
Accrued interest on the bonds		**(3,261,178)**	
Capital leases payable		**(95,481)**	
Right-to-use liability		**(9,837,225)**	
Net Pension liability		**(61,570,154)**	
Total other post-employment benefits liability		**(35,858,494)**	
Claims and judgement payable		**(9,396,853)**	
Compensated absences		**(22,697,345)**	**(744,650,961)**
Deferred inflows of resources are not reported in the governmental funds. Includes deferred outflows of internal service funds:			
Deferred other post-employment benefits contributions			**(6,760,147)**
Total net position of governmental activities (Exhibit I)			**$ 568,703,509**

The notes to the basic financial statements are an integral part of this exhibit.

CITY OF DENTON, TEXAS **Exhibit V**
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Taxes	$ 126,828,879	$ 50,087,820	$ -	$ -	$ 5,546,112	$ 182,462,811
Licenses and permits	6,853,283	-	-	-	-	6,853,283
Franchise fees	19,461,375	-	-	-	16,300,000	35,761,375
Fines and forfeitures	2,749,785	-	-	-	182,168	2,931,953
Fees for services	13,863,902	-	-	-	5,038,024	18,901,926
Investment revenue	2,539,720	1,071,608	10,525,175	-	2,220,563	16,357,066
Intergovernmental	2,848,052	-	14,967,859	5,216,739	7,612,138	30,644,788
Miscellaneous	6,420,575	-	7,951	-	6,920,118	13,348,644
Total revenues	181,565,571	51,159,428	25,500,985	5,216,739	43,819,123	307,261,846
EXPENDITURES:						
Current:						
General government	38,881,766	-	241,899	1,555,525	10,410,677	51,089,867
Public safety	111,125,738	-	13,465	41,866	4,694,624	115,875,693
Public works	3,799,305	-	121,720	-	9,632,120	13,553,145
Parks and recreation	25,304,356	-	287,729	-	572,673	26,164,758
Capital outlay	490,351	-	102,607,699	3,619,348	1,839,205	108,556,603
Debt service:						
Principal retirement	-	29,740,000	-	-	-	29,740,000
Bond issuance costs	-	56,915	421,452	-	-	478,367
Interest and other charges	-	20,989,801	608,025	-	-	21,597,826
Total expenditures	179,601,516	50,786,716	104,301,989	5,216,739	27,149,299	367,056,259
Excess (deficiency) of revenues over (under) expenditures	1,964,055	372,712	(78,801,004)	-	16,669,824	(59,794,413)
OTHER FINANCING SOURCES (USES):						
Refunding bonds issued	-	10,375,000	-	-	-	10,375,000
Payment to refunded bond agent	-	(11,400,289)	-	-	-	(11,400,289)
Issuance of long-term debt	-	-	70,055,000	-	-	70,055,000
Premium on debt issuance	-	1,084,796	4,208,047	-	-	5,292,843
Proceeds from sale of capital assets	344,186	-		-	-	344,186
Transfers in	7,887	751,656	14,854,716	-	2,126,082	17,740,341
Transfers out	(1,567,660)	-	(36,818)	-	(13,220,178)	(14,824,656)
Total other financing sources (uses)	(1,215,587)	811,163	89,080,945	-	(11,094,096)	77,582,425
Net change in fund balances	748,468	1,183,875	10,279,941	-	5,575,728	17,788,012
Fund balance at beginning of year	42,077,084	1,410,137	263,177,986	-	48,858,462	355,523,669
Fund balances at end of year	$ 42,825,552	$ 2,594,012	$ 273,457,927	$ -	$ 54,434,190	$ 373,311,681

The notes to the basic financial statements are an integral part of this statement.

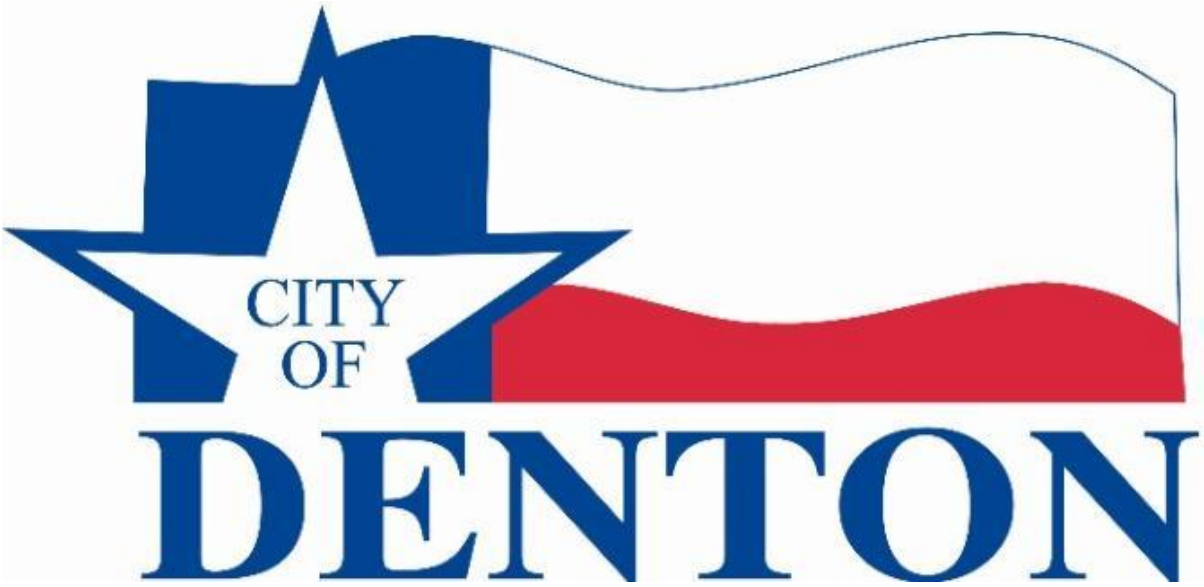
CITY OF DENTON, TEXAS **Exhibit VI**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds (Exhibit V)	**$**	**17,788,012**
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents the difference between capital outlay of $108,556,603 and depreciation of $30,691,571 (which is the net of overall governmental activities depreciation of $36,898,333 less internal service fund depreciation of $6,206,762).		**77,865,032**
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Such amounts are recorded in the funds when considered available.		**4,404,523**
The net effect of various miscellaneous transactions involving capital assets (i.e., SBITA, leases, sales, trade-ins and donations) is to decrease net position.		**9,243,124**
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded payments.		**(44,592,843)**
Fund-level financials report costs related to bonds as expenditures; however, these are deferred and amortized on the government-wide financials		**4,016,939**
Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		**520,934**
Internal service funds are used by management to charge the costs of certain activities, such as insurance and technology services, to individual funds. A portion of the net revenue (expense) of certain internal service funds is reported with governmental activities. The amount reported with business-type activities is ($5,082,891).		**(2,686,739)**
Change in net position of governmental activities (Exhibit II)	**$**	**66,558,982**

The notes to the basic financial statements are an integral part of this statement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CITY OF DENTON, TEXAS **Exhibit VII**
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Adjustments - Budgetary	Actual on a Budgetary	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUES:						
Taxes	$ 130,330,041	$ 130,330,041	$ 126,828,879	$ -	$ 126,828,879	$ (3,501,162)
Licenses and permits	6,415,806	6,415,806	6,853,283	-	6,853,283	437,477
Franchise fees	30,053,643	30,053,643	19,461,375	-	19,461,375	(10,592,268)
Fines and forfeitures	2,106,531	2,106,531	2,749,785	-	2,749,785	643,254
Fees for services	12,108,150	12,108,150	13,863,902	-	13,863,902	1,755,752
Investment revenue	2,352,098	2,352,098	2,539,720	-	2,539,720	187,622
Intergovernmental	3,197,656	3,197,656	2,848,052	-	2,848,052	(349,604)
Miscellaneous	106,648	106,648	6,420,575	(1,141,585)	5,278,990	5,172,342
Total revenues	186,670,573	186,670,573	181,565,571	(1,141,585)	180,423,986	(6,246,587)
EXPENDITURES:						
Current:						
General government	50,709,750	47,323,595	38,881,766	6,949,135	45,830,901	1,492,694
Public safety	103,661,323	103,674,823	111,125,738	(7,154,651)	103,971,087	(296,264)
Public works	3,332,781	3,345,900	3,799,305	(492,282)	3,307,023	38,877
Parks and recreation	24,665,353	24,590,080	25,304,356	(1,348,895)	23,955,461	634,619
Capital outlay	704,483	658,223	490,351	-	490,351	167,872
Total expenditures	183,073,690	179,592,621	179,601,516	(2,046,693)	177,554,823	2,037,798
Excess (deficiency) of revenues over (under) expenditures	3,596,883	7,077,952	1,964,055	905,108	2,869,163	(4,208,789)
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of capital assets	198,528	198,528	344,186	-	344,186	145,658
Transfer in	20,710,051	20,710,051	7,887	20,710,050	20,717,937	7,886
Transfers out	(24,505,462)	(27,986,531)	(1,567,660)	(21,544,768)	(23,112,428)	4,874,103
Total other financing sources (uses)	(3,596,883)	(7,077,952)	(1,215,587)	(834,718)	(2,050,305)	5,027,647
Net change in fund balance	-	-	748,468	70,390	818,858	818,858
Fund balance, beginning of year	42,077,084	42,077,084	42,077,084	-	42,077,084	-
Fund balance at end of year	$ 42,077,084	$ 42,077,084	$ 42,825,552	$ 70,390	$ 42,895,942	$ 818,858

Adjustments - Budgetary Basis are expenditures allocated to and reimbursed by other funds. These expenditures are recorded in the other funds' financials.

The notes to the basic financial statements are an integral part of this statement.

CITY OF DENTON, TEXAS **Exhibit VIII**
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds		
	Utility System		
	Electric Fund	Water Fund	Wastewater Fund
ASSETS:			
Current assets:			
Cash, cash equivalents and investments, at fair value	$ 84,810,373	$ 54,802,111	$ 25,790,379
Receivables, net of allowances:			
Accounts	10,228,011	2,356,272	2,068,034
Unbilled utility service	14,848,692	3,062,471	2,630,653
Accrued interest	564,158	364,509	171,557
Other	6,182,745	-	-
Interfund receivables	21,945,369	2,186,986	1,222,698
Due from other governments	-	2,107,243	-
Merchandise inventory	-	-	-
Prepaid items	41,368,323	-	-
Total current assets	179,947,671	64,879,592	31,883,321
Noncurrent assets:			
Restricted assets:			
Cash, cash equivalents and investments, at fair value	89,432,981	173,436,421	180,440,346
Escrow deposit	-	5,437,022	-
Accrued interest	594,908	1,153,698	1,200,288
Other receivables	-	-	-
Total restricted assets	90,027,889	180,027,141	181,640,634
Unamortized debt issuance costs - insurance	413,079	-	-
Other Assets	132,336,721	-	-
Lease assets, net of accumulated amortization	-	-	-
Right-to-use assets, net of accumulated amortization	3,085,460	185,506	-
Capital assets, net of accumulated depreciation	822,193,298	507,754,878	459,871,061
Total noncurrent assets	1,048,056,447	687,967,525	641,511,695
Total assets	1,228,004,118	752,847,117	673,395,016
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charges on refunding	178,020	269,546	-
Deferred pension balances	3,203,970	1,004,656	720,289
Deferred other post employment benefit balances	618,579	297,179	330,357
Total deferred outflows of resources	4,000,569	1,571,381	1,050,646
LIABILITIES:			
Current liabilities:			
Accounts payable	8,291,329	1,082,836	803,067
Retainage payable	-	478,922	650,682
Claims payable	-	-	-
Compensated absences payable	2,401,067	1,072,938	912,329
Other post employment benefits	127,458	66,252	55,667
Deposits	11,390,619	952,017	769,954
Accrued interest	-		-
Interfund payables	-	-	-
Right-to-use liability	2,622,528	25,381	-
Unearned revenue	21,956,924		
Payable from restricted assets:			
Accounts payable	12,636,198	935,937	2,096,820
Retainage payable	4,705,761	2,419,128	810,729
Accrued interest	7,184,326	1,179,431	1,077,243
Certificate, general obligation, and revenue bonds	43,809,571	12,612,283	10,359,471
Total current liabilities paid from restricted assets	68,335,856	17,146,779	14,344,263
Total current liabilities	115,125,781	20,825,125	17,535,962

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit VIII**
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Fund	Airport Fund	Total Enterprise Funds	
ASSETS:				
Current assets:				
Cash, cash equivalents and investments, at fair value	$ 19,483,260	$ 3,292,780	$ 188,178,903	$ 12,073,483
Receivables, net of allowances:				
Accounts	1,696,498	98,406	16,447,221	-
Unbilled utility service	2,265,545	-	22,807,361	-
Accrued interest	129,584	21,904	1,251,712	79,532
Other	655,104	-	6,837,849	1,871,994
Interfund receivables	-	-	25,355,053	-
Due from other governments	-	-	2,107,243	-
Merchandise inventory	-	-	-	26,229,223
Prepaid items	-	-	41,368,323	6,606
Total current assets	24,229,991	3,413,090	304,353,665	40,260,838
Noncurrent assets:				
Restricted assets:				
Cash, cash equivalents and investments, at fair value	37,466,047	1,243,634	482,019,429	12,380,799
Escrow deposit	-	-	5,437,022	244,000
Accrued interest	249,224	8,273	3,206,391	82,356
Other receivables	-	83,453	83,453	-
Total restricted assets	37,715,271	1,335,360	490,746,295	12,707,155
Unamortized debt issuance costs - insurance	-	-	413,079	-
Other Assets	-	-	132,336,721	-
Lease assets, net of accumulated amortization	-	-	-	94,014
Right-to-use assets, net of accumulated amortization	468,657	-	3,739,623	7,313,004
Capital assets, net of accumulated depreciation	72,403,994	19,899,621	1,882,122,852	19,624,288
Total noncurrent assets	110,587,922	21,234,981	2,509,358,570	39,738,461
Total assets	134,817,913	24,648,071	2,813,712,235	79,999,299
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charges on refunding	20,312	-	467,878	-
Deferred pension balances	972,187	130,004	6,031,106	3,904,762
Deferred other post employment benefit balances	411,567	18,209	1,675,891	878,843
Total deferred outflows of resources	1,404,066	148,213	8,174,875	4,783,605
LIABILITIES:				
Current liabilities:				
Accounts payable	936,853	87,434	11,201,519	4,016,185
Retainage payable	-	-	1,129,604	29,459
Claims payable	-	-	-	3,004,453
Compensated absences payable	1,407,574	104,672	5,898,580	3,304,574
Other post employment benefits	84,423	4,701	338,501	178,037
Deposits	823,359	11,100	13,947,049	145,945
Accrued interest	-	-	-	282,573
Interfund payables	-	-	-	28,490,454
Right-to-use liability	-	-	2,647,909	4,260,572
Unearned revenue			21,956,924	-
Payable from restricted assets:				
Accounts payable	109,315	-	15,778,270	4,366
Retainage payable	416,394	-	8,352,012	-
Accrued interest	278,005	-	9,719,005	-
Certificate, general obligation, and revenue bonds	4,791,756	-	71,573,081	1,723,374
Total current liabilities paid from restricted assets	5,595,470	-	105,422,368	1,727,740
Total current liabilities	8,847,679	207,907	162,542,454	45,439,992

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit VIII**
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds		
	Utility System		
	Electric Fund	Water Fund	Wastewater Fund
Noncurrent liabilities:			
General obligation bonds payable	$ 87,547,580	$ 20,046,314	$ 12,401,069
Certificates of obligation	410,789,819	194,858,761	209,306,380
Revenue bonds payable	311,066,938	9,920,000	-
Compensated absences payable	635,249	127,625	110,456
Claims and judgement payable	-	-	-
Lease liability	-	-	-
Right-to-use liability	111,036	109	-
Net pension liability	13,480,240	3,957,413	3,783,884
Total other post-employment benefits liability	5,985,979	2,909,675	3,196,598
Landfill closure/postclosure costs	-	-	-
Total noncurrent liabilities	829,616,841	231,819,897	228,798,387
Total liabilities	944,742,622	252,645,022	246,334,349
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows - leases	1,507,377	-	-
Deferred charges on refundings	1,020,712	233,904	350,154
Deferred other post employment benefit balances	1,098,621	553,356	541,872
Deferred - other	-	2,107,243	-
Total deferred inflows of resources	3,626,710	2,894,503	892,026
NET POSITION:			
Net investment in capital assets	172,269,639	372,479,378	352,697,671
Restricted for debt service	22,953,227	404,078	-
Restricted for capital acquisition	-	78,961,142	53,489,400
Unrestricted	88,412,489	47,034,375	21,032,216
Total net position	$ 283,635,355	$ 498,878,973	$ 427,219,287

(continued on the following page)

The notes to the basic financial statements are an integral part of this statement.

CITY OF DENTON, TEXAS **Exhibit VIII**
STATEMENT OF NET POSITION (concluded)
PROPRIETARY FUNDS
AS OF SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Fund	Airport Fund	Total Enterprise Funds	
Noncurrent liabilities:				
General obligation bonds payable	$ 7,154,728	$ -	$ 127,149,691	$ -
Certificates of obligation	38,872,118	-	853,827,078	20,041,242
Revenue bonds payable	-	-	320,986,938	-
Compensated absences payable	340,639	10,842	1,224,811	360,309
Claims and judgement payable	-	-	-	6,392,399
Lease liability	-	-	-	95,481
Right-to-use liability	394,586	-	505,731	1,853,470
Net pension liability	4,640,987	461,987	26,324,511	13,469,479
Total other post-employment benefits liability	3,674,836	198,467	15,965,555	7,554,733
Landfill closure/postclosure costs	14,298,236	-	14,298,236	-
Total noncurrent liabilities	69,376,130	671,296	1,360,282,551	49,767,113
Total liabilities	78,223,809	879,203	1,522,825,005	95,207,105
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows - leases	634,484	-	2,141,861	898,062
Deferred charges on refundings	256,908	-	1,861,678	-
Deferred other post employment benefit balances	738,696	36,237	2,968,782	1,498,461
Deferred - other	-	-	2,107,243	-
Total deferred inflows of resources	1,630,088	36,237	9,079,564	2,396,523
NET POSITION:				
Net investment in capital assets	41,668,783	21,151,527	960,266,998	11,433,600
Restricted for debt service	-	-	23,357,305	-
Restricted for capital acquisition	-	1,251,906	133,702,448	-
Unrestricted	14,699,299	1,477,411	172,655,790	(24,254,324)
Total net position	$ 56,368,082	$ 23,880,844	$ 1,289,982,541	$ (12,820,724)
Adjustment to reflect inclusion of internal service fund activities related to enterprise funds.			(6,647,914)	
Net position of business-type activities (Exhibit I)			$ 1,283,334,627	

The notes to the basic financial statements are an integral part of this statement. **(concluded)**

CITY OF DENTON, TEXAS **Exhibit IX**
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds		
	Utility System		
	Electric Fund	Water Fund	Wastewater Fund
OPERATING REVENUES:			
Utility services	$ 248,814,658	$ 45,463,323	$ 41,588,841
Charges for goods and services	-	-	-
Other fees	9,481,123	1,380,136	1,951,353
Miscellaneous	-	-	-
Total operating revenues	258,295,781	46,843,459	43,540,194
OPERATING EXPENSES:			
Operating expenses before depreciation and amortization	192,470,221	34,073,460	34,903,110
Depreciation and amortization	26,025,997	13,592,921	14,290,676
Total operating expenses	218,496,218	47,666,381	49,193,786
Operating income (loss)	39,799,563	(822,922)	(5,653,592)
NON-OPERATING REVENUES (EXPENSES):			
Investment revenue	8,130,935	6,448,381	5,740,542
Interest expense and fiscal charges	(24,324,608)	(6,001,761)	(5,925,963)
Impact fee revenue	-	16,933,035	12,554,438
Gain on disposal of capital assets	(365,390)	38,815	348,789
Gas well revenues	-	-	-
Other non-operating revenues (expenses)	10,767,142	15,837,828	3,345,738
Total non-operating revenues (expenses)	(5,791,921)	33,256,298	16,063,544
Income (loss) before contributions and transfers	34,007,642	32,433,376	10,409,952
CONTRIBUTIONS AND TRANSFERS:			
Capital contributions	-	14,760,897	22,638,150
Transfers in	171,697	201,857	688,115
Transfers out	(1,308,009)	(1,369,752)	(430,434)
Total contributions and transfers	(1,136,312)	13,593,002	22,895,831
Change in net position	32,871,330	46,026,378	33,305,783
Net position at beginning of year	250,764,025	452,852,595	393,913,504
Total net position at end of year	$ 283,635,355	$ 498,878,973	$ 427,219,287

(continued on the following page)

The notes to the basic financial statements are an integral part of this statement.

CITY OF DENTON, TEXAS **Exhibit IX**
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION (concluded)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities -
	Solid Waste Fund	Airport Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:				
Utility services	$ 43,808,482	$ 1,964,579	$ 381,639,883	$ -
Charges for goods and services	-	-	-	127,800,203
Other fees	774,803	-	13,587,415	-
Miscellaneous	2,649	70,015	72,664	5,177,570
Total operating revenues	44,585,934	2,034,594	395,299,962	132,977,773
OPERATING EXPENSES:				
Operating expenses before depreciation and amortization	35,699,496	1,602,990	298,749,277	133,491,048
Depreciation and amortization	6,352,429	1,243,268	61,505,291	6,206,762
Total operating expenses	42,051,925	2,846,258	360,254,568	139,697,810
Operating income (loss)	2,534,009	(811,664)	35,045,394	(6,720,037)
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	1,957,152	378,163	22,655,173	1,359,900
Interest expense and fiscal charges	(1,426,861)	-	(37,679,193)	(1,034,446)
Impact fee revenue	-	-	29,487,473	-
Gain on disposal of capital assets	574,577	-	596,791	(1,035,646)
Gas well revenues	-	259,000	259,000	-
Other non-operating revenues (expenses)	-	24,751	29,975,459	(99,358)
Total non-operating revenues (expenses)	1,104,868	661,914	45,294,703	(809,550)
Income (loss) before contributions and transfers	3,638,877	(149,750)	80,340,097	(7,529,587)
CONTRIBUTIONS AND TRANSFERS:				
Capital contributions	-	-	37,399,047	30,000
Transfers in	156,589	-	1,218,258	67,970
Transfers out	(4,049)	(751,656)	(3,863,900)	(338,013)
Total contributions and transfers	152,540	(751,656)	34,753,405	(240,043)
Change in net position	3,791,417	(901,406)	115,093,502	(7,769,630)
Net position at beginning of year	52,576,665	24,782,250	1,174,889,039	(5,051,094)
Total net position at end of year	$ 56,368,082	$ 23,880,844	$ 1,289,982,541	$ (12,820,724)
Change in fund net position of proprietary funds			115,093,502	
Adjustment to reflect inclusion of internal service fund activities related to enterprise funds.			(5,082,891)	
Change in net position of business-type activities (Exhibit II)			$ 110,010,611	

The notes to the basic financial statements are an integral part of this statement. (concluded)

CITY OF DENTON, TEXAS **Exhibit X**
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds		
	Utility System		
	Electric Fund	Water Fund	Wastewater Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 277,940,303	$ 44,693,004	$ 42,615,098
Cash paid to employees for services	(24,475,363)	(11,109,464)	(9,029,241)
Cash paid to suppliers	(176,014,877)	(28,491,326)	(25,535,031)
Net cash provided (used) by operating activities	77,450,063	5,092,214	8,050,826
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	171,697	201,857	688,115
Transfers out	(1,308,009)	(1,369,752)	(430,434)
Other nonoperating revenues	-	17,945,071	3,345,738
Principal payments on non-capital debt	(5,615,000)	-	-
Interest and fiscal charges on non-capital debt	(124,500)	-	-
Net cash provided (used) by noncapital financing activities:	(6,875,812)	16,777,176	3,603,419
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from issuance of debt	65,610,171	91,981,417	81,413,338
Principal payments on capital debt	(56,415,000)	(8,131,433)	(9,905,000)
Interest and fiscal charges	(29,272,288)	(10,528,167)	(7,157,097)
Lease liability	-	-	-
Acquisition of Right-to-use assets	(1,734,443)	76,325	-
Proceeds from gas wells	-	-	-
Proceeds from impact fees	-	16,933,035	12,554,438
Proceeds from lease financing	-	-	-
Proceeds from capital contributions and transfers in	-	-	-
Proceeds from sale or reimbursement of capital assets	336,353	42,550	408,150
Acquisition and construction of capital assets	(85,145,830)	(58,218,126)	(36,579,791)
Net cash provided (used) by capital financing activities	(106,621,037)	32,155,601	40,734,038
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale and maturities of investment securities	91,610,849	38,640,244	33,027,242
Purchase of investment securities	(83,094,618)	(82,572,714)	(74,635,627)
Interest received on investments	8,350,225	6,119,676	5,258,830
Proceeds from ownership investment	3,267,142	-	-
Net cash provided (used) by investing activities	20,133,598	(37,812,794)	(36,349,555)
Net increase (decrease) in cash and cash equivalents	(15,913,188)	16,212,197	16,038,728
Cash and cash equivalents at beginning of year	79,910,991	67,620,780	59,707,711
Cash and cash equivalents at end of year	63,997,803	83,832,977	75,746,439
Investments, at fair value (Note IV.A.)	110,245,551	144,405,555	130,484,286
Cash, cash equivalents and investments, at fair value	$ 174,243,354	$ 228,238,532	$ 206,230,725
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	$ 39,799,563	$ (822,922)	$ (5,653,592)
Adjustments:			
Depreciation and amortization expense	26,025,997	13,592,921	14,290,676
Decrease (Increase) in receivables	932,605	(1,579,723)	(212,823)
Decrease (Increase) in interfund receivables	(2,568,623)	(570,732)	(712,273)
Decrease (Increase) in inventories	-	-	-
Decrease (Increase) in customer deposits	(523,773)	-	-
Decrease (Increase) in prepaid items	(21,496,197)	-	-
Decrease (Increase) in other assets	2,258,072	-	-
Decrease (Increase) in escrow deposits	-	(5,437,022)	-
Increase (Decrease) in accounts payable	9,883,799	(896,639)	(408,087)
Decrease in unearned revenue	21,956,924	-	-
Increase (Decrease) in compensated absences payable	1,048,025	665,439	623,004
Increase (Decrease) in net municipal pension balances	116,303	41,094	32,930
Increase (Decrease) in other post-employment benefit balances	169,979	99,798	90,991
Increase (Decrease) in closure/postclosure liability	-	-	-
Increase (Decrease) in interfund payables	-	-	-
Increase (Decrease) in lease deferred inflows	(152,611)	-	-
Total adjustments	37,650,500	5,915,136	13,704,418
Net cash provided (used) by operating activities	$ 77,450,063	$ 5,092,214	$ 8,050,826
NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES:			
Decrease in fair value of investments	(317,239)	(93,888)	(72,734)
Capital asset contributions	-	14,760,897	22,638,150
Right-to-use assets acquired through lease and SBITA Liabilities	(611,257)	-	-

The notes to the basic financial statements are an integral part of this statement.

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit X**
STATEMENT OF CASH FLOWS (concluded)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities
	Solid Waste Fund	Airport Fund	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ 44,897,897	$ 2,027,127	$ 412,173,429	$ 132,380,175
Cash paid to employees for services	(13,879,980)	(780,817)	(59,274,865)	(34,246,478)
Cash paid to suppliers	(19,478,404)	(791,346)	(250,310,984)	(96,191,435)
Net cash provided (used) by operating activities	11,539,513	454,964	102,587,580	1,942,262
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	156,589	-	1,218,258	67,970
Transfers out	(4,049)	(751,656)	(3,863,900)	(338,013)
Other nonoperating revenues	-	-	21,290,809	-
Principal payments on non-capital debt	-	-	(5,615,000)	-
Interest and fiscal charges on non-capital debt	-	-	(124,500)	-
Net cash provided (used) by noncapital financing activities:	152,540	(751,656)	12,905,667	(270,043)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from issuance of debt	13,239,412	-	252,244,338	(710,000)
Principal payments on capital debt	(5,804,597)	-	(80,256,030)	2,110,323
Interest and fiscal charges	(1,582,129)	-	(48,539,681)	(889,340)
Lease liability	-	-	-	(78,205)
Acquisition of Right-to-use assets	(57,844)	-	(1,715,962)	(3,543,051)
Proceeds from gas wells	-	259,000	259,000	-
Proceeds from impact fees	-	-	29,487,473	-
Proceeds from lease financing	-	-	-	2,993
Proceeds from capital contributions and transfers in	-	-	-	30,000
Proceeds from sale or reimbursement of capital assets	1,218,250	-	2,005,303	(232,889)
Acquisition and construction of capital assets	(15,341,195)	33,497	(195,251,445)	(4,271,302)
Net cash provided (used) by capital financing activities	(8,328,103)	292,497	(41,767,004)	(7,581,471)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale and maturities of investment securities	18,583,515	1,576,815	183,438,665	7,318,303
Purchase of investment securities	(23,744,572)	(1,964,471)	(266,012,002)	(5,748,890)
Interest received on investments	1,941,421	383,220	22,053,372	1,397,460
Proceeds from ownership investment	-	-	3,267,142	-
Net cash provided (used) by investing activities	(3,219,636)	(4,436)	(57,252,823)	2,966,873
Net increase (decrease) in cash and cash equivalents	144,314	(8,631)	16,473,420	(2,942,379)
Cash and cash equivalents at beginning of year	20,774,348	1,674,719	229,688,549	11,998,410
Cash and cash equivalents at end of year	20,918,662	1,666,088	246,161,969	9,056,031
Investments, at fair value (Note IV.A.)	36,030,645	2,870,326	424,036,363	15,398,251
Cash, cash equivalents and investments, at fair value	$ 56,949,307	$ 4,536,414	$ 670,198,332	$ 24,454,282
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	$ 2,534,009	$ (811,664)	$ 35,045,394	$ (6,720,037)
Adjustments:				
Depreciation and amortization expense	6,352,429	1,243,268	61,505,291	6,206,762
Decrease (Increase) in receivables	156,243	(7,467)	(711,165)	(1,739)
Decrease (Increase) in interfund receivables	-	-	(3,851,628)	-
Decrease (Increase) in inventories	-	-	-	(3,279,938)
Decrease (Increase) in customer deposits	183,406	-	(340,367)	-
Decrease (Increase) in prepaid items	-	-	(21,496,197)	4,574
Decrease (Increase) in other assets	-	-	2,258,072	-
Decrease (Increase) in escrow deposits	-	-	(5,437,022)	-
Increase (Decrease) in accounts payable	(34,673)	(37,443)	8,506,957	1,321,091
Decrease in unearned revenue	-	-	21,956,924	-
Increase (Decrease) in compensated absences payable	1,048,827	58,141	3,443,436	1,935,663
Increase (Decrease) in net municipal pension balances	50,876	119,877	361,080	139,033
Increase (Decrease) in other post-employment benefit balances	119,775	(109,748)	370,795	332,711
Increase (Decrease) in closure/postclosure liability	1,152,911	-	1,152,911	-
Increase (Decrease) in interfund payables	3,396	-	3,396	2,101,494
Increase (Decrease) in lease deferred inflows	(27,686)	-	(180,297)	(97,352)
Total adjustments	9,005,504	1,266,628	67,542,186	8,662,299
Net cash provided (used) by operating activities	$ 11,539,513	$ 454,964	$ 102,587,580	$ 1,942,262
NONCASH CAPITAL, INVESTING AND FINANCING ACTIVITIES:				
Decrease in fair value of investments	(57,303)	(4,737)	(545,901)	(46,544)
Capital asset contributions	-	-	37,399,047	30,000
Right-to-use assets acquired through lease and SBITA Liabilities	390,398	-	(220,859)	4,742,073

The notes to the basic financial statements are an integral part of this statement. **(concluded)**

CITY OF DENTON, TEXAS **Exhibit XI**
STATEMENT OF FIDUCIARY NET POSITION
TOURISM PUBLIC IMPROVEMENT DIST. FUND
AS OF SEPTEMBER 30, 2025

	Tourism Public Improvement District Fund
ASSETS	
Cash, cash equivalents and investments at fair value	**$ 272,817**
Receivables:	
Accounts receivable	**1,815**
Total assets	**274,632**
LIABILITIES	
Total liabilities	**-**
NET POSITION	
Restricted for:	
Other Organizations and Governments	**274,632**
Total net position	**$ 274,632**

Exhibit XII

CITY OF DENTON, TEXAS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
TOURISM PUBLIC IMPROVEMENT DIST. FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Tourism Public Improvement District Fund
ADDITIONS	
Assessments Collected	**$ 981,871**
Investment revenue	**17,049**
Total additions	**998,920**
DEDUCTIONS	
Payments to DTPID	719,506
Administrative Costs	64,160
Total deductions	**783,666**
Net increase (decrease) in fiduciary net position	**215,254**
Net position, beginning	**59,378**
Net position, ending	**$ 274,632**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Denton is a municipal corporation governed by an elected seven-member council consisting of a mayor elected at large and six councilpersons, four representing specific geographical districts and two elected at large. The City receives funding from state and federal government sources and must comply with the requirements of these funding source entities. However, the City is not included in any other governmental "reporting entity," as defined in pronouncements by the Governmental Accounting Standards Board (GASB), as council members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

The financial statements of the City have been prepared to conform to accounting principles generally accepted (GAAP) in the United States of America as applicable to state and local governments. Generally accepted accounting principles for local governments include principles prescribed by GASB, the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

A. Reporting Entity

An elected seven-member council consisting of a mayor and six councilpersons governs the City. As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component units, which are entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and so data from these units are combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City. The City had no component units, discretely presented or blended, at September 30, 2025.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The reporting focus is either the City as a whole (government-wide financial statements) or major individual funds (within the fund financial statements). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (public safety, public works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; (2) grants and contributions that are restricted to meeting operational requirements of a particular function or segment; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property taxes, sales taxes, franchise fees, interest income, etc.).

Separate fund financial statements are provided for governmental funds and proprietary funds. Major governmental funds and major enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category and for the governmental and enterprise funds combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements.

Internal service funds, which traditionally provide services primarily to other funds of the government, are presented in summary form as part of the proprietary fund financial statements. The financial statements of internal service funds are allocated (based on the percentage of goods or services provided) between the governmental and business-type activities when presented at the government-wide level.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund-level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized and susceptible to accrual as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Any amounts collected beyond the 60 days are recorded as deferred inflows of resources. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

The general fund is the City's primary operating fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid general operating costs, fixed charges and capital improvement costs that are not paid through other funds.

The debt service fund accounts for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt, paid primarily by taxes levied by the City. On a budgetary basis, the debt service fund also accounts for pass-through debt service payments from the self-supporting proprietary funds.

The capital projects fund accounts for financial resources used for the acquisition or construction of capital other than those recorded in the enterprise funds and internal service funds.

The ARPA fund accounts for the federal resources received by the City from the American Rescue Plan Act of 2021 and used for the programs as outlined by the plan.

Other governmental funds are a summarization of all the non-major governmental funds.

The City reports the following major proprietary funds:

The City utility system is made up of three separate funds as follows:

The electric fund accounts for electrical utility services to the residents and commercial establishments of the City. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The water fund accounts for water utility services to the residents and commercial establishments of the City. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The wastewater fund accounts for sewer and storm water services to the residents and commercial establishments of the City. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The City provides additional services through the following funds:

The solid waste fund accounts for the provision of solid waste services to the residents of the City. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, finance, and related debt service.

The airport fund accounts for the airport services to the public and is funded through operational and gas well revenues. Activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, and finance.

The City additionally reports the following funds:

Internal service funds are used to account for the financing of materials and services provided by one department of the City to other departments of the City on a cost-reimbursement basis.

The materials management fund accounts for the financing of the goods and services of the purchasing department as well as the management and inventory of the City warehouse activities.

The fleet services fund accounts for the financing of goods and services provided by the activities of the City garage and machine shop to other departments.

The health insurance fund accounts for the accumulation of resources for the self-insurance activities of the City for employee medical insurance as well as other employee insurance benefits including long-term disability, short-term disability, and dental and vision insurances.

The risk retention fund accounts for the accumulation of resources for the payment of activities associated with providing general liability insurance coverage and self-funded activities for City departments.

The technology services fund accounts for financing and management of technology equipment, software, and services such as programming, support, training, maintenance, and office services to City departments.

The engineering services fund accounts for providing engineering, real estate, public works inspection, and development review services primarily to City departments although some services are provided to and paid by external entities.

The customer service fund accounts for providing customer service activities to residents and businesses for City departments. Services include bill pay, utility service requests, connect/disconnect services, maintenance of customer accounts, utility billing, operator calls, collections, accounts receivable, and cash handling.

The facilities fund accounts for the maintenance of all city-owned facilities and vertical construction projects.

The environmental services fund accounts for the consolidated environmental-related services provided across the City.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's electric, water, wastewater, solid waste, and airport funds are charges to customers for services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City recognizes, as an asset or a liability, the difference between the electric fund's energy cost adjustment (ECA) revenue collected and related costs.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgetary Information

The City Council follows these procedures, as prescribed by City Charter, in establishing the budgets reflected in the financial statements:

1. Within the time period required by law, the City Manager submits to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted prior to the adoption of the budget to obtain taxpayer comments.
3. The annual budget adopted by the City Council covers the general fund, non-major special revenue funds (Police Confiscation Fund, Tourist and Convention Fund, Gas Well Revenues Fund, Street Improvement Fund, and the Citizens' Park Trusts), the debt service fund, the enterprise funds, and internal service funds. The budget is legally enacted by the City Council through passage of an ordinance prior to the beginning of the fiscal year. The basic financial statements reflect the legal level of control, (i.e. the level at which expenditures cannot legally exceed the appropriated amount) which is established at the total fund level as approved by City Council.
4. The City Charter provides for the City Manager to transfer any part of the unencumbered appropriation balance or the entire balance thereof between programs or general classifications of expenditures within an office, department, agency, or organizational unit. (The City Council defines an organizational unit as set forth in Article VIII, Section 8.07 of the City Charter, to be a fund that has been appropriated by the City Council.) City Council approval is not required up to the fund level. The Charter also provides that at any time during the year, at the request of the City Manager, City Council may by resolution transfer any part of the unencumbered appropriation balance or the entire balance thereof from one office, department, agency, or organizational unit to another, as well as make any increases in fund appropriations.

Budgets are adopted on a basis for the governmental funds and the budgeted special revenue funds which are generally consistent with generally accepted accounting principles. Budgets for enterprise funds are prepared on the full accrual basis, except certain noncash transactions such as depreciation expense and amortization on debt issuance costs where it is not budgeted, and debt service payments where it is budgeted. Also, during the budgetary process, amounts are included in all fund budgets to recognize administrative transfers between funds for goods or services. These amounts are not included in the reporting of actual activity for the funds. For funds reporting required budget-to-actual comparisons, these administrative transfers are included as adjustments – budgetary basis.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services (i.e., purchase orders and contracts). While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances are re-appropriated against the subsequent year's budget, reducing the available appropriations for additional expenditures.

E. Assets, Liabilities and Net Position or Equity

1. Cash, cash equivalents and investments

The City's cash and cash equivalents are cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are carried at fair value, except for the position in local government investment pools. Fair value is determined as the price at which two willing parties would complete an exchange.

The City uses a pooled cash and investment fund to hold and account for all the City's investments. For financial reporting purposes, the investment balances in the pooled fund are allocated back to the individual funds based on their respective share of the pooled total. Interest earned on investments is also allocated back and recorded directly to the individual funds monthly.

2. Receivables

Outstanding balances between funds are reported as "interfund receivables/payables." Any residual balances between governmental activities and business-type activities are reported in the government-wide statements as "internal balances."

Trade, property tax receivables, and municipal court receivables are shown as a net of an allowance for uncollectible accounts. The City accrues amounts for utility services provided in September but not billed by September 30, 2025.

3. Inventories

Inventories of supplies are maintained at the City warehouse for use by all City funds and are accounted for by the consumption method. Cost is determined by using a moving average method. No inventories exist in the governmental fund types.

4. Prepaid items

Certain costs applicable to future accounting periods are recorded as prepaid items. Most of these balances are due to payments into an account for energy settlements in the Electric Fund and health claims in the Employee Insurance Fund.

5. Other Assets

Certain costs applicable to future accounting periods are recorded as other assets. In a prior fiscal year, the City impaired its TMPA prepaid purchase power due to a permanent closure in generation and subsequent sale of the plant. The impaired amount was recorded as an Other Asset (regulatory) that will be fully amortized in FY 2025. See note IV.F. for more information on Other Assets and V.E. Agreement with TMPA for further information regarding TMPA.

6. Restricted assets

Certain proceeds of the City's governmental and proprietary fund general obligation bonds and certificates of obligation, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Assets collected from impact fees are limited by state statute in use and shown as restricted on the balance sheet of the Water and Wastewater funds.

7. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. The City defines capital assets as assets with an initial, individual cost of more than $15,000 and an estimated useful life more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings	40
Infrastructure	20 – 40
General improvements	10
Machinery and equipment	10 – 20
Furniture and office equipment	10
Computer equipment/software	3 – 10
Plant and equipment	5
Underground pipe	40
Water storage rights	50 – 100
Water recreation rights	50
Communication equipment	5
Vehicles	3 – 10
Leases	1 – 100
Subscription-based IT agreement	1 – 5

Renewals and betterments of property and equipment are capitalized, whereas normal repair and maintenance are charged to expense as incurred.

8. Compensated absences

The City allows full-time employees to accumulate unused vacation time without a maximum balance. Upon termination, accumulated vacation time up to 320 hours (480 for civil service fire employees) will be paid to an employee. Generally, sick leave is not paid upon termination except for civil service fire fighters and police officers. Firefighters and police officers accumulate unused sick leave for payout up to a maximum of 1080 hours and 720 hours, respectively. All other employees are paid only upon illness or other valid sick leave uses while employed by the City. Accumulated vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements but have not been paid this amount at the end of the fiscal year. The General Fund and Other Governmental Funds are used to record any payout expenditures of the governmental funds' employees and related liability, while proprietary fund payouts for their employees are recorded as reductions to the liabilities in those funds.

9. Arbitrage

Arbitrage involves the investment of the proceeds from the sale of tax-exempt bonds in taxable instruments and securities authorized by the Public Funds Investment Act (Texas Government Code, Chapter 2256) that yield a higher rate, resulting in interest revenue in excess of interest costs. Federal tax

code requires that these excess earnings be rebated to the federal government. The Capital Projects Fund has been used in prior years to liquidate governmental funds' related liability. A liability was recorded at September 30, 2025, in the amount of $450,329 for positive arbitrage payments related to the 2020 bond issuance.

10. Pensions

For purposes of measuring the net pension liability, pension-related deferred outflows and inflows of resources, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and the Firemen's Relief and Retirement Fund (FRRF) and additions to/deductions from TMRS's and the FRRF's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS and the FRRF. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Other post-employment benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefit Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year rather than prefunding. Benefit payments are treated as being equal to the City's yearly contribution for retirees. For purposes of measuring the total SDBF OPEB liability, related deferred outflows and inflows of resources, and expense, City specific information about its total SDBF liability and additions to/deductions from the City's total SDBF liability have been determined on the same basis as they are reported by TMRS. The SDBF expense and deferred (inflows)/outflows of resources related to SDBF, primarily result from changes in the components of the total SDBF liability. Most changes in the total SDBF liability will be included in SDBF expense in the period of the change. For example, changes in the total SDBF liability resulting from current-period service cost, interest on the Total OPEB Liability, and changes of benefit terms are required to be included in SDBF expense immediately. Changes in the total SDBF liability that have not been included in SDBF expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to SDBF.

The City provides post-employment medical care (Medical OPEB) for retired employees through a single employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses, and their dependents through the City's group health insurance plans. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees. This implied subsidy exists because, on average, retiree healthcare costs are higher than active employee healthcare costs. By the City not contributing anything toward the plan in advance, the City employs a pay-as-you-go method through paying the higher rate for active employees each year. The City also contributes up to $200 per month, based on years of service, toward the cost of retiree coverage. As an irrevocable trust has not been established, the plan is not accounted for as a trust fund. For this purpose, plan contributions are recognized in the period that the direct and indirect subsidies are paid by the City. Total OPEB liability, OPEB-related deferred outflows, and inflows of resources, and OPEB expense is based on the actuarial measurement dates.

12. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Gain/loss on refunding are reported as deferred outflow/inflow and recognized as a component of interest expense over the remaining life of the old debt or life of the new debt, whichever is shorter.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. Fund balance

The City follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", and in accordance with the statement, the classifications of governmental fund balances are presented as follows:

*Nonspendable fund balance*s – include amounts not in a spendable form or are legally or contractually required to be maintained intact. Examples include inventory or endowments.

Restricted fund balance – include amounts that can be spent only for the specific purposes stipulated by external resource providers, creditors, grantors, and contributors or through enabling legislation.

Committed fund balance – include amounts that can be used only for the specific purposes determined by the City Council through an ordinance and may only be changed or lifted through another ordinance. The ordinance must either adopt or rescind the commitment, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period.

Assigned fund balance - comprise amounts intended to be used for specific purposes. Intent can be expressed by the City Council, or per the policy adopted by an ordinance by the City Council, the City Manager or the City Manager's designee (assistant city manager) may also make an assignment. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed and, at a minimum, is intended for the purpose of that fund.

Unassigned fund balance – is the residual classification of the general fund and includes all amounts not constrained in the other classifications. Unassigned amounts are technically available for any purpose. The General Fund is the only fund to report a positive unassigned fund balance amount. However, other governmental funds may report a negative unassigned fund balance as necessary if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned for those purposes.

When multiple categories of fund balance are available for expenditure and approved for use by the City Council, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds. Normally this would result in the use of restricted, then committed, then assigned, and lastly, unassigned fund balance.

14. Minimum fund balance policy

It is the goal of the City to achieve and maintain an unassigned fund balance in the General Fund equal to 20% of budgeted expenditures. An additional 5% resiliency reserve (25% combined total) may be maintained to safeguard against unusual financial circumstances or economic downturns.

15. Net position

Net position represents the difference between assets, deferred inflows, deferred outflows, and liabilities. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction, or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

16. Deferred outflows and inflows of resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources, either expenses or expenditures, until that time. The City reports the following items qualifying for this category:

- Deferred loss on refunding reported in the statements of net position - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price and is amortized over the shorter of the life of the refunded or refunding debt.
- Deferred pension and OPEB actuarial losses reported in the statement of net position – A deferred charge is recorded for the difference between actual experience and expected experience during the period between two actuarial valuations and is amortized over future periods.
- Deferred pension and other postemployment benefit plan contributions reported in the statement of net position – A deferred charge is recorded for pension contribution amounts paid by the City after the current year's measurement date (December 2024) and will be fully recognized as a reduction of the respective liability in the next period on the next measurement date (December 2025).
- Deferred pension and other postemployment benefit plan actuarial assumption changes – A deferred charge is recorded for the difference due to assumption changes and amortized over future periods.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources, or revenues, until that time. The City reports the following items qualifying for reporting in this category:

- Deferred gain on refunding reported in the statements of net position - A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price and is amortized over the shorter of the life of the refunded or refunding debt.
- Deferred pension excess earnings reported in the statement of net position – A deferred charge is recorded for the difference between actual investment earnings and expected investment earnings during the period and is amortized over future periods.
- Deferred pension and other postemployment benefit plan actuarial gains reported in the statement of net position – A deferred charge is recorded for the difference between actual experience and expected experience during the period between two actuarial valuations and is amortized over future periods.
- Deferred pension and other postemployment benefit plan actuarial assumption changes – A deferred charge is recorded for the difference due to assumption changes and amortized over future periods.
- Deferred amounts related to leases are reported for leases in which the City is the lessor – A deferred amount recorded to initially offset the total lease receivable recorded at lease commencement and is subsequently amortized as lease revenue over the life of the lease term.
- Deferred unavailable revenues reported on the balance sheet of the governmental funds – A deferred amount is recorded for the billed revenues not yet collected or available. These amounts are deferred and recognized as inflow of resources in the period the amounts become available.

17. Leases

A lease is defined as a contract conveying control of the right to use another entity's non-financial asset as specified in the contract for a period of greater than one year, in an exchange or exchange-like transaction.

City as lessee

The City is currently a lessee for noncancelable leases of land, buildings, equipment, or other assets. The City recognized a lease liability and an intangible right-to-use leased asset (lease asset) in the Government-wide and Proprietary Fund financial statements. Reporting includes lease assets with depreciable capital assets and lease liabilities with long-term liabilities. At the commencement of a lease, the City measured the lease liability at the present value of payments expected to be made over the course of the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments. The lease asset is measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the remaining lease term. Variable lease payments based on usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which obligations are incurred.

Key estimates and judgments related to leases in which the City would be a lessee are as follows:

- The lease term includes the non-cancellable period of the lease. Extension options are included in the lease term unless it is reasonably certain that they will not be exercised.
- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- Leases with payments depending on an index or rate, such as the Consumer Price Index or market rate, are initially measured using the index or rate as of the commencement of the lease term.
- Leases with periodic percentage payment increases or flat rate payment increases specified in the lease terms are included in the measurement of the lease liability.

The City monitors changes in circumstances requiring remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

City as lessor

The City is a lessor for non-cancelable leases of land, buildings, and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the Government-wide, Governmental, and Proprietary Fund financial statements. At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received over the life of the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the lease term.

Key estimates and judgements related to leases in which the City is a lessor are as follows:

- The lease term includes the non-cancellable period of the lease. Extension options are included in the lease term unless it is reasonably certain that they will not be exercised.
- The City uses its incremental borrowing rate as the discount rate for leases.
- Leases with payments depending on an index or rate, such as the Consumer Price Index or market rate, are initially measured using the index or rate as of the commencement of the lease term.
- Leases with periodic percentage payment increases or flat rate payment increases specified in the lease terms are included in the measurement of the lease receivable.

The City monitors changes in circumstances requiring a remeasurement of its leases and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivables.

18. Subscription-Based Information Technology Agreements (SBITA)

GASB 96 defines a SBITA as a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets, as specified in the contract for a period in an exchange or exchange-like transaction. The City recognizes a subscription liability and an intangible subscription right-of-use asset at the beginning of the subscription term if they have a term exceeding one year and the cumulative future payments on the contract exceed $100,000 unless the contract is considered a short-term SBITA. A SBITA asset is measured based on the net present value of subscription payments expected to be made during the subscription term, using the incremental borrowing rate, and is amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT assets. Remeasurement of a subscription liability occurs when there is a change in the contract term and/or other changes that are likely to have a significant impact on the subscription liability.

F. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

An element of that reconciliation states, “Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which proceeds exceeded payments.” The details of this $(44,592,843) difference are as shown on the following page:

Debt issued or incurred:	
Issuance of general obligation debt	$ (51,660,000)
Issuance of certificates of obligation	(28,770,000)
Principal repayments:	
General obligation debt principal retirement	17,045,000
Certificates of obligation principal retirement	12,695,000
Refunded debt principal	11,390,000
Premium:	
General obligation bond premium	(3,543,112)
Certificates of obligation bond premium	(1,749,731)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	$ (44,592,843)

Another element of that reconciliation states, "The net effect of various miscellaneous transactions involving capital assets (i.e., subscription-based IT agreements, leases, sales, trade-ins and donations) is to decrease net position." The details of this $9,243,124 difference are as follows:

Net effect of transactions involving asset retirements/disposals	$	(1,855,573)
Donations of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources		11,098,697
Net adjustment to increase net changes in fund balances - total governmental funds	$	9,243,124

Another element of that reconciliation states, "Certain expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of the $520,934 difference are as follows:

Change in:			
Net pension liability		$	14,290,321
Municipal pension - Deferred			
Contributions	752,887		
Economic differences	(1,054,787)		
Assumption changes	(31,822)		
Actuarial gain/loss	(11,576,924)		
Total Municipal pension - Deferred			(11,910,646)
OPEB liability			(1,310,615)
OPEB - Deferred			
Contributions	121,640		
Economic differences	368,997		
Assumption changes	(129,908)		
Total OPEB - Deferred			360,729
Compensated absences			(1,243,048)
Accrued interest			334,193
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		$	520,934

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Net Position

The Materials Management, Risk Retention, Engineering Services, Customer Service, Facilities and Environmental Services internal service funds had deficit net positions of ($255,543), ($5,728,618), ($6,466,192), ($3,524,693), ($434,994) and (2,767,480), respectively, due to the implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27" and GASB Statement No.75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" (OPEB) which resulted in an increase in the net pension liability and the total OPEB liability in the prior years during implementation.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

In order to facilitate effective cash management practices, the operating cash of all funds is pooled into a common account for the purpose of increasing income through combined investment activities. At year-end, the City had $400,097,453 in cash and cash equivalents of which $8,700 is in petty cash.

The Public Funds Investment Act (Texas Government Code) authorizes the City to invest in obligations of the U.S. Treasury, U.S. agencies, fully collateralized repurchase agreements, public fund investment pools, SEC-registered no-load money market mutual funds, municipal securities of any state rated A or better, certificates of deposit (fully collateralized, insured, and standby letters of credit backed), and commercial paper rated not less than A-1 or P-1 with a stated maturity of no more than 365 days. The City's investment policy may further restrict those investment options. The investments reported on September 30, 2025, were similar to those held during the fiscal year.

The City reports all investments in the financial statements at fair value. At September 30, 2025, the City's investments carried a fair value of $1,079,320,717 of which $391,568,238 was in a local governmental investment pool which the City classifies in the financial statements as cash equivalents, resulting in $687,752,479 of investment balances reported in the financial statements.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application establishes an authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurements. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets a government can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level input significant to the entire measurement.

The City invests in State and Local Government Series (SLGS), which are classified in Level 2 of the fair value hierarchy which are valued using significant other observable inputs. The City considers SLGS Level 2 investments, because only government bodies or other entities that issue state or local government bonds may buy SLGS and may only buy SLGS if the proceeds from those state or local government bonds are

subject to yield restrictions and arbitrage rebate requirements. There is no fixed maturity rate, and the SLGS rollover daily and remain outstanding until redeemed, in whole or in part.

At September 30, 2025, the City had the following recurring fair value investments:

		Fair Value Measurement Method			
	9/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Percent of Total Investments	Weighted Average Maturity (Days)
Investments Measured at Amortization Cost:					
TexSTAR - Investment Pool	$ 291,568,238	$ -	$ -	27.01%	1
TexPool - Investment Pool	$ 100,000,000	-	-	9.27%	1
Investments by Fair Value Level:					
Debt Securities:					
U.S. Treasury Securities	$ 463,736,856	-	463,736,856	42.97%	402
U.S. Treasury Securities - Discount	$ -	-	-	0.00%	135
U.S. Agency Securities	$ 124,883,050	-	124,883,050	11.57%	418
U.S. Agency Securities - Callable	$ 44,969,165	-	44,969,165	4.17%	224
Commercial Paper	$ 49,606,010	-	49,606,010	4.60%	99
Municipal Bonds - Coupon	$ 4,557,398	-	4,557,398	0.42%	730
Total Investments	1,079,320,717	-	687,752,479		
Total Cash and Investments	$ 1,079,320,717	$ -	$ 687,752,479		
Portfolio Weighted Average Maturity					238

Of the investments recorded at fair value, the U.S. treasuries, the U.S. agency securities, commercial paper, and municipal bonds are valued based upon observable inputs, including but not limited to, model prices for similar assets, benchmark yield curves, and matrix pricing.

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values due to interest rate fluctuations by limiting the weighted average maturity of its investment portfolio to less than twenty-four months.

Credit risk. The City's investment policy limits investments to obligations of the United States of America and its agencies, investment quality obligations of the State of Texas (including agencies, municipalities, counties, and other political subdivisions) with a rating not less than AA, certificates of deposits and savings deposits (fully insured, collateralized, or standby letter of credit backed), fully collateralized repurchase agreements, local public fund investment pools with a dollar weighted average maturity of 60 days or less, U.S. government money market mutual funds with a dollar weighted average maturity of 60 days or less and a stable net asset value of $1 for each share, and commercial paper that has a maturity of 270 days or less and a minimum rating of A-1, P-1, or an equivalent rating by at least two nationally recognized rating agencies. The City's investments in TexSTAR and TexPool were rated "AAAm" by Standard & Poor's, the highest rating a local government investment pool can achieve.

Custodial credit risk. This is the risk that in the event of a bank or counterparty failure, the City's deposits may not be returned. The policy states that all bank deposits of City funds shall be secured by pledged collateral with a market value equal to no less than 102 percent of the principal plus accrued interest less an amount insured by FDIC. As of September 30, 2025, the bank balance for deposits was $7,614,028 and was fully collateralized by the City's third-party custodian, BNY Mellon.

Concentration of Credit Risk. The City's investment policy minimizes the risk of potential loss by diversifying investment types according to the following limitations based on value: U.S. Treasury bills/notes/bonds (100%), U.S. Agencies and Instrumentalities (100%), State of Texas Obligations – including agencies and local governments (15%), local government investment pools (50% in government

securities and 15% in prime securities), repurchase agreements (20%), certificates of deposit (35%), savings deposits (15%), U.S. Money Market Mutual Funds (50%), callable U.S. Agencies and Instrumentalities (20%), and commercial paper (20%).

Local Government Investment Pools. During the year, the City invested in two public fund investment pools, TexSTAR and TexPool. The fair value of the position of TexSTAR is measured at net asset value, and the fair value of the position of TexPool is measured at amortized cost. Each pool's governing body is composed of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objective and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds, which may be redeemed daily. As the redemption period is only one day or less, the City classifies these balances in the financials as cash equivalent. The pools may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, a general banking moratorium, or a national state of emergency affecting the pool's liquidity. The City has no unfunded commitments related to the investment pool.

Cash, cash equivalents and investments, at fair value, are reported together on the financial statements. Investments, at fair value, by fund were as follows:

	General Fund	Debt Service	Capital Projects	Other Governmental Funds
Unrestricted investments	$ 25,372,657	$ 1,564,353	$ 187,472,378	$ 33,060,565
Change in fair value	86,944	5,362	642,408	113,288
Restricted investments	-	-	-	-
Change in fair value	-	-	-	-
Total	$ 25,459,601	$ 1,569,715	$ 188,114,786	$ 33,173,853

	Electric	Water	Wastewater	Solid Waste
Unrestricted investments	$ 53,477,140	$ 34,552,161	$ 16,262,111	$ 12,283,402
Change in fair value	183,250	118,399	55,725	42,092
Restricted investments	56,391,923	109,360,252	113,776,574	23,624,198
Change in fair value	193,238	374,743	389,876	80,953
Total	$ 110,245,551	$ 144,405,555	$ 130,484,286	$ 36,030,645

	Airport	Internal Service Funds	Total City Investments
Unrestricted investments	$ 2,076,261	$ 7,538,959	$ 373,659,987
Change in fair value	7,115	25,834	1,280,417
Restricted investments	784,173	7,806,706	311,743,826
Change in fair value	2,687	26,752	1,068,249
Total	$ 2,870,236	$ 15,398,251	$ 687,752,479

B. Property Tax Revenue

Property taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on October 1st and are due and payable at that time; therefore, the legally enforceable claim arises on October 1st. A receivable is recorded at that time. All unpaid taxes levied October 1st become delinquent February 1st of the following year.

Property taxes at the fund level are recorded as receivables and revenue in the period they become available. Current-year revenues recognized are those Ad valorem taxes collected within the current period or soon enough thereafter to pay current liabilities, which is sixty days after year-end. All other outstanding receivables are adjusted from revenue and recognized as deferred inflows of resources for future collections. Current tax collections for the year ended September 30, 2025, were 99.30% of the tax levy. An allowance is provided for delinquent taxes not expected to be collected in the future.

At September 30, 2025, the City had a tax rate of $0.58542 per $100 valuation. Based upon the maximum Ad valorem tax of $2.50 per $100 valuation imposed by Texas Constitutional law, the City had a tax rate margin of $1.91458. Additional revenues up to $395,154,105 could be raised per year based on the current year's certified assessed value of $20,639,205,739 before the limit is reached.

On December 7, 2010, the City Council approved a Tax Increment Financing Reinvestment Zone (TIRZ #1) for the purpose of dedicating the increase in tax revenues generated within the TIRZ district for development in the downtown area of the City for a total of 30 years. The tax increment to be paid is 100% of the increment in years 1-5, 95% in years 6-10, 90% in years 11-20, and 85% in years 21-30. In fiscal year 2025, the total assessed value of $230,565,487 after supplemental adjustments for TIRZ #1 was an increase of $151,208,633 over the base fiscal year 2011 assessed value and resulted in $796,685 of property tax revenue recorded in the TIRZ Fund as part of All Other Special Revenue Funds.

On December 18, 2012, the City Council approved a Tax Increment Financing Reinvestment Zone (TIRZ #2) for the purpose of dedicating 40% of the increase in tax revenues generated within the TIRZ district for development in the Westpark Industrial District for a total of 25 years. In fiscal year 2025, the assessed value of $413,776,211 after supplemental adjustments was an increase of $413,656,753 over the base fiscal year 2014 assessed value and resulted in $968,651 of property tax revenue recorded in the TIRZ Fund as part of All Other Special Revenue Funds. Denton County participates in the zone and based on their tax rate and a participation contribution of 40% of the County’s tax rate, $310,853 of property tax revenue was generated for Fiscal Year 2025.

The City created the Rayzor Ranch Public Improvement District No. 1 in 2014 for the undertaking and financing of public improvements authorized by Chapter 372 of the Texas Local Government Code. The project is located on the City’s northern sector, east of Interstate 35, and encompasses approximately 229.693 contiguous acres. The estimated costs of the proposed public improvements total $40 million. The authorized improvement costs will be apportioned 100% to the District. The method of assessment will impose equal shares of the costs of the proposed public improvements on parcels that are similarly benefited. No City property will be assessed, and the City will not be obligated to pay any assessments.

C. Receivables

Receivables at September 30, 2025, for the City's individual major funds and other funds (non-major funds, internal service funds and fiduciary funds), including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Capital Projects	ARPA	Other Governmental Funds	Electric
Receivables:						
Taxes	$ 11,595,072	$ 836,458	$ -	$ -	$ 410,703	$ -
Accounts	483,388	-	-	-	-	11,762,842
Accrued interest	267,671	16,503	1,977,744	-	346,958	1,159,066
Unbilled utility service	-	-	-	-	-	14,848,692
Lease	-	-	-	-	-	1,514,548
Other	15,910,765	-	-	-	36,569	4,668,198
Gross receivables	28,256,896	852,961	1,977,744	-	794,230	33,953,346
Less: Allowance for uncollectibles	(13,978,476)	(230,205)	-	-	-	(1,534,832)
Net Total receivables	$ 14,278,420	$ 622,756	$ 1,977,744	$ -	$ 794,230	$ 32,418,514

	Water	Wastewater	Solid Waste	Airport	Internal Service Funds	Total
Receivables:						
Taxes	$ -	$ -	$ -	$ -	$ -	$ 12,842,233
Accounts	2,753,366	2,339,360	1,844,358	117,978	624,152	19,925,444
Accrued interest	1,518,207	1,371,845	378,808	30,177	161,888	7,228,867
Unbilled utility service	3,062,471	2,630,653	2,265,545	-	-	22,807,361
Lease	-	-	655,104	-	1,017,864	3,187,516
Other	-	-	-	83,453	282,175	20,981,160
Gross receivables	7,334,044	6,341,858	5,143,815	231,608	2,086,079	86,972,581
Less: Allowance for uncollectibles	(397,094)	(271,326)	(147,860)	(19,572)	(52,197)	(16,631,564)
Net Total receivables	$ 6,936,950	$ 6,070,532	$ 4,995,955	$ 212,036	$ 2,033,882	$ 70,341,017

D. Capital Assets

Capital asset balances and transactions for the year ended September 30, 2025, are summarized below and on the following page.

Governmental activities:	Balance at September 30, 2024	Transfers and Increases	Transfers and Decreases	Balance at September 30, 2025
Capital assets not being depreciated/amortized:				
Land	$ 49,344,048	$ 4,441,555	$ -	$ 53,785,603
Construction in progress	353,398,312	112,603,355	(26,968,555)	439,033,112
Total capital assets not being depreciated/amortized	402,742,360	117,044,910	(26,968,555)	492,818,715
Capital assets being depreciated/amortized:				
Buildings	127,133,155	3,047,835	-	130,180,990
Right-to-use lease building	300,845	-	-	300,845
Infrastructure	479,618,584	15,732,752	(225,795)	495,125,541
Machinery, equipment, and other improvements	181,385,720	12,616,449	(3,636,605)	190,365,564
SBITA assets	13,098,184	16,035,502	(6,232,745)	22,900,941
Total capital assets being depreciated/amortized	801,536,488	47,432,538	(10,095,145)	838,873,881
Less accumulated depreciation/amortization for:				
Buildings	42,429,543	3,141,543	-	45,571,086
Right-to-use lease building	131,619	75,212	-	206,831
Infrastructure	250,272,774	17,774,336	-	268,047,110
Machinery, equipment, and other improvements	117,788,582	12,385,587	(2,993,041)	127,181,128
SBITA assets	6,848,879	6,103,772	(1,445,825)	11,506,826
Total accumulated depreciation/amortization	417,471,397	39,480,450	(4,438,866)	452,512,981
Total capital assets, being depreciated/amortized, net	384,065,091	7,952,088	(5,656,279)	386,360,900
Governmental activities capital assets, net	$ 786,807,451	$ 124,996,998	$ (32,624,834)	$ 879,179,615

(continued)

Business-type activities:	Balance at September 30, 2024	Transfers and Increases	Transfers and Decreases	Balance at September 30, 2025
Capital assets not being depreciated/amortized:				
Land	$ 89,923,052	$ 1,817,495	$ (165,039)	$ 91,575,508
Construction in progress	389,889,601	202,665,326	(124,253,340.00)	468,301,587
Total capital assets not being depreciated/amortized	479,812,653	204,482,821	(124,418,379.00)	559,877,095
Capital assets being depreciated/amortized:				
Buildings	40,347,903	-	-	40,347,903
Landfill improvements	32,550,765	-	-	32,550,765
Water rights	69,883,098	-	-	69,883,098
Infrastructure	835,382,293	118,466,803	-	953,849,096
Plant, machinery, equipment, and other improvements	936,252,165	34,146,860	(8,592,095.00)	961,806,930
SBITA assets	7,378,150	2,167,004	(2,387,864.00)	7,157,290
Lease Assets	-			
Total capital assets being depreciated/amortized	1,921,794,374	154,780,667	(10,979,959.00)	2,065,595,082
Less accumulated depreciation/amortization for:				
Buildings	14,757,008	942,341	-	15,699,349
Landfill improvements	31,851,016	560,825	-	32,411,841
Water rights	24,624,132	695,990	-	25,320,122
Infrastructure	268,397,764	25,051,053	-	293,448,817
Plant, machinery, equipment, and other improvements	343,585,537	32,906,794	(7,180,425)	369,311,906
SBITA assets	2,420,835	1,348,289	(351,457)	3,417,667
Lease Assets				
Total accumulated depreciation/amortization	685,636,292	61,505,292	(7,531,882.00)	739,609,702
Total capital assets, being depreciated/amortized, net	1,236,158,082	93,275,375	(3,448,077.00)	1,325,985,380
Business-type activities capital assets, net	$ 1,715,970,735	$ 297,758,196	$ (127,866,456.00)	$ 1,885,862,475

Depreciation and amortization expense was charged to activities of funds/functions/programs as follows:

Governmental activities:	
General government	11,618,315
Public Safety	6,061,919
Public Works	12,043,921
Parks & Recreation	3,474,320
Capital assets held by the internal service funds are charged to the various functions based upon usage	6,281,975
Total amortization and depreciation expense - governmental activities	$ 39,480,450
Business-type activities:	
Electric	$ 26,025,998
Water	13,592,921
Wastewater	14,290,677
Solid Waste	6,352,429
Airport	1,243,267
Total amortization and depreciation expense - business-type activities	$ 61,505,292

Construction commitments:

The City has several major construction/capital projects planned or in progress as of September 30, 2025. These projects are evidenced by contractual commitments with contractors and include:

Project	Spent-to-Date	Remaining Commitment
2019 Street Reconstruction - Neighborhood 2 & 6	$ 59,492,590	$ 3,727,511
Hickory Creek Road Realignment	29,775,222	27,994,270
Hickory Creek Substation Reconstruction	55,583,140	995,447
Bonnie Brae South Construction	48,519,685	5,160,465
Ray Roberts Water Treatment Plant Performance Upgrade	34,311,823	6,487,588
Pecan Creek Water Reclamation Plant Expansion to 26MGD	12,104,059	28,595,941
Bonnie Brae 2nd Arterial	16,749,928	19,990,920
Underwood Substation	19,459,500	3,926,578
FY 23/24 Transformers	17,762,603	4,818,122
Ray Roberts Water Treatment Plant Expansion 1 & 2	2,436,412	18,601,438
Regional Toll Revenue - McKinney (Formerly FM 426)	17,246,415	1,020,888
Mayhill Denton County Transit Authority Bridge	16,992,240	1,524,991
Loop 288 Property	13,652,440	3,073,722
Fire Station No 6	14,012,306	277,438
Hickory Creek Wastewater Treatment Plant	11,384,620	7,600
Milam Creek Basin Wastewater Line	3,190,691	7,275,790
	$ 372,673,674	$ 133,478,709

E. Interfund Receivables, Payables and Transfers

A summary of interfund receivables and payables (in thousands) at September 30, 2025, is as follows:

	Interfund Receivables:					
	Governmental Major Funds		Business-Type Major Funds			
Interfund Payables:	General Fund	Non-Major Governmental Funds	Electric	Water	Wastewater	Total
Non-Major Governmental Funds	$ 354	$ -	$ -	$ -	$ -	$ 354
Internal Service Funds	1,849	1,286	21,945	2,187	1,223	28,490
Total	$ 2,203	$ 1,286	$ 21,945	$ 2,187	$ 1,223	$ 28,844

The most significant interfund receivables and payables include the following:

Interfund receivables	Interfund payables	Amount
Electric fund	Internal service funds-materials management	$ 21,945,369
Water fund	Internal service funds-materials management	2,186,986
General fund	Internal service funds-materials management	1,849,737
Non-Major Governmental Funds	Internal service funds-materials management	1,285,663
Wastewater fund	Internal service funds-materials management	1,222,698
General fund	Non-Major Governmental Funds	353,537
	Total:	$ 28,843,990

The outstanding balances between Electric, Water, Wastewater, and General Fund related to the Materials Management Fund are a result of the cash position in the Materials Management Fund due to inventory purchases. The outstanding balance between the General Fund and the Non-Major Governmental Funds is due to reimbursement timing from outside sources.

Transfers between funds (in thousands) during the year were as follows:

	Transfers Out:									
	Governmental Major Funds			Business-Type Major Funds						
Transfers In:	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Electric Fund	Water Fund	Wastewater Fund	Solid Waste	Airport Fund	Internal Service Funds	Total
Governmental Major Funds:										
General Fund	$ -	$ -	$ 8	$ -	$ -	$ -	$ -	$ -	$ -	$ 8
Debt Service Fund	-	-	-	-	-	-	-	752	-	752
Capital Projects Fund	1,561	-	13,133	-	-	-	-	-	160	14,854
Non-Major Governmental	-	-	-	1,143	565	418	-		-	2,126
Electric Fund	7	-	-	-	165	-	-	-	-	172
Water Fund	-	37	-	165	-	-	-	-	-	202
Wastewater Fund	-	-	-	-	588	-	-	-	100	688
Solid Waste Fund	-	-	79	-	-	-	-	-	78	157
Internal Service Funds	-	-	-	-	51	12	4	-	-	67
Total	$ 1,568	$ 37	$ 13,220	$ 1,308	$ 1,369	$ 430	$ 4	$ 752	$ 338	$ 19,026

The most significant transfers include the following:

Transfers from fund	Transfers to fund	Amount
Non-Major Gov't	Capital Projects	$ 13,133,291
Business-type Major Funds (Electric, Water, and Wastewater)	Non-Major Gov't – Street Improvement Fund	2,126,082
General Fund	Capital Projects	1,561,001
Business-type Major Funds - Airport	Debt Service Fund	751,656
	Total:	$ 17,572,030

Transfers from the Non-Major Governmental Fund – Street Improvement Fund and from the General Fund were to fund capital projects such as streets, building renovations, equipment, and park improvements. Transfers from Other-Special Revenue Funds (SRF) were to fund road capital projects. Transfers from the Business-type Major Funds (Electric, Water, and Wastewater) to the Non-Major Governmental Fund – Street Improvement Fund were to fund street maintenance operations in the Street Improvements Fund. Transfers from Business-type Major Funds – Airport to the Debt Service Fund were to pay for Airport-related debt payments previously paid by property taxes.

F. Other Assets

In March 2010, the City issued Combination Tax & Electric Utility System Revenue Refunding Bonds, Series 2010 with a maturity of 15 years for prepaying certain contractual obligations to TMPA. The principal amount of the bonds was $58,820,000 with a reoffering premium and other bond issuance costs of $3,835,015 for a total of $62,655,015. As the proceeds of this debt issuance were placed with Texas Municipal Power Agency (TMPA) and the City received an economic benefit over a period of years, an Other Asset was recorded in the Electric Fund Statement of Net Position in the amount of $62,655,015. In September 2017, 37.9% of the unamortized balance of these Other Assets were impaired and recorded as a GASB 62 Regulatory Asset when TMPA reduced its power generation operations to seasonal. The remaining balance of the Other Assets were impaired and recorded as a GASB 62 Regulatory Asset in September 2019 upon TMPA's notification to ERCOT of the plan to retire and decommission the Gibbons Creek generation plant. The Regulatory asset is fully amortized as of September 30, 2025. See footnote V.E. for more information on TMPA.

In February 2021, the State of Texas experienced unprecedented freezing temperatures that put pressure on the availability of electric power (the "Weather Event"). Due to the high demand for power during this period and the limited availability of the power, the purchase price for power increased dramatically during this period. These energy price increases resulting in utilities, including the Electric Fund of the City of Denton, needing to access financial reserves to make payment to ERCOT for the power purchased necessary to service their customers. Due to the unparalleled dollar amount of the purchased power, the City of Denton issued $140 million of commercial paper to provide temporary funding for immediate cash flow needs. In September 2021, the City issued $141,990,000 of revenue refunding bonds to convert the outstanding commercial paper principal plus interest to debt to be paid over a period of 30 years. The Electric Fund recorded $140,000,000 of this purchased power expense as a regulatory asset in Other Assets to be amortized over the period of 30 years, starting with fiscal year ending September 30, 2022.

Capitalized Interest-GASB Statement No. 89, "Accounting for Interest Cost incurred before the end of a Construction Period", was implemented in FY 2022 to eliminate interest associated with the construction of capital assets. As these interest costs add to the full capitalized costs associated with the plant and infrastructure assets and provide an economic benefit over a period of years, a regulatory asset was established to continue capitalized interest for the Electric Fund. The regulatory asset recorded additions totaling $6,792,340 from FY's 2022-2024 and $4,825,949 in FY 2025 with amortization occurring over the life of related assets to align with the recovery of costs through rates.

To qualify to utilize GASB 62, the following must apply:

- The regulated business-type activity's rate for regulated services provided to its customers are established by or are subject to approval of
- an independent, third-party regulator or by its own governing board empowered by statute or contract to establish rates that bind customers.
- The regulated rates are designed to recover the specific regulated business-type activity's costs of providing the regulated services.

In view of the demand for the regulated services or products and the level of competition, direct and indirect, it is reasonable to assume that rates set at levels that will recover the regulated business-type activity costs can be charged to and collected from customers. This criterion requires consideration of anticipated changes in levels of demand or competition during the recovery period for any capitalized costs.

The City of Denton qualifies to utilize GASB 62 due to:

- State and local statues empower the City of Denton City Council to establish retail rates.
- The City of Denton specific costs are recovered through City of Denton retail rates.

Current and projected customer demand support the recovery of City of Denton cost of service.

	Balance at October 1, 2024	Increases	Amortization	Balance at September 30, 2025	Years Remaining
Regulatory Assets:					
2010 TMPA Obligation	$ 2,088,510	$ -	$ 2,088,510	$ -	0
2021 Weather Event	126,006,128	-	4,782,575	121,223,553	26
Capitalized Interest	6,500,155	4,825,949	212,936	11,113,168	4-40
Total Other Assets	$ 134,594,793	$ 4,825,949	$ 7,084,021	$ 132,336,721	

G. Long-term Debt

Long-term liabilities transactions for the year ended September 30, 2025, are summarized as follows below and on the following pages:

	Balance at October 1, 2024	Increases	Decreases	Balance at September 30, 2025	Due Within One Year
Governmental Activities:					
General obligation bonds	$ 328,400,000	$ 51,660,000	$ 26,665,000	$ 353,395,000	$ 18,825,000
Certificates of obligation	193,855,000	31,345,000	15,610,000	209,590,000	16,135,000
Compensated absences payable	19,451,469	12,242,132	8,996,256	22,697,345	12,040,860
Claims and judgement payable	9,201,570	30,356,318	30,161,035	9,396,853	3,004,453
Net pension liability	78,842,512	-	17,272,358	61,570,154	-
Other post employment benefits	34,172,930	1,685,564	-	35,858,494	790,397
Leases liability	173,686	-	78,205	95,481	-
Right-to-use liability	5,277,849	4,559,376	-	9,837,225	4,086,021
Unamortized premium/(discounts)	38,270,941	5,481,031	4,802,741	38,949,231	4,425,002
Total governmental activities long-term liabilities	$ 707,645,957	$ 137,329,421	$ 103,585,595	$ 741,389,783	$ 59,306,733

	Balance at October 1, 2024	Increases	Decreases	Balance at September 30, 2025	Due Within One Year
Business-type Activities:					
Revenue bonds	$ 339,010,000	$ 10,135,000	$ 19,075,000	$ 330,070,000	$ 20,045,000
General obligation bonds	124,070,000	26,660,000	18,450,000	132,280,000	14,330,000
Certificates of obligation	689,255,000	201,300,000	51,190,000	839,365,000	28,670,000
Compensated absences payable	3,679,955	6,364,439	2,921,003	7,123,391	5,898,580
Net pension liability	31,964,439	-	5,639,928	26,324,511	-
Other post employment benefits	15,626,950	677,100	-	16,304,050	338,501
Notes payable	7,500,000	-	7,500,000	-	-
Right-to-use liability	4,739,302	-	1,585,662	3,153,640	2,647,909
Landfill closure/post-closure	13,145,325	1,152,911	-	14,298,236	-
Unamortized premium/(discounts)	66,772,551	14,256,333	9,207,090	71,821,794	8,528,081
Total business-type activities	1,295,763,522	260,545,783	115,568,683	1,440,740,622	80,458,071
Total long-term liabilities	$ 2,003,409,479	$ 397,875,204	$ 219,154,278	$ 2,182,130,405	$ 139,764,804

For Internal Service funds, long-term liabilities are included as part of the above totals for governmental activities. Compensated absences payables and net pension liability balances and payments are based on the assignment of an employee within a fund. Other postemployment benefits are liquidated from the Health Insurance internal service fund with the retiree subsidy amounts paid predominantly by the General Fund. Claims payable represent an estimate of self-insured claims liability outstanding in the Health Insurance and Risk Retention internal service funds as well as one possible litigation payable in the Electric Fund. Subscription-Based IT Arrangements (SBITA) and Lease liabilities represent GASB 96 and GASB 87 entries, respectively.

General Bonded Debt - General bonded debt at September 30, 2025, is comprised of the following:

General Obligation Bonds and Certificates of Obligation Debt	Interest Rate (%)	Issue Date	Final Maturity	Original Amount of Issue	Gross Principle Outstanding at September 30, 2025
General obligation refunding	2.0 to 3.5	2014	2034	$ 7,165,000	$ 2,130,000
General obligation refunding	3.0 to 5.0	2015	2035	36,110,000	6,265,000
General obligation refunding	3.0 to 5.0	2016	2036	27,635,000	14,010,000
General obligation refunding	3.0 to 5.0	2017	2037	27,825,000	11,360,000
General obligation	3.0 to 5.0	2018	2038	19,235,000	14,315,000
General obligation refunding	3.0 to 5.0	2019	2039	18,015,000	14,045,000
General obligation refunding	2.0 to 5.0	2020	2040	27,675,000	21,705,000
General obligation refunding	2.0 to 5.0	2020A	2031	1,415,000	905,000
General obligation	2.0 to 5.0	2021	2041	54,710,000	46,985,000
General obligation	4.0 to 5.0	2022	2042	57,805,000	50,565,000
General obligation	4.0 to 5.0	2023	2043	40,485,000	36,240,000
General obligation	4.0 to 5.0	2024	2044	85,380,000	83,210,000
General obligation	4.0 to 5.0	2025	2045	51,660,000	51,660,000
Total general obligation bonds				$ 455,115,000	$ 353,395,000
Certificates of obligation	2.0 to 5.0	2014	2034	$ 8,635,000	$ 355,000
Certificates of obligation	2.0 to 5.0	2015	2035	7,420,000	-
Certificates of obligation	3.0 to 5.0	2016	2036	7,190,000	2,325,000
Certificates of obligation	3.0 to 5.0	2017	2037	17,000,000	6,320,000
Certificates of obligation	3.0 to 5.0	2018	2038	9,555,000	4,270,000
Certificates of obligation	3.375 to 5.0	2018	2038	28,170,000	19,595,000
Certificates of obligation	3.0 to 5.0	2019	2039	9,390,000	3,510,000
Certificates of obligation	2.0 to 5.0	2020	2040	24,020,000	17,360,000
Certificates of obligation	2.0 to 5.0	2021	2041	24,735,000	18,670,000
Certificates of obligation	4.0 to 5.0	2022	2044	12,565,000	9,125,000
Certificates of obligation	4.0 to 5.0	2023	2044	31,160,000	27,270,000
Certificates of obligation	4.0 to 5.0	2024	2044	73,270,000	69,445,000
Certificates of obligation	4.0 to 5.0	2025	2045	31,345,000	31,345,000
Total certificates of obligation				284,455,000	209,590,000
Total general bonded debt				$ 739,570,000	$ 562,985,000

[These amounts do not include net unamortized premiums/ (discounts) of $38,949,231 nor net deferred gain/ (loss) on refunding of ($476,150).]

Proceeds of general obligation bonded debt are restricted to the uses for which they were approved in the bond elections or, in the case of a refunding issuance, to the uses for which the certificates of obligation were originally issued. The City Charter expressly prohibits the use of bond proceeds to fund operating expenses. The general obligations are collateralized by the full faith and credit of the City and, primarily, payable from property taxes.

In August 2025, the City issued $78,320,000 ($26,660,000 of which is included as part of business-type activities) in general obligation refunding bonds. Of this amount, $51,660,000 was issued to pay the costs of bond election capital improvements for streets, parks, and public safety projects in the Capital Projects fund.

In August 2025, the City issued $232,645,000 ($201,300,000 of which is included as part of business-type activities) in certificates of obligation. The debt was issued to pay the costs of various capital improvements in the Capital Projects Fund ($30,145,000), the Electric Fund ($42,230,000), the Water Fund ($75,435,000), the Wastewater Fund ($73,075,000), the Technology Services Fund ($1,650,000), the Solid Waste Fund ($10,560,000), and the Fleet Fund ($925,000).

In June 2025, the City issued $10,135,000 in utility system bonds, all in the Water fund. The debt was issued to acquire, construct, and equip extensions, renovation and improvements to the waterworks system, including the renovation and expansion of the Lake Ray Roberts Treatment Plant.

On September 30, 2025, the City had no general obligation bonds or certificates of obligation considered defeased but still outstanding.

Business-type Revenue Bonds – Revenue bond debt at September 30, 2025, is comprised of the following issues:

Revenue Bonds	Interest Rate (%)	Issue Date	Final Maturity	Original Amount of Issue	Gross Principle Outstanding at September 30, 2025
Utility system	3.25 to 5.0	2017	2037	$ 214,890,000	$ 163,165,000
Utility system Refunding	0.27 to 2.7	2021	2051	141,990,000	131,050,000
Utility system	5.27	2024	2028	31,395,000	25,720,000
TWDB	1.99 to 3.54	2025	2050	10,135,000	10,135,000
Total revenue bonds				$ 398,410,000	$ 330,070,000

[These amounts do not include net unamortized premiums/ (discounts) of $12,761,529.]

The revenue bonds are collateralized by the revenue of the Denton utility system funds (System) and the related interest and sinking fund. The ordinance provides that the revenue of the System is to be used first to pay operating and maintenance expenses of the System and second to establish and maintain the revenue bond funds. Any remaining revenues may then be used for any lawful purpose. The ordinance also contains provisions, which among other items restrict the issuance of additional revenue bonds unless certain financial ratios are met. Management believes the City is in compliance with all significant requirements. The interest and sinking fund had a net position balance of $23,357,305 as of September 30, 2025, and is restricted for debt service. On September 30, 2025, the City had no revenue bonds considered defeased but still outstanding.

Business-type General Obligation Bonds and Certificates of Obligation – General obligation bonds and certificates of obligation issued for electric, water, wastewater, and solid waste funds at September 30, 2025, is comprised of the following:

General Obligation Bonds and Certificates of Obligation Debt	Interest Rate (%)	Issue Date	Final Maturity	Original Amount of Issue	Gross Principle Outstanding at September 30, 2025
General obligation refunding	3.0 to 5.0	2014A	2025	$ 27,155,000	$ -
General obligation refunding	3.0 to 5.0	2015	2035	1,530,000	130,000
General obligation refunding	4.0 to 5.0	2015A	2026	33,945,000	325,000
General obligation refunding	3.0 to 5.0	2016	2028	1,295,000	370,000
General obligation refunding	3.0 to 5.0	2016A	2030	38,425,000	14,365,000
General obligation refunding	3.0 to 5.0	2019	2039	26,325,000	-
General obligation refunding	2.0 to 5.0	2020	2040	34,405,000	15,185,000
General obligation refunding	2.0 to 5.0	2020A	2031	12,735,000	8,120,000
General obligation refunding	4.0 to 5.0	2022	2042	13,480,000	8,315,000
General obligation refunding	4.0 to 5.0	2023	2043	32,140,000	26,560,000
General obligation refunding	4.0 to 5.0	2024	2044	32,250,000	32,250,000
General obligation refunding	4.0 to 5.0	2025	2045	26,660,000	26,660,000
Total general obligation bonds				$ 280,345,000	$ 132,280,000
Certificates of obligation	2.0 to 5.0	2014	2044	$ 80,545,000	$ 17,750,000
Certificates of obligation	2.0 to 5.0	2015	2045	85,595,000	31,900,000
Certificates of obligation	3.0 to 5.0	2016	2046	76,115,000	54,845,000
Certificates of obligation	3.0 to 5.0	2017	2047	73,800,000	53,260,000
Certificates of obligation	3.375 to 5.0	2018	2028	1,375,000	480,000
Certificates of obligation	3.0 to 5.0	2019	2049	19,365,000	15,770,000
Certificates of obligation	2.0 to 5.0	2020	2050	34,060,000	29,775,000
Certificates of obligation	2.0 to 5.0	2021	2041	72,300,000	64,295,000
Certificates of obligation	4.0 to 5.0	2022	2044	99,590,000	91,975,000
Certificates of obligation	4.0 to 5.0	2023	2044	117,980,000	112,655,000
Certificates of obligation	4.0 to 5.0	2024	2044	169,520,000	165,360,000
Certificates of obligation	4.0 to 5.0	2025	2045	201,300,000	201,300,000
Total certificates of obligation				1,031,545,000	839,365,000
Total business-type G.O./C.O. bonds				$ 1,311,890,000	$ 971,645,000

[These amounts do not include net unamortized premiums/ (discounts) of $59,060,265 nor net deferred gain/ (loss) on refunding of ($1,393,799]

Schedule of Long-term Debt Maturities

Aggregate maturities of the long-term debt (principal and interest) for the years after September 30, 2025, are shown below:

Governmental Activities:

	General Obligation		Certificates of Obligation		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 18,825,000	$ 14,422,481	$ 16,135,000	$ 8,887,906	$ 34,960,000	$ 23,310,387
2027	19,310,000	13,651,031	15,575,000	8,163,044	34,885,000	21,814,075
2028	18,700,000	12,780,600	14,980,000	7,401,294	33,680,000	20,181,894
2029	18,415,000	11,909,303	13,935,000	6,683,194	32,350,000	18,592,497
2030	19,305,000	11,030,319	12,770,000	6,028,219	32,075,000	17,058,538
2031-2035	104,185,000	42,107,772	57,715,000	22,068,985	161,900,000	64,176,757
2036-2040	98,305,000	21,382,809	49,830,000	10,929,069	148,135,000	32,311,878
2041-2045	56,350,000	4,587,113	28,650,000	2,505,588	85,000,000	7,092,701
2046-2053	-	-	-	-	-	-
Total	$ 353,395,000	$ 131,871,428	$ 209,590,000	$ 72,667,299	$ 562,985,000	$ 204,538,727

Business-Type Activities:

	General Obligation		Certificates of Obligation		Revenue		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 14,330,000	$ 6,020,994	$ 28,670,000	$ 35,794,565	$ 20,045,000	$ 13,111,363	$ 63,045,000	$ 54,926,92
2027	16,680,000	5,324,000	26,940,000	34,758,556	20,915,000	12,446,156	64,535,000	52,528,71
2028	16,070,000	4,541,350	27,910,000	33,387,306	21,860,000	11,495,736	65,840,000	49,424,39
2029	15,710,000	3,780,200	28,890,000	31,967,306	22,860,000	10,489,530	67,460,000	46,237,03
2030	16,595,000	3,010,075	29,930,000	30,511,031	16,595,000	9,619,746	63,120,000	43,140,85
2031-2035	43,640,000	6,856,500	167,530,000	129,973,457	94,600,000	36,396,168	305,770,000	173,226,12
2036-2040	9,255,000	960,125	208,500,000	88,686,231	59,715,000	16,883,694	277,470,000	106,530,05
2041-2045	-	-	215,445,000	41,472,497	29,415,000	10,757,919	244,860,000	52,230,41
2046-2050	-	-	68,365,000	13,775,306	34,450,000	5,336,236	102,815,000	19,111,54
2051-2055	-	-	37,185,000	2,967,663	9,615,000	783,564	46,800,000	$ 3,751,22
Total	$ 132,280,000	$ 30,493,244	$ 839,365,000	$ 443,293,918	$ 330,070,000	$ 127,320,112	$ 1,301,715,000	$ 601,107,27

[These amounts do not include net unamortized premiums/ (discounts) of $110,772,919 nor net deferred gain/ (loss) on refunding of ($1,869,949).]

Bonds Authorized and Unissued

General obligation bonds authorized but unissued as of September 30, 2025, amounted to $213,625,000. When issued, the proceeds will be allocated to the applicable street, drainage, public safety, affordable housing, library, and parks projects.

All bonds were issued publicly through negotiated or competitive terms. There is a direct placement of $10,135,000 through Texas Water Development Board. There is no acceleration of maturity of the bonds in the event of default, and the City has never defaulted on the payment of bonds.

H. Landfill Closure and Post-Closure Cost

State and federal laws and regulations require the City to place a final cover on its Mayhill Road landfill site upon closure and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only upon anticipated closure, the City reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Based on an updated model created by a 2022 engineering study, total landfill closure and post-closure cost as of September 30, 2025, was $58,239,177. The $14,298,236 reported as landfill closure and post-closure care liability as of September 30, 2025, is a $1,152,911 increase from the $13,145,325 liability reported on September 30, 2024. This liability represents the cumulative amount incurred to date based on the use of 24.55% of the estimated capacity of the entire landfill at September 30, 2025. The change in estimated capacity decreased due to the remaining life increasing from updated Permit 1590B approval in August 2021.

Based on this estimate, the remaining potential estimated liability for closure and post-closure care of the entire landfill $43,940,941. The City will recognize the remaining estimated cost of closure and post-closure care as the remaining capacity is filled. These amounts are based on what it would cost to perform closure and post-closure care in 2025. Actual cost may fluctuate due to inflation, changes in technology, or changes in regulations. The landfill has a remaining life of 31 years, and the City expects to close the landfill in fiscal year 2056.

The solid waste fund has provided for a reservation and designation of cash and investments of $16,943,647 at September 30, 2025, and anticipates increasing the reserve in future periods as the closure and post-closure activities are carried out.

I. Leases

The City is a lessor in various non-cancelable leases of land, building, and equipment. During fiscal year 2025, the City recognized $255,461 in lease revenue and $50,602 in interest revenue.

As of September 30, 2025, the City's lease receivable balance of $3,187,515 was comprised of the following:

Governmental Activities	
One equipment lease with rents received totaling in $159,652 during the fiscal year 2025, at an interest rate of .582%, with a remaining lease term of 2 years	159,652
Four land leases with rents received totaling $858,211 during the fiscal year 2025, at an interest rate of 1.882% with remaining lease terms of 43 years	858,211
Business-type Activities	
Various land leases with rents received totaling $141,222 during the fiscal year 2025, at an interest rate of 1.473% to 3.053% to with remaining lease terms ranging from 10 to 45 years	2,169,652
	$ 3,187,515

The lease receivables are expected to be received in subsequent years as follows:

Fiscal Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	$ 114,464	$ 17,556	$ 176,181	$ 32,558
2027	67,620	16,966	176,181	30,041
2028	34,160	16,718	176,181	27,477
2029	36,437	16,484	176,181	24,865
2030	36,644	16,220	176,181	22,203
2031-2035	106,562	79,305	859,064	69,683
2036-2040	115,800	76,473	175,603	30,610
2041-2044	506,177	262,215	254,080	19,198
	$ 1,017,864	$ 501,937	$ 2,169,652	$ 256,635

The City has various aeronautical leasing agreements for land leases (54 agreements, 5 Licenses, 72 buildings) and hangar space (27) at Denton Enterprise Airport. These qualify as regulated leases and are not included in the measurement of lease receivables, in accordance with the requirements of GASB Statement No. 87. The City recognized $1,001,746 (Land Lease) and $185,100 (Hangar Lease) in lease revenue during fiscal year 2025 for these leases, which have CPI increases that range from 1-5 years, dependent on the lease terms ranging from 1-30 years, with some leases having additional options that range from 5-20 years. As of October 1, 2025, the minimum payments expected to be received over the next five years is shown in the table below:

Fiscal Year	Amount
2026	$ 1,231,598
2027	1,262,552
2028	1,344,385
2029	1,377,224
2030	1,418,541
	$ 6,407,607

Additionally, on January 1, 2023, City of Denton, TX entered a 48-month lease as Lessee for the use of Employee Health Clinic. An initial lease liability was recorded in the amount of $300,845. As of September 30, 2025, the value of the lease liability is $95,481. The City of Denton, TX is required to make monthly fixed payments of $6,018. The lease has an interest rate of 0.2130%. The value of the right to use asset as of September 30, 2025, of $300,845 with accumulated amortization of $205,364. The City has one extension option(s), each for 12 months.

J. Subscription-Based Information Technology Agreements (SBITA)

The City entered into SBITA contracts involving various desktop and server software, electronic workflows and document management software along with other departmental specific operations management systems to assist in operations. As of September 30, 2025, all SBITA have fixed, periodic, payments over the subscription periods, which range from 1 to 4 years and expire no later than fiscal year 2029. In addition, some of these agreements are cancelable with 30 or 60-day notice. There are no commitments or

outflows of resources related to SBITA that are not yet effective. The short-term portion, due within one year, totals $4,086,021 for Governmental Funds and $2,647,909 for Business-type Funds.

The future subscription payments as of September 30, 2025, are as follows:

	Governmental Activities		Business-Type Activities	
Fiscal Year	Principal	Interest	Principal	Interest
2026	$ 4,086,021	$130,644	$ 2,647,909	$ 46,850
2027	1,917,068	130,644	168,577	46,850
2028	1,917,068	130,644	168,577	46,850
2029	1,917,068	130,644	168,577	46,850
	$ 9,837,225	$522,576	$ 3,153,640	$187,400

V. OTHER INFORMATION

A. Pension Plans

Employee Retirement Plans

The City of Denton participates in two pension plans; Texas Municipal Retirement System (TMRS), an agent multiple-employer, traditional, joint contributory, hybrid, defined benefit pension plan; and the Denton Firemen's Relief and Retirement Fund (FRRF), a single employer, contributory, defined benefit plan. Both plans are described in detail below. Aggregate amounts for the two pension plans are as follows:

	TMRS	FRRF	Total
Pension liability	$ 726,035,642	$ 177,904,171	$ 903,939,813
Pension assets	648,100,639	167,944,509	816,045,148
Net pension liability	$ 77,935,003	$ 9,959,662	$ 87,894,665
Deferred outflows of resources	$ 30,143,664	$ 13,428,323	$ 43,571,987
Deferred inflows of resources	9,074,675	636,846	9,711,521
Pension expense	27,338,796	3,431,009	30,769,805

Texas Municipal Retirement Plan

Plan Description

The City of Denton participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member, Governor-appointed board of trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report obtainable at www.tmrs.com. All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the employee's benefit is calculated based on the sum of the employee's contributions with interest, and the city-financed monetary credits with interest. Employees may choose to receive their

retirement benefit in one of seven payment options. Employees may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the employee's deposits and interest.

Upon retirement, the employee's retirement benefits are calculated based on the sum of the employee's contributions, with interest, and the City-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits.

- Prior service credit, granted by each city joining TMRS, is a monetary credit equal to the accumulated value of the percentage of prior service credit selected by the City, multiplied by an employee's contributions that would have been made, based on the average salary prior to TMRS participation, for the number of months the employee was employed by the City before joining TMRS, accruing 3% annual interest and including the matching ratio adopted by the City.
- Current Service Credit is a monetary credit for service performed by an employee after the City joined TMRS and is based on a percentage (200%) of the employee's total contributions and interest credits (commonly referred to as the City's matching ratio). Each participating city designates the rate the employee contributions (7% for the City) and interest is credited on contribution balances annually at a guaranteed minimum 5% rate. Any change in the matching ratio would be applied prospectively.
- Updated Service Credits (USC) is an optional monetary credit granted on an annually repeated basis by the City, and it may increase an employee's monthly retirement benefit. In calculating USC, TMRS looks at the changes in the employees' salary over their career and any changes the City has made to its TMRS plan, such as the employee contribution rate or the City's matching ratio. Although USC may increase the employee's retirement benefit, USC does not affect the amount of contributions in an employee's account or the amount an employee will receive if they refund.

The plan provisions also include an annually repeating basis cost of living adjustments for retirees equal to 70% of the change in the consumer price index. If an employee terminates employment and refunds their account, the employee will receive their total contributions, plus credited interest. The employee will not receive any of the city-financed monetary credits. An employee can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after five years.

Employees Covered by Benefit Terms

At the December 31, 2024, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	957
Inactive employees entitled to but not yet receiving benefits	975
Active employees	1,520
Total	3,452

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the City Council. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 18.15% and 18.94% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $25,761,959 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2021 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate are applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014, to December 31, 2018. They were adopted in 2019 and first used in December 31, 2019, actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35%	7.1%
Core Fixed Income	6%	5.0%
Non-Core Fixed Income	6%	6.8%
Hedge Funds	5%	6.4%
Private Equity	13%	8.5%
Private Debt	13%	8.2%
Real Estate	12%	6.7%
Infrastructure	6%	6.0%
Other Private Markets	4%	7.3%
Total	100%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2023	$ 678,975,184	$ 583,428,852	$ 95,546,332
Changes for the year:			
Service cost	25,133,454	-	25,133,454
Interest	45,632,055	-	45,632,055
Change of benefit terms	-	-	-
Difference between expected and actual experience	7,317,890	-	7,317,890
Changes of assumptions	-	-	-
Contributions - employer	-	25,761,959	(25,761,959)
Contributions - employee	-	9,666,319	(9,666,319)
Net investment income	-	60,664,328	(60,664,328)
Benefit payments, including refunds of employee contributions	(31,022,941)	(31,022,941)	-
Administrative expense	-	(388,785)	388,785
Other changes	-	(9,093)	9,093
Net changes	47,060,458	64,671,787	(17,611,329)
Balance at 12/31/2024	$ 726,035,642	$ 648,100,639	$ 77,935,003

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 182,263,273	$ 77,935,003	$ (7,355,448)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Change in Fiduciary Net Position, by Participating City, separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized pension expense of $27,338,796. This amount is included as part of personal services expenses.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to TMRS pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ -	$ 6,852,939
Contributions subsequent to the measurement date	19,343,268	-
Differences between expected and actual economic experience	10,800,396	-
Difference in assumption changes	-	2,221,736
Total	$ 30,143,664	$ 9,074,675

As reported as deferred outflows of resources, $19,343,268 is related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the City's fiscal year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

For the Year Ended September 30,	Net Deferred Outflows/Inflows)
2026	$ 4,683,041
2027	8,712,507
2028	(7,521,397)
2029	(4,148,430)
Total	$ 1,725,721

Denton Firemen's Relief and Retirement Plan

Plan Description

The City contributes to the retirement plan for firefighters in the Denton Fire Department known as the Denton Firemen's Relief and Retirement Fund (the Fund). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Denton Firemen's Relief and Retirement Fund. The City does not have access to nor can it utilize assets within the retirement plan trust. The Fund issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Denton Firemen's Relief and Retirement Fund at P.O. Box 2375, Denton, Texas 76202. See that report for all information about the plan fiduciary net position.

Benefits Provided

Firefighters in the Denton Fire Department are covered by the Denton Firemen's Relief and Retirement Fund which provides service retirement, death, disability, and withdrawal benefits. These benefits are fully vested after 20 years of credited service. Firefighters may retire at age 50 with 20 years of service. A partially vested benefit is provided for firefighters who terminate employment with at least 10 but less than 20 years of service. If a terminated firefighter has a partially vested benefit, the firefighter may retire starting on the date they would have both completed 20 years of service if they had remained a Denton firefighter and attained age 50. The present plan provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity, equal to 2.59% of Highest 36-Month Average Salary for each year of service.

A retiring firefighter who is at least age 52 with at least 22 years of service has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Highest 36-Month Average Salary as if the firefighter had terminated employment on their selected RETRO DROP benefit calculation date, which is no earlier than the later of the date the firefighter meets the age 52 and 22 years of service requirements and the date four years prior to the date the firefighter actually retires. Upon retirement, the employee will receive, in addition to the monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the Fund after the RETRO DROP benefit calculation date plus (2) the total of the monthly retirement benefits the member would have received between the RETRO DROP benefit calculation date and the date retired under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically in the past provided, ad hoc post-retirement benefit increases.

Employees Covered by Benefit Terms

In the December 31, 2023, actuarial valuation, the following numbers of members were covered by the Fund:

Inactive employees or beneficiaries currently receiving benefits	96
Inactive employees entitled to but not yet receiving benefits	8
Active employees	236
Total	340

Contributions

The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City.

The contribution policy of the Denton Firemen's Relief and Retirement Fund requires contributions equal to 12.6% of pay by the firefighters, the rate elected by the firefighters according to TLFFRA. The City began contributing in December 2017 according to a new City funding policy. The ordinance defining it includes an actuarially determined contribution rate over a closed 25-year amortization period, a contribution rate of 18.5% for several years, a minimum rate standard, and City review and approval of each actuarial valuation. December 31, 2023, actuarial valuation includes the assumption that the City contribution rate will be 18.5% over the unfunded liability amortization period. The costs of administering the plan are paid from the Fund assets. The City's contributions to the Fund for the year ended September 30, 2025, were $6,136,743.

Ultimately, the funding policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. For the calendar year ending December 31, 2024, the money-weighted rate of return on pension plan investments was 8.61%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

While the contribution requirements are not actuarially determined, state law requires that each change in plan benefits adopted by the Fund must first be approved by an eligible actuary, certifying the contribution commitment by the firefighters and the assumed city contribution rate together provide an adequate contribution arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of payroll method.

Net Pension Liability

The City of Denton's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined based actuarial valuation as of December 31, 2023, and rolled forward to December 31, 2024.

Total pension liability	$ 177,904,171
Plan fiduciary net position	167,944,509
City's net pension liability	$ 9,959,662
Plan fiduciary net position as a percentage of the total pension liability	94.4%

Actuarial Assumptions

The total pension liability in December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00%, plus promotion, step and longevity increases that vary by service
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) total dataset mortality tables employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2019.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 4.96%) and by adding expected inflation (2.5%). In addition, the final 6.75% assumption was selected by rounding down and thereby reflects a reduction of 0.71% for adverse deviation.

The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Large Cap Domestic	40.0%	6.00%
Small/Mid Cap Domestic	10.0%	6.50%
International Developed	10.0%	6.50%
Alternatives		
Master Limited Partnerships	8.0%	6.50%
Real Estate	15.0%	4.00%
Fixed Income	15.0%	1.00%
Cash	2.0%	0.00%
Total	100.0%	
Weighted Average		4.96%

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. No projection of cash flows was used to determine the discount rate because December 31, 2023, actuarial valuation showed expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in seven years. Because of the seven-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City of Denton, calculated using the discount rate of 6.75%, as well as what the city's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 32,931,528	$ 9,959,662	$ (9,155,259)

Pension Plan Fiduciary Net Position

The plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the plan fiduciary net position is available in the Fund's separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in

conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2024	$ 167,333,614	$ 152,072,995	$ 15,260,619
Changes for the year:			
Service cost	6,063,143	-	6,063,143
Interest	11,469,317	-	11,469,317
Change of benefit terms	-	-	-
Difference between expected	-		-
and actual experience	-	-	-
Contributions - employer	-	5,846,904	(5,846,904)
Contributions - employee	-	3,889,705	(3,889,705)
Net investment income	-	13,206,709	(13,206,709)
Benefit payments, including refunds			
of employee contributions	(6,961,903)	(6,961,903)	-
Administrative expense	-	(109,901)	109,901
Net changes	10,570,557	15,871,514	(5,300,957)
Balance at 12/31/2025	$ 177,904,171	$ 167,944,509	$ 9,959,662

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025, the City recognized a pension expense of $3,431,009. Amounts recognized in the fiscal year represent changes between the current and prior year measurement dates. On September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual investment earnings	$ -	$ 636,846
Contributions subsequent to the measurement date	4,478,547	-
Differences between expected and actual economic experience	7,682,485	-
Difference in assumption changes	1,267,291	-
Total	$ 13,428,323	$ 636,846

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $4,478,547 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2025, and the City's fiscal year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

For the Year Ended September 30,	Net Deferred Outflows/(Inflows)
2026	$ 1,065,863
2027	3,645,280
2028	295,193
2029	734,679
2030	1,048,277
Thereafter	1,523,638
Total	$ 8,312,930

B. Post-employment Benefits Other than Pensions (OPEB)

The City of Denton provides for two post-employment benefit (OPEB) plans; one provides for post-employment medical care through a single-employer defined benefit medical plan (Medical OPEB), and the other is the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF), a single-employer defined benefit OPEB plan. Both plans are described in detail below.

Aggregate amounts for the two OPEB plans are as follows:

	Medical OPEB	TMRS SDBF	Total
OPEB liability	$ 46,919,770	$ 4,113,881	$ 51,033,651
OPEB assets	-	-	-
Total OPEB liability	$ 46,919,770	$ 4,113,881	$ 51,033,651
Deferred outflows of resources	$ 6,270,276	$ 648,252	$ 6,918,528
Deferred inflows of resources	(11,008,086)	(1,202,444)	(12,210,530)
OPEB expense	3,717,424	183,507	3,900,931

Medical Benefits

Plan Description

The City of Denton provides post-employment medical care (OPEB) for retired employees through a single employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses, and dependents through the City's group health insurance plans, which covers both active and retired members. The benefits, benefit levels, and contribution rates are recommended annually by the City management as part of the budget process. Any changes in rate subsidies for retirees are approved by the City Council. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Benefits Provided

The City provides post-employment medical, dental, and vision care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under the Texas Municipal Retirement System or the Denton Firemen's Relief and Retirement Plan. Retirees must make a one-time irrevocable decision to choose

benefits at the time of retirement, after that their eligibility for the benefits ceases. However, retirees can move between plans and can add and drop dependents based on qualifying events.

All medical care benefits are provided through the City's self-insured health plan. The benefit levels are the same as those afforded to active employees.

Employees Covered by the Benefit Terms

In the December 31, 2024, actuarial valuation, the following number of employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	247
Active employees	1,689
Total	1,936

Funding Policy

The plan premium rates are recommended annually by City management and approved by the City Council as part of the annual budget. The retiree's contribution is the full amount of the actuarially determined blended premium rate less a subsidy dependent upon years of service at retirement. By providing retirees with access to the City's healthcare plans based on the same rates it charges to active employees, the City is in effect providing a subsidy to retirees. This implied subsidy exists because, on average, retiree health care costs are higher than active employee healthcare costs. By not contributing anything toward this plan in advance, the City employs a pay-as-you-go method through paying the higher rate for active employees each year. The City contributes $40 per month for each five-year increment of service, up to $200 per month, toward the cost of retiree coverage. The full cost for dental and vision is paid by the retiree. Retirees are required to enroll in Medicare Part B once eligible (age 65) and are moved into a fully insured Medicare Supplement plan at that time. The same City contribution level applies to the supplement.

Medical OPEB Liability

The City's medical OPEB liability of $46,919,770 was measured as of December 31, 2024, the same date as the actuarial valuation.

Actuarial Methods and Assumptions

The medical OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement date, unless otherwise specified.

Significant method and assumptions used for this fiscal year valuation were as follows:

	Actuarial Assumptions
Valuation date	December 31,2023
Actuarial cost method	Individual Entry-Age Normal Method
Discount Rate	4.05% as of December 31, 2022 3.77% as of December 31, 2023 4.08% as of December 31, 2024
Inflation rate	2.50% per annum
Projected salary increases	3.60% to 11.85% for TMRS, including inflation 3.00% to 9.18% for Fire, including inflation
Healthcare trend rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years
Mortality	**TMRS: For** healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements. **Firefighters:** The gender-distinct PubS-2010 (safety employees) total data set mortality are used. The rates are projected on a fully generational basis using the projection scale MP-2019.
Participation Rates	65% for employees retiring at age 65 or older; 45% for employees retiring between the ages of 50 and 64; 5% for employees retiring between the ages of 45 and 49; 0% for employees retiring before the age of 45.

Changes in the Medical OPEB Liability

	Total Medical OPEB Liability
Balance at 12/31/2023	$ 45,653,463
Changes for the year:	
Service cost	2,882,929
Interest	1,740,446
Difference between expected and actual experience	(105,456)
Changes of assumptions	(1,393,130)
Benefit payments	(1,858,482)
Net changes	1,266,307
Balance at 12/31/2024	$ 46,919,770

Total OPEB liability as a percentage of covered payroll was 26.86%.

Sensitivity of the Medical OPEB Liability to Changes in the Discount Rate

The following schedule shows the impact of the medical OPEB liability if the discount rate used was 1% less than (3.08%) and 1% greater than (4.08%) the discount rate that was used (5.08%) in measuring the medical OPEB liability:

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Total medical OPEB liability	$ 51,619,415	$ 46,919,770	$ 42,780,452

Sensitivity of the Medical OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption

The following schedule shows the impact of the medical OPEB liability if the healthcare trend cost rate used was 1% less or 1% more than the healthcare cost trend rate that was used in measuring the medical OPEB liability:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total medical OPEB liability	$ 42,999,140	$ 46,919,770	$ 51,543,954

Medical OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Medical OPEB

For the year ended September 30, 2025, the City recognized medical OPEB expense of $3,717,424. At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to medical OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 143,622	$ 2,032,442
Changes in actuarial assumptions	4,606,710	8,975,644
Contributions subsequent to the measurement date	1,519,944	-
Totals	$ 6,270,276	$ 11,008,086

Deferred outflows of resources related to OPEB contributions subsequent to the measurement date ($1,519,944) will be recognized as a reduction of the medical OPEB liability for the City's fiscal year ending September 30, 2026. Other amounts reported as deferred outflows of resources related to the medical OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	Net Deferred Outflows/(Inflows)
2026	$ (913,744)
2027	(1,291,494)
2028	(925,126)
2029	(977,147)
2030	(1,319,674)
Thereafter	(992,569)
Total	$ (6,257,754)

TMRS Supplemental Death Benefit Fund

Plan Description

The City of Denton voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a defined benefit group-term life insurance Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits Provided

The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this system via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1st of any year to be effective the following January 1st.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an "other postemployment benefit" (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

Employees Covered by the Benefit Terms

In the December 31, 2024 actuarial valuation, the following number of employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	732
Inactive employees entitled to but not yet receiving benefits	267
Active employees	1,520
Total	2,519

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. For FY 2024 and FY 2025 the contribution was 0.28% and 0.23% respectively, of which 0.10% represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to ensure that adequate resources are available to meet all the death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contribution to the SDBF for two years ended September 30, 2025, and 2024 were $399,190 and $377,550 respectively, representing contributions for both active and retiree coverage, which equaled the required contribution each year.

Actuarial Methods and Assumptions

The SDBF OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions:

	12/31/2024
Inflation rate	2.50% per annum
Discount rate	4.08%
Actuarial cost method	Entry Age Normal Method
Projected salary increases	3.60% to 11.85% including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the following:

Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by scale

MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used with a 4-year set forward for males and a 3-year set forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis by scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor. Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of GASB Statement No. 68.

The actuarial assumptions used in the December 31, 2024, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Discount Rate

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees, and the assets are not segregated for these groups. As such, a single discount rate of 3.08% was used to measure the SDBF OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2024.

Sensitivity of the SDBF OPEB Liability to Changes in the Discount Rate

The following schedule shows the impact of the SDBF OPEB liability if the discount rate used was 1% less than (4.08%) and 1% greater than (4.08%) the discount rate that was used (5.08%) in measuring the medical OPEB liability:

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
Total SDBF OPEB liability	$ 4,917,775	$ 4,113,881	$ 3,487,733

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs

On September 30, 2025, the City reported a liability of $4,113,881 for its Total SDBF OPEB liability. The total SDBF liability was determined by an actuarial valuation as of December 31, 2024. For the year ended September 30, 2025, the City recognized SDBF OPEB expense of $183,507. There were no changes of benefit terms that affected measurement of the Total SDBF Liability during the measurement period.

Changes in the SDBF OPEB Liability

	Total SDBF OPEB Liability
Balance at 12/31/2023	$ 4,146,417
Changes for the year:	
Service cost	179,426
Interest	157,100
Difference between expected and actual experience	(3,170)
Changes of assumptions	(227,872)
Benefit payments	(138,020)
Net changes	(32,536)
Balance at 12/31/2024	$ 4,113,881

Total OPEB liability as a percentage of covered payroll was 2.98%.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to other SDBF post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 42,184	$ 58,959
Changes in actuarial assumptions	315,634	1,143,485
Contributions subsequent to the measurement date	290,434	-
Totals	$ 648,252	$ 1,202,444

Other amounts reported as deferred outflows of resources related to SDBF OPEB will be recognized in OPEB expense as follows:

Year Ending September 30	Net Deferred Outflows/(Inflows)
2026	$ (215.156)
2027	(322,718)
2028	(268,453)
2029	(15,787)
2030	(22,512)
Total	$ (844,626)

C. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. For the calendar years 2024 and 2025 the plan, available to all permanent City employees, permitted them to defer, until future years, up to $23,000 and $23,500 respectively. Employees who are age 50 or older may contribute an additional amount of $7,500, the total not to exceed $31,000 in 2025. Employees who are within three years of retirement eligibility may elect to participate in a catch-up provision allowed by Section 457, which has an annual maximum contribution amount of $46,000 in 2024 and $47,000 in 2025. The withdrawal of deferred compensation funds is only available to employees by loan, termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are, until paid or made available to the employee or other beneficiary, solely the property and rights of the employees. Accordingly, the assets and associated liability of the plan are not included in the City’s financial statements.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan.

D. Self-insurance Plan

The City has established a self-insurance plan for liability and workers' compensation claims in the Risk Retention Fund. Accrued claims payable include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be

paid to each claimant. The provision for claims incurred but not yet reported is estimated based on actuarial studies.

It is the policy of the City of Denton not to purchase commercial insurance for workers' compensation claims. Commercial liability insurance coverage is purchased for general liability, aviation ground operations liability, auto liability and physical damage, public officials' liability, professional liability for EMT operations, employment practices liability, law enforcement professional liability, cyber, and commercial crime (employee theft and dishonesty).

Additionally, excess insurance is purchased for general liability, flood (for specific properties), and workers' compensation exposures. The City reports liabilities when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated to meet the deductible for the policy. Liabilities include an amount for claims that have been incurred but not reported. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

In January 2008, the City started a self-insured group employee health insurance plan. Claims are paid from the Health Insurance Fund, which has an annually negotiated stop loss provision.

The City's costs associated with the self-insurance plans are interfund transactions. Accordingly, they are treated as operating revenues of the Internal Service Risk Retention Fund and Health Insurance Fund and operating expenditures (expenses) of the other funds and employee payroll deductions.

Claims liabilities are re-evaluated periodically to take into consideration the settlement of claims, new claims, and other factors. As of September 30, 2025, the estimated value of these liabilities was $9,396,852.

Changes in balances of claims liabilities during fiscal years 2024 and 2025 were as shown as follows:

	Claims Liability Beginning of Fiscal Year	Claims and Change in Estimates	Claim Payments	Claims Liability End of Fiscal Year
Worker's Compensation				
2025	$3,588,606	$1,682,200	$1,082,761	$4,188,045
2024	$3,052,113	$1,656,528	$1,120,035	$3,588,606
General Liability				
2025	$2,265,977	$ 868,734	$ 109,011	$3,025,700
2024	$1,802,160	$ 842,957	$ 379,140	$2,265,977
Health Insurance				
2025	$3,346,987	$27,805,384	$28,969,263	$2,183,108
2024	$3,951,994	$27,455,602	$28,060,609	$3,346,987

On September 30, 2025, the City of Denton had a negative unrestricted net position of $5,728,618 in the Risk Retention Fund and an additional positive net position of $791,056 in the Health Insurance Fund for payment of claims, both in addition to the liability balances recorded. There were no significant reductions in insurance coverage from coverage in the prior year, and the amount of settlements did not exceed insurance coverage in the current year or in any of the past three fiscal years.

E. Commitments and Contingencies

Agreement with TMPA

In 1976, the City, along with the cities of Bryan, Greenville, and Garland, Texas (the Cities) entered into a Power Sales Contract with the Texas Municipal Power Agency (TMPA). TMPA was created through concurrent ordinances of the Cities and is governed by a Board of Directors consisting of eight members, two appointed by the governing body of each city. Under the terms of the agreement, TMPA agreed to construct or acquire electric generating plants to supply energy and power to the Cities for a period of not less than 35 years. The Cities in turn agreed to purchase all future power and energy requirements in excess of the amounts generated by their systems from TMPA at prices intended to cover operating costs and retirement of debt. In the event that revenues were insufficient to cover all costs and retire the outstanding debt, each of the cities guaranteed a portion of the unpaid debt based, generally, upon the pro rata share.

TMPA, a municipal corporation, is governed by a Board of Directors consisting of eight members. The governing body of each of the four Cities appoints two members to the Board. An affirmative vote of five Directors, plus a weighted majority vote based on the respective energy usage of the Cities, is required for major decisions.

The City pays TMPA a pro-rated monthly charge based on the City's contractual portion of TMPA's annual fixed operating costs and debt service payments, which is currently 21.3%. As of September 30, 2025, total TMPA long-term debt outstanding was approximately $226,534,000, all of which was transmission debt and has no effect on the term of the contract. All outstanding generation debt was paid off on September 1, 2018.

Effective September 1, 2016, TMPA and the Member Cities entered into a Joint Operating Agreement (JOA). In general, the purposes of the JOA include: (i) funding TMPA operations such as mine reclamation, transmission service, and plant decommissioning following expiration of the Power Sales Contract (PSC); (ii) subject to certain exceptions, requiring Member City approval for the issuance of new debt, the execution of certain significant contracts, and the sale of property exceeding $10 million in value; (iii) specifying provisions for determining how costs of TMPA and proceeds from the sale of assets are to be allocated among the Member Cities; (iv) providing for the establishment by TMPA of reserve funds for the decommissioning of the plant and the indemnification of TMPA Board Members and Member City officials, employees, contractors, and agents; and (v) dividing the operations of TMPA into three business functions (mine, generation, and transmission) and requiring separate budgets and books for each business function.

The PSC provides upon dissolution of TMPA, the assets of TMPA automatically being transferred to the Member Cities, with each Member City receiving an undivided interest in the assets of TMPA in proportion to the amount paid by the Member City to TMPA. The JOA requires TMPA to periodically make this calculation for each business unit and sets out formulas for making these calculations. Under the JOA, these ownership calculations are relevant not only to the allocation of assets upon dissolution of TMPA, but also to the allocation of certain proceeds from the sale of assets, and in some cases, the allocation of TMPA costs.

At the request of a majority of Member Cities, TMPA is required by the JOA to transfer a divided interest in the transmission system to each Member City. Under this partition process, the objective is for each City to receive ownership of transmission facilities in the vicinity of the Member City, and in proportion to the Member City's ownership interest in the transmission business. Any such transfer of transmission assets must be in compliance with relevant bond covenants, including those requiring defeasance of all or a portion of transmission debt.

The JOA included a reclamation plan for the mine, required the development of a decommissioning plan, and set out standards for environmental remediation. TMPA is required to comply with these plans and standards.

Under the JOA, in discharging its contractual obligations, including mine reclamation, decommissioning, transmission service, environmental remediation, indemnification, and other obligations, TMPA is rendering services to the Member Cities. The JOA obligates each Member City to pay the cost of these services, and to collect rates and charges for electric service sufficient to enable it to pay to TMPA all amounts due under the

JOA for these services. The City's payment obligations under the JOA are payable exclusively from such electric utility revenues and constitute an operating expense of the electric system.

Unless terminated earlier through the mutual consent of all parties, the JOA remains in effect until the dissolution of TMPA and the winding up of its affairs.

Effective September 1, 2016, the JOA was amended (Amendment No. 1). The primary purposes of the amendment were to authorize the sale of Gibbons Creek and the sale of the Southern 345 kV Transmission System and to authorize the issuance of refunding bonds in connection with such sales. As the sale contemplated by Amendment No. 1 did not occur, by its own terms, Amendment No. 1 ceased to have any force or effect. Effective September 22, 2017, the JOA was amended a second time (Amendment No. 2). The purposes of this amendment are to: continue TMPA's authority to issue mine reclamation bonds as had been contemplated in Amendment No. 1; revise the dates on which the separate budgets of the JOA become effective; authorize TMPA to sell certain mining and transmission assets, provided the sales do not exceed in value certain financial thresholds, and provided the sales comply with bond covenants; and allow for an extension to the term of the PSC, applicable only to the cities notifying TMPA of the extension, in order to complete a period of seasonal operation in 2018, or such other period of time as desired by the notifying cities. Pursuant to this provision, the City extended the PSC from September 1, 2018, to September 30, 2018, in order to complete the period of 2018 seasonal operation. As of September 30, 2018, the PSC had expired for all member cities.

On September 17, 2019, the JOA was amended (Amendment No. 3). The amendment defined portions specific to the generation business that had been tied to the expired PSC and clarified all board members may vote on matters involving decommissioning and the sale of the plant. It exempted financial commitments related to bonding from the requirement to obtain approval of all Member Cities relating to certain budget increases. This is to address concerns by the Attorney General of Texas that a potential situation could arise where a Member City could interfere with TMPA's existing bond deposit requirement obligations ("bond reserve equivalent") should that obligation require a 20% increase over the previous year's budget. The amendment also allows for the sale of mine tracts only after the completion of mine reclamation. This would permit the sale of a mine tract subject to bonding provided that the conveyance reserves easements, leases, or other property rights are reserved to enable TMPA to complete reclamation.

On June 28, 2021, the JOA was amended (Amendment No. 4). This amendment modified the agreement to make it unambiguous that in the event that all mining assets are sold, all Member Cities shall remain responsible for the costs of closing the mining operation according to each's percentage share and that these are included: "all obligations are discharged with respect to mine reclamation bonds, surety bonds, banking agreements, letters of credit, and other financial commitments related to providing financial security or assurance for TMPA's mine reclamation responsibilities." Additionally, it modified the agreement by removing the cap on sales of the mining assets and allowed for the sale of the mine as a whole.

Effective September 26, 2017, Gibbons Creek transitioned into a seasonal operations mode, operating during the summer months only (May-September). Due to the significant decline in service utility of the generation assets, such assets were deemed largely impaired as of September 30, 2017. On June 1, 2019, the TMPA Board of Directors voted to permanently retire the generation facility. The City also wholly impaired its TMPA prepaid purchase power due to the retirement which was fully amortized as of March 31, 2025. See note IV.F. for more information.

In 2019, TMPA issued a request for proposal involving only the sale of generation assets. Proposals were received in August 2019, and TMPA entered negotiations with one of the proposers. On December 10, 2020, the TMPA Board of Directors approved a fully negotiated Asset Purchase Agreement (APA) with Gibbons Creek Environmental Redevelopment Group LLC (GCERG). As required by the TMPA Joint Operating Agreement, each TMPA member city was required to approve the APA. On January 26, 2021, the City Council approved of the APA with GCERG. On February 10, 2021, TMPA and GCERG closed on the sale of the Gibbons Creek Steam Generation Plant and property. Through the sale, GCERG acquired 6,200 acres including the plant, CCR (coal combustion residuals) units, and reservoir. GCERG must decommission the

plant and remediate all CCR units to TCEQ/EPA standards. GCERG provides independent financial security to TMPA for remediation/decommissioning and post closure activities and certain land use limits imposed on CCR containing parcels. The City's Electric fund had a liability recorded for TMPA's decommissioning obligation of $21,167,124 as of September 30, 2020. As part of the sale of Gibbons Creek, the City paid $6,037,368 of this liability in February 2021. The remaining liability of $15,129,756 was recognized as a gain in other non-operating revenues. This sale to GCERG only includes the generation assets and TMPA retained the approximate 11,000 acres associated with the mine land and all transmission assets.

On July 15, 2021, the TMPA Board of Directors authorized the Gibbons Creek Lignite Mine with approximately 11,000 acres to be sold. The sale finalized in December 2021. The City received its portion of the sale in the amount of $15,174,089 which was recorded as revenues in the Electric fund for the fiscal year ending September 30, 2022. Following the closing, TMPA will continue to conduct mine reclamation activities pursuant to a reclamation easement that will remain in effect until all bonded areas are released from bond.

Selected financial statement information of TMPA is as follows:

	September 30 (Unaudited)	
	2025	2024
	(000s)	(000s)
Operating revenues	$ 36,392	$ 36,891
Operating expenses	13,821	15,728
Operating income	22,571	21,163
Other non-operating sources (uses)	1,437	6,664
Current unrestricted assets	22,509	22,509
Total assets and deferred outflows	244,355	225,091
Long-term debt – Noncurrent	218,584	199,737
Total liabilities and deferred inflows	259,124	238,243
Total net position	(14,769)	(13,152)

Financial statements for TMPA are available from the TMPA website www.texasmpa.org.

Power Purchase Agreements

Following is a list of power purchase agreements in effect as of the publication date of these financial statements. The information provided is all that is allowed under the confidentiality provision(s) of the agreements.

Santa Rita Wind - In 2016, the city entered into a 20-year power purchase agreement with Santa Rita Wind, LLC, a subsidiary of Invenergy, LLC. The agreement has been transferred to BHER Santa Rita Investment, LLC, a subsidiary of Berkshire Hathaway Energy Company. Under the agreement, which is scheduled to end April 2038, the city will purchase 150 MW of wind generation and environmental attributes. Commercial operation date was April 1, 2018.

Bluebell Solar Energy - In 2015, the city entered into a 20-year power purchase agreement with Bluebell Solar Energy, LLC, a subsidiary of NextEra Energy, Inc. Under the agreement, which is scheduled to end November 2038, the city will purchase 30 MW of solar energy and environmental attributes. Commercial operation date was November 1, 2018.

Engie Long Draw Solar - In 2018, the city entered into a 15-year power purchase agreement with Engie Long Draw Solar, LLC, a subsidiary of Engie, LLC. Under the agreement, which is scheduled to end June 2035, the city will purchase 75 MW of solar generation and environmental attributes. Commercial operation date was December 29, 2020.

Bluebell Solar II Energy - In 2018, the city entered into a 15-year power purchase agreement with Bluebell Solar II Energy, LLC, a subsidiary of NextEra Energy, Inc. Under the agreement, which is scheduled to end December 2035, the City will purchase 100 MW of solar generation and environmental attributes. Commercial operation date was December 28, 2020.

Yellow Viking Solar – In 2024, the city entered into a 15-year power purchase agreement with Yellow Viking Development One, LLC, a subsidiary of Osaka Gas USA Corporation. The agreement has been transferred to Lydian Energy. Under the agreement, which is scheduled to end in July 2042, the city will purchase 100 MW of solar generation and environmental attributes. The expected commercial operation date is on or before July 13, 2027.

Blue Summit I Wind - In 2025, the city entered into a 15-year power purchase agreement with Blue Summit I Wind, LLC, a subsidiary of NextEra Energy, Inc. Under the agreement, which is scheduled to end in December 2040, the City will purchase 140 MW of wind generation and environmental attributes. Commercial operation date was November 1, 2025.

Tidwell Prairie IIA - In 2025, the city entered into a 10-year tolling agreement with Tidwell Prairie IIA, LLC, a subsidiary of Jupiter Power, LLC. Under the agreement, which is scheduled to end June 2036, the City will purchase energy storage services from a 100 MW 2-hour battery generator. The expected commercial operation date is on or before June 1, 2026.

Encumbrances

As discussed in note I.D., Budgetary information, encumbrances are utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the total amount encumbered in governmental funds expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	$	8,307,642
Capital Projects Fund	$	17,402,788
ARPA Fund	$	1,304,486
Nonmajor Governmental Funds	$	44,445,040
Total	$	71,459,956

F. Tax Abatements

The City enters into economic development incentive agreements with entities to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. Some agreements provide for an abatement of property taxes, while others provide for a rebate of a portion of sales and use tax or a portion of ad valorem (property) tax, as established per the agreements. The incentives are performance-based, and the City generally expects to receive increased revenue because of the agreements. These incentive agreements require approval by a City Council ordinance and are authorized under Chapter 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code and Chapter 380 of the Texas Local Government Code.

Property Tax Abatements

Tax abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. In 1990, the City Council adopted a resolution setting guidelines and criteria for granting abatements in the reinvestment zones which specifically notes incentives are limited to companies which create new wealth and do not adversely affect existing businesses operating within the City. The City is required to renew/adopt a Tax Abatement Policy every two years in accordance with Chapter 312 of the Texas Tax Code. The last policy was adopted in May of 2024. The abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the

term of the agreement. For the fiscal year ending September 30, 2025, the City abated property taxes totaling $204,605 under this program, as detailed in the following agreements:

- Peterbilt – In 2016, a 70% tax abatement agreement for a term of eight years was granted to Peterbilt Motors on new capital investments, including the construction of a new stand-alone 102,000 square foot building. In the event of a failure to meet the conditions of the agreement, an increased assessed value of real property of at least $18.5 million, the agreement provides for a full refund of all abatements previously granted plus interest. Peterbilt met the $18,500,000 required threshold for tax year 2024. The abatement amounted to $153,747. This is the final year of the abatement.
- West Gate Business Park (WGBP) – In 2016, a 60% tax abatement agreement for a term of ten years was granted to WGBP on new capital investments only to include Buildings 2 and 3 in the business park. WGBP could receive an additional 10% abatement for the location of a supplier to an existing primary industry and/or an additional 5% for the location of a national headquarters for a total abatement of up to 75%. In the event of a failure to meet the conditions of the agreement, an increased assessed value of real property of at least $3 million, the agreement provides for a full refund of all abatements previously granted plus interest. The abatement amount for the current fiscal year was $50,858.

The City has an additional abatement agreement not listed above for Tyson Sales and Distribution. The grantee has contracted their expansions in the current economic climate and did not meet the timely completion requirements in the Agreement for the construction of the facility. The Agreement was terminated.

Chapter 380 Agreements

The City Council has the authority under Chapter 380 of the Texas Local Government Code to grant or loan City funds to accomplish specific economic development goals. These incentives are considered on a case-by-case basis. The City has Strategic Growth Areas organized by the North American Industry Classification System (NAICS) codes and internal target industry sectors for recruitment that will be given priority consideration. Consideration may also be given for projects causing infill redevelopment or other desirable development objectives and/or any other activity which the City Council determines meets a specific public purpose for economic development.

Thirteen agreements are based on the contribution in sales, property (including TIRZ), and/or hotel tax. For the fiscal year ending September 30, 2025, the City rebated sales taxes totaling $4,023,146, property taxes totaling $772,271 ($219,614 of which was paid out of the Westpark TIRZ No. Two), and hotel occupancy taxes totaling $773,921.

Two active agreements are based on Job-based and Expansion/Relocation/Headquarter grants. For the fiscal year that ended September 30, 2025, the City provided cash grant reimbursements for Job-based grants for Expansion/relocation Grants in the amount of $54,711 this fiscal year as detailed in the following agreements:

- Unicorn Lake – In 2004, an agreement was approved for Unicorn Lake, an urban-style mixed-use development. The grantee receives one-third of the City sales tax, or 0.5%, generated by the project for a maximum of fifteen years as reimbursement for public improvement costs related to the project not to exceed $6,664,901 plus accrued interest. The tax rebates initiated in 2010 and terminated in 2025. The tax rebate amount for the current fiscal year was $12,638. This is the final payment under the agreement.
- Rayzor Ranch – In 2007, an agreement was approved for the Rayzor Ranch mixed-use development. The 410-acre project will have over one million square feet of retail and will be built in two phases. The agreement provides a sales tax reimbursement of one half of the City sales tax, or 0.75%, generated by the project for public improvement costs, which includes the widening of a state highway bisecting the project. The grantee will receive a maximum of $20 million over a 15-year term for phase

one and a maximum of $48 million over a term of 20 years for phase two. An additional 15% of the City sales tax, or 0.225%, was added to both phases to offset the hotel and convention center costs until $5 million is reached. In the current fiscal year, the tax rebate amount for phase one was $1,989,950, and the tax rebate amount for phase two was $1,553,616.

- Golden Triangle Mall – In 2011, an agreement was approved for a major renovation of the Golden Triangle Mall. A threshold of a minimum $45 to $65 million was required as an investment into the property to receive a one-half share of the sales tax resulting from the renovations, less a monthly mall baseline amount established at $95,898. The total grant payments may not exceed 15.83% of the required investment. GTM Development has invested $49.5 million in the development. Tenant investments in the property amounted to $8.8 million, for a total investment of $58.3 million. Based on this total investment the total grant payment should not exceed $9.2 million. The tax rebates initiated in 2016 and will terminate in 2035. The tax rebate amount for the current fiscal year was $19,648.
- West Gate Business Park (WGBP) – In 2015, an agreement was approved for West Gate Business Park (WGBP) for industrial development and provided for a 70% rebate of increased City property tax revenue generated for a period of ten years. WGBP includes three multi-tenant buildings totaling 413,000 square feet of new industrial/manufacturing space in the City. In 2016 the agreement was amended to include a 70% rebate on Building 1 improvements and to add a one-time grant payment in the amount of $50,000. The tax rebate amount for the current fiscal year was $58,354.
- WinCo Foods – In 2015, an agreement was approved for WinCo Foods for a $135 million, 800,000 square foot distribution facility expected to create 165 jobs with an annual payroll of around $7.2 million. In the event of a failure to meet the conditions of the agreement, the agreement provides for a 20-50% refund of all rebates previously granted, depending on the timing of a failure. WinCo received reimbursement for infrastructure financing from Water and Wastewater funds and a local sale and use tax grant for the construction and equipping of the facility in prior fiscal years, completing those portions of the agreement. The active portion of the agreement provides for the following:
    - A grant equal to 100% of the incremental property tax generated by the property and paid into the Tax Increment Fund by both the City and the County, paid annually until the full reimbursement of the project costs for public improvements is reached. The tax rebate amount out of the Westpark TIRZ No. Two for the current fiscal year was $219,614 with $166,259 being the City portion of the tax rebate and $53,355 being the County portion of the tax rebate.
    - A grant equal to 60% of City property taxes attributable to improvements resulting in an increase of assessed value of real property improvements and tangible personal property, paid annually until full reimbursement of the project costs for public improvements is reached. Once this full reimbursement is reached, the 60% property tax rebate will continue for a period of four years as long as the increase in investment in improvements is $50 million excluding purchase price of the property. The tax rebate amount for the current fiscal year was $245,982.
- O'Reilly Hotel Partners Denton – In 2015, an agreement was approved for O'Reilly Hotel Partners Denton for a convention center with a hotel and restaurant located in the Rayzor Ranch Town Center. The agreement includes a 100% rebate of the property tax (excluding land, inventory, vehicles, and supplies), hotel occupancy tax, and sales tax generated by the project. The term is for a maximum of 25 years or a combined principal ($28 million) and interest ($26 million) amount of $54 million is reached, whichever comes first. The agreement also includes 100% rebate of the construction sales

tax up to $850,000, then 50% thereafter. The construction sales tax rebate portion of the agreement was completed in fiscal year 2017-2018. In the event of a failure to meet the conditions of the agreement, the agreement provides for a 100% refund of all rebates granted in the previous year. The sales tax, property tax, and hotel occupancy tax rebate amounts for the current fiscal year were $59,208, $248,321, and $773,921, respectively.

- Buc-ee's Travel Center – In 2015, an agreement was approved for Buc-ee's Travel Center. The agreement provides for a sales tax reimbursement of one half of the City sales tax, or 0.75%, generated from businesses located within the property boundaries for a five-year period. At the conclusion of the sales tax reimbursement term, the City has agreed to a one-time cash grant payment of $2 million minus the total sales tax previously reimbursed, only if the grantee has not received a full $2 million in sales tax reimbursements. In addition, at the conclusion of the sales tax reimbursement term, the agreement provides a sales tax reimbursement infrastructure grant of one half of the City sales tax, or 0.75%, generated by the Buc-ee's Travel Center and developed outparcels that contain sit-down restaurants or retail establishments for a period of twenty years. The City has also agreed to pay the grantee one quarter of the City sales tax, or 0.375%, generated by outparcels not included in the previously mentioned infrastructure grant, including fast food restaurants and drive-through uses. The tax rebate amount for the current fiscal year was $378,072.

- TeamOfDefenders– In 2020 an agreement was approved for TeamOfDefenders. The agreement consists of a performance-based five-year expansion grant up to $50,000 to be provided as a reimbursement of actual costs. In addition, the company was awarded a stratified Job-based grant based on annual wages of new employees, not to exceed $29,500. They were awarded an additional $500 residency bonus for new employees, not to exceed $27,000. The total incentive package is not to exceed $106,500. The Job-based grant initiated in 2020. Two jobs were added but will not be reimbursed until the following fiscal year. The final Expansion Grant payment in the amount of $4,711 was paid in the current fiscal year.

- Safran– In 2021 an agreement was approved for Safran. The agreement consists of a performance-based five-year expansion grant up to $50,000 to be provided as a reimbursement of actual costs. In addition, the company was awarded a stratified Job-based grant based on annual wages of new employees, not to exceed $101,500. They were awarded an additional $300 residency grant for new resident employees and $700 bonus for new established resident employees, not to exceed $23,625. The total incentive package is not to exceed $175,125. No payments were made this fiscal year.

- Southwire Company, LLC-In 2024 an agreement was approved for Southwire. The company is North America's leading manufacturer of wire and cable used in the distribution and transmission of electricity. Southwire was awarded a 10-year performance-based Chapter 380 agreement for a 50% incremental rebate incentive, total not to exceed $1,955,100, for a 100,000 square foot expansion of their current facility. The company is leveraging $85.4 million dollars over the next three years and anticipates an increase in valuation of over $69 million in expansion and modernization efforts. A total of 95-net new jobs will be added at the campus in Denton.

- Fine Arts Theater of Denton, LLC- In 2024 an agreement was approved for Fine Arts Theater of Denton for the rehabilitation and renovation of the 1934 historic Fine Arts Theater that is located on the Denton Downtown Square. The theater's functionality extends beyond film screenings and is envisioned as a multi-use venue, capable of hosting film festivals, concerts, live performances, and private event rentals. The theatre renovation represents a capital investment of $9.1 million. Two Downtown Tax Increment Reinvestment Zone (TIRZ) No. One grants were approved for a total of $1.6 million. TIRZ Grant 1 includes a total of $1,076,366 to pay down the construction loan principal to the required amount for the bank loan. TIRZ Grant 2 is an annual operation grant of $544,503 for

shortfall between net profit and debt service. Fifteen jobs will be created by the project. The theater is expected to open in April 2026.

- Enginetech- In 2024, a global plastic injection manufacturer based in India, selected Denton for their North America Headquarters. Since identifying their new headquarters' location, they have doubled their footprint by developing three new products and obtaining multiple contracts. The Denton location will provide parts to PACCAR (Peterbilt and Kenworth) in Canada, Denton, and Mexico. The company was awarded a five-year 50% rebate of business personal property estimated at $79,545 and a one-time Headquarters Grant in the amount of $50,000. In addition, the company was awarded a stratified job-based grant not to exceed $194,000 and a Residency Grant, not to exceed $16,000. An Expansion Grant payment in the amount of $50,000 was paid in the current fiscal year, which completes the Expansion Grant.
- Bloomfield Homes, LP- In 2024, An agreement was awarded to Bloomfield homes for a a ten-year 33% sales and use tax rebate for construction of homes at the Glenwood Meadows and Country Lakes additions. The sales tax rebate amounted to $10,014 this fiscal year.
- United States Cold Storage (USCS)- In 2025, an agreement was approved for a performance-based ad valorem tax rebate at 60% for 8 years and a sales tax rebate at 75% for the construction and equipping of the facility. USCS currently maintains a cold storage facility in Denton. The company plans on adding on a second phase to its existing refrigerated warehouse facility and estimate that their investment in new building, machinery, and equipment will create approximately $35 million in new ad-valorem value in Denton. The project involves plans to create 172 jobs with a weighted average salary of $57,164.
- Mayday Manufacturing Company- In 2025, an agreement was awarded for a performance-based incremental ad-valorem tax rebate at 60% for 10 years for business expansion and an Expansion Grant in the amount of $25,000. The company currently maintains a manufacturing facility in Denton and employs approximately 400. Mayday plans to expand its existing facility and estimates that its investment in the building, machinery, and equipment will generate $14.5 million in new capital investment. The project involves plans to create 50 new jobs with an average salary of $54,020.
- Panel Rey/PR Gypsum- In 2025, an agreement was approved for a five-year performance-based ad valorem tax rebate at 60% estimated at $170,357 and a one-time Relocation Grant in the amount of $50,000. In addition, the company was awarded a stratified job-based grant not to exceed $16,500. This is the first manufacturing expansion into the United States for a company that produces joint compound used in the construction of residential and commercial projects. Panel Rey is seeking to purchase an existing 60,000 square foot building as Phase I of their U.S. expansion. The company's planned investment in the building, machinery, and equipment will be approximately $15 million. The project involves plans to create 20 jobs with a weighted salary of $72,733.

The City approved one Chapter 380 sales tax rebate, a Remediation Grant and a job-based grant, as well as one tax abatement agreement that will come online in future fiscal years. Novartis Gene Therapies was awarded both a Chapter 380 and a tax abatement agreement. From the Future did not expand and has not come online. Currently, the City is in the process of terminating the Agreement with DynaGrid, as the company did not locate their principal place of business within the corporate limits of the City of Denton, as required per the Agreement.

G. Litigation

Various claims and lawsuits are pending against the City. In accordance with GAAP, those judgments considered "probable" are accrued, while those claims and judgments considered "reasonably possible" are disclosed but not accrued. In the opinion of City management and legal counsel, the maximum amount of all significant claims considered reasonably possible, excluding condemnation proceedings is approximately $500,000 as of September 30, 2025. Potential losses after insurance coverage on all probable claims and lawsuits will not have a material effect on the City's financial position as of September 30, 2025.

H. Subsequent Events

The City has evaluated all events or transactions that occurred after September 30, 2025, up through the date the financial statements were issued.

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. In December 2025, the City received $11,235,000 which relates to the latest issuance out of the 5-year financing plan.

I. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) issued the following statement which became effective for the fiscal year ending September 30, 2025.

Statement No. 101 "*Compensated Absences*" - The City of Denton implemented GASB Statement No. 101, Compensated Absences, in fiscal year 2025. The Statement provides updated recognition and measurement guidance for unused leave and for leave that has been used but not yet paid. Under the standard, a liability is recognized when leave is attributable to past service, accumulates, and is more likely than not to be used or paid. The adoption of GASB 101 represents a change in accounting principle; however, its implementation did not result in a material impact on the City's financial statements. As of fiscal year-end, the City's compensated absences liability totaled $29,820,736, of which $17,939,440 is current (due within one year) and $11,881,296 is noncurrent.

Statement No. 102 "*Certain Risk Disclosures*" - The City implemented Governmental Accounting Standards Board (GASB) Statement No. 102, Certain Risk Disclosures, for the fiscal year ended September 30, 2025. This Statement requires governments to evaluate whether certain concentrations or constraints exist that make the government vulnerable to the risk of a substantial impact and to disclose information about those risks if certain criteria are met. Concentration is defined as a lack of diversity related to a significant inflow or outflow of resources, while a constraint is a limitation imposed by external parties or by formal action of the City's highest level of decision-making authority. The Statement further requires an evaluation of whether events associated with such concentrations or constraints have occurred, have begun to occur, or are more likely than not to occur within 12 months of the issuance of the financial statements. After implementing GASB Statement No. 102, the City determined that no concentrations or constraints met the criteria for disclosure as of the issuance date of these financial statements. The implementation of this Statement did not have a material impact on the City's financial position or results of operations.

The following statements for the GASB are effective for future fiscal years ending as listed below. The City is in the process of reviewing and evaluating these statements and their potential impact on the City's financial statements.

Statement No. 103 "*Financial Reporting Model Improvements*" - will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104 "*Disclosure of Certain Capital Assets*" - will provide users of government financial statements with essential information about certain types of capital assets to be disclosed separately in the capital assets note disclosures, such as lease and subscription assets. The Statement also requires additional disclosures for capital assets held for sale. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 105 "*Subsequent Events*" - will improve financial reporting practices related to subsequent events by promoting consistency in their application and better meeting the information needs of financial statement users. It defines subsequent events as transactions or occurrences that happen after the financial statement date but before the statements are available for issuance, which is when they are complete under GAAP and all necessary approvals have been obtained. The requirements of this Statement are effective for fiscal years beginning after June 15, 2026.

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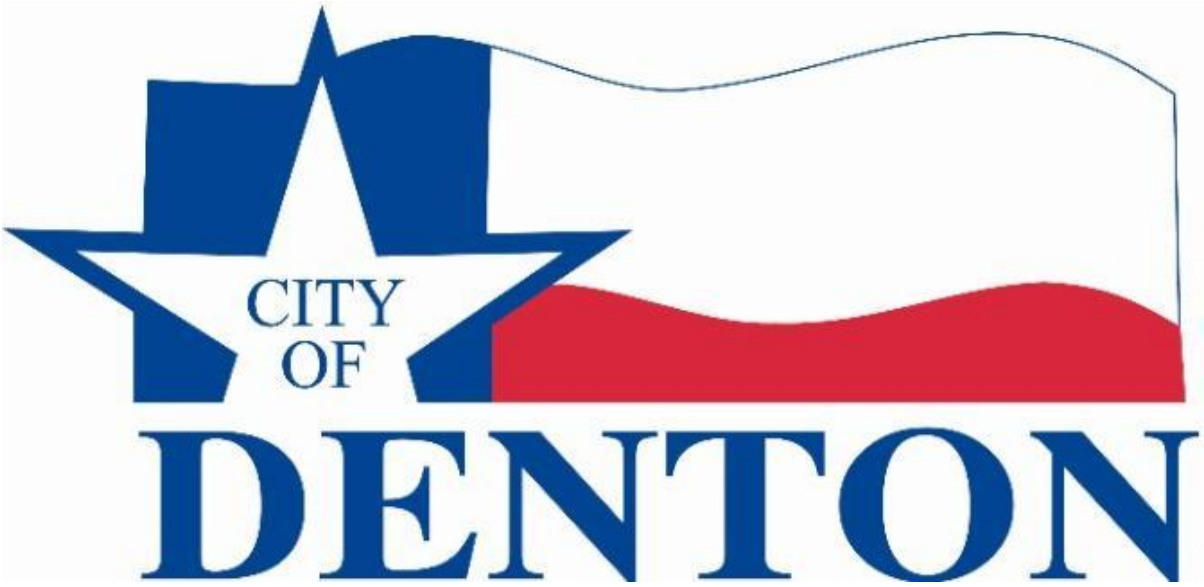
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CITY OF DENTON, TEXAS **Exhibit XIII**
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total pension liability:					
Service Cost	$ 12,615,957	$ 13,925,238	$ 14,514,171	$ 14,990,529	$ 16,283,811
Interest (on the total pension liability)	26,905,700	27,656,654	29,543,513	31,468,411	33,434,342
Difference between expected and actual experience	(1,525,911)	763,589	1,514,980	1,255,443	2,005,979
Change of assumptions	(428,789)	-	-	-	1,438,798
Benefit payments, including refunds of employee contributions	(12,697,735)	(13,023,330)	(16,349,644)	(18,238,039)	(20,234,184)
Net change in total pension liability	24,869,222	29,322,151	29,223,020	29,476,344	32,928,746
Total pension liability - beginning	384,408,038	409,277,260	438,599,411	467,822,431	497,298,775
Total pension liability - ending (a)	$ 409,277,260	$ 438,599,411	$ 467,822,431	$ 497,298,775	$ 530,227,521
Plan fiduciary net position:					
Contributions - employer	$ 13,615,410	$ 14,046,860	$ 14,821,752	$ 15,107,443	$ 16,255,126
Contributions - employee	5,365,231	5,712,464	6,014,227	6,175,407	6,693,287
Net investment income (loss)	469,530	21,947,635	48,954,660	(12,175,765)	61,399,432
Benefit payments, including refunds of employee contributions	(12,697,735)	(13,023,330)	(16,349,644)	(18,238,039)	(20,234,184)
Administrative expense	(285,957)	(247,766)	(253,578)	(235,169)	(346,657)
Other	(14,123)	(13,349)	(12,851)	(12,287)	(10,413)
Net change in plan fiduciary net position	6,452,356	28,422,514	53,174,566	(9,378,410)	63,756,591
Plan fiduciary net position - beginning	318,166,193	324,618,549	353,041,063	406,215,629	396,837,219
Plan fiduciary net position - ending (b)	$ 324,618,549	$ 353,041,063	$ 406,215,629	$ 396,837,219	$ 460,593,810
Net pension liability - ending (a) - (b)	$ 84,658,711	$ 85,558,348	$ 61,606,802	$ 100,461,556	$ 69,633,711
Plan fiduciary net position as a percentage of total pension liability	79.32%	80.49%	86.83%	79.80%	86.87%
Covered payroll	$ 76,646,157	$ 81,481,789	$ 85,227,078	$ 88,179,581	$ 95,618,386
Net pension liability as a percentage of covered payroll	110.45%	105.00%	72.29%	113.93%	72.82%

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XIII**
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total pension liability:					
Service Cost	$ 18,685,981	$ 17,667,234	$ 19,111,021	$ 21,408,496	$ 25,133,454
Interest (on the total pension liability)	35,523,156	37,617,145	40,284,903	43,175,635	45,632,055
Difference between expected and actual experience	2,636,510	8,560,080	8,678,564	3,120,640	7,317,890
Change of assumptions	-	-	-	(4,298,128)	
Benefit payments, including refunds of employee contributions	(26,603,058)	(24,025,384)	(26,062,628)	(26,732,504)	(31,022,941)
Net change in total pension liability	30,242,589	39,819,075	42,011,860	36,674,139	47,060,458
Total pension liability - beginning	530,227,521	560,470,110	600,289,185	642,301,045	678,975,184
Total pension liability - ending (a)	$ 560,470,110	$ 600,289,185	$ 642,301,045	$ 678,975,184	$ 726,035,642
Plan fiduciary net position:					
Contributions - employer	$ 18,613,464	$ 17,849,684	$ 19,140,875	$ 21,790,165	$ 25,761,959
Contributions - employee	7,536,737	7,095,275	7,670,708	8,535,599	9,666,319
Net investment income (loss)	34,987,709	64,564,009	(40,913,118)	60,236,192	60,664,328
Benefit payments, including refunds of employee contributions	(26,603,058)	(24,025,384)	(26,062,628)	(26,732,504)	(31,022,941)
Administrative expense	(226,230)	(298,515)	(353,785)	(382,866)	(388,785)
Other	(8,826)	2,046	422,171	(2,675)	(9,093)
Net change in plan fiduciary net position	34,299,796	65,187,115	(40,095,777)	63,443,911	64,671,787
Plan fiduciary net position - beginning	460,593,810	494,893,606	560,080,721	519,984,941	583,428,852
Plan fiduciary net position - ending (b)	$ 494,893,606	$ 560,080,721	$ 519,984,944	583,428,852	$ 648,100,639
Net pension liability - ending (a) - (b)	$ 65,576,504	$ 40,208,464	$ 122,316,104	95,546,332	$ 77,935,003
Plan fiduciary net position as a percentage of total pension liability	88.30%	93.30%	80.96%	85.93%	89.27%
Covered payroll	$ 107,576,172	$ 101,361,066	$ 109,581,543	$ 121,846,875	$ 138,020,067
Net pension liability as a percentage of covered payroll	60.96%	39.67%	111.62%	78.42%	56.47%

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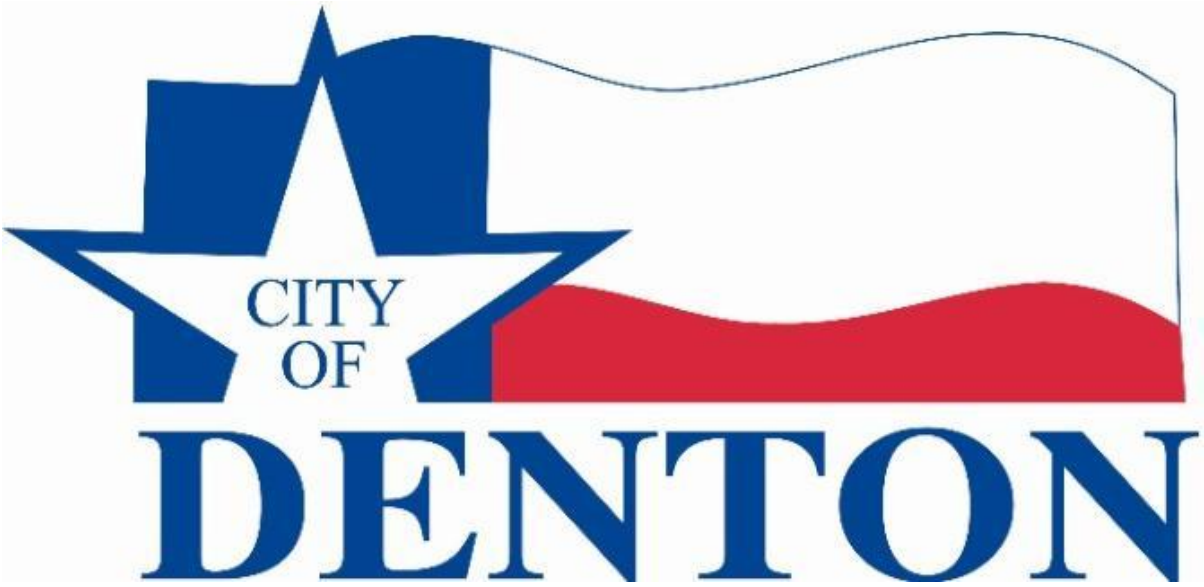
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CITY OF DENTON, TEXAS **Exhibit XIV**
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS (Unaudited)

Fiscal Year	(a) Actuarially Determined Contributions	(b) Contributions in Relation to the Actuarially Determined Contributions	(c) Contribution Excess (Deficiency) (b) - (a)	(d) Covered Payroll	Contributions as a Percentage of Covered Payroll (b)/(d)
2016	14,435,638	14,435,638	-	83,127,601	17.37%
2017	14,648,606	14,648,606	-	84,753,377	17.28%
2018	14,931,800	14,931,800	-	86,832,074	17.20%
2019	16,035,042	16,035,042	-	94,158,313	17.03%
2020	17,562,597	17,562,597	-	101,964,029	17.22%
2021	17,794,920	17,794,920	-	101,641,023	17.51%
2022	18,471,103	18,471,103	-	105,519,237	17.50%
2023	19,140,875	19,140,875	-	109,581,543	17.47%
2024	21,790,165	21,790,165	-	121,846,875	17.88%
2025	26,591,225	26,591,225	-	142,559,469	18.65%

Notes to Schedule:
Actuarial determined contribution rates are calculated as of December 31st and become effective in January, 13 months later. Contributions above do not include contributions into the supplemental death benefit fund.

Methods and assumptions used to determine contribution rate for 2025:

Actuarial Cost Method	**Entry Age Normal**
Amortization Method	**Level Percentage of Payroll, Closed**
Remaining Amortization Period	**21 Years (longest amortization ladder)**
Asset Valuation Method	**10 Year Smoothed Market; 12% Soft Corridor**
Inflation	**2.50%**
Salary Increases	**3.60% to 11.85% including inflation**
Investment Rate of Return	**6.75%**
Retirement Age	**Experience-based table of rates vary by age. Last updated for the 2023 valuation pursuant to and experience study of the period ending 2022.**
Mortality	**Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).**
	Pre-retirement: PUB(10) mortality tables, with the 110% Public Safety table used for males and the 100% General Employees table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other	**There were no benefit changes during the year**

CITY OF DENTON, TEXAS **Exhibit XV**
REQUIRED SUPPLEMENTARY INFORMATION
DENTON FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019
Total pension liability:					
Service Cost	$ 2,836,263	$ 3,089,911	$ 3,182,608	$ 3,615,495	$ 3,723,960
Interest (on the total pension liability)	5,998,959	6,135,588	6,493,255	7,049,261	7,497,583
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(2,063,421)	-	2,040,716	-	1,526,958
Change of assumptions	2,331,908	-	-	-	3,446,011
Benefit payments, including refunds of employee contributions	(4,048,358)	(4,270,006)	(3,768,829)	(4,055,856)	(4,206,975)
Net change in total pension liability	5,055,351	4,955,493	7,947,750	6,608,900	11,987,537
Total pension liability - beginning	84,887,334	89,942,685	94,898,178	102,845,928	109,454,828
Total pension liability - ending (a)	$ 89,942,685	$ 94,898,178	$ 102,845,928	$ 109,454,828	$ 121,442,365
Plan fiduciary net position:					
Contributions - employer	$ 2,567,219	$ 2,759,844	$ 2,979,807	$ 3,434,007	$ 3,639,740
Contributions - employee	1,803,064	1,997,155	2,142,990	2,338,837	2,478,958
Net investment income (loss)	(3,287,188)	6,935,215	8,793,234	(183,148)	15,141,275
Benefit payments, including refunds of employee contributions	(4,048,358)	(4,270,006)	(3,768,829)	(4,055,856)	(4,206,975)
Administrative expense	(76,538)	(94,175)	(63,669)	(87,899)	(71,427)
Net change in plan fiduciary net position	(3,041,801)	7,328,033	10,083,533	1,445,941	16,981,571
Plan fiduciary net position - beginning	71,018,518	67,976,717	75,304,750	85,388,283	86,834,224
Plan fiduciary net position - ending (b)	$ 67,976,717	$ 75,304,750	$ 85,388,283	$ 86,834,224	$ 103,815,795
OPEB liability - ending (a) - (b)	$ 21,965,968	$ 19,593,428	$ 17,457,645	$ 22,620,604	$ 17,626,570
Plan fiduciary net position as a percentage of total pension liability	75.58%	79.35%	83.03%	79.33%	85.49%
Covered payroll	$ 14,310,032	$ 15,850,437	$ 17,007,857	$ 18,562,198	$ 19,674,270
OPEB liability as a percentage of covered payroll	153.50%	123.61%	102.64%	121.86%	89.59%

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XV**
REQUIRED SUPPLEMENTARY INFORMATION
DENTON FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total pension liability:					
Service Cost	$ 4,252,475	$ 4,380,049	$ 4,965,768	$ 5,114,741	$ 6,063,143
Interest (on the total pension liability)	8,293,527	8,791,959	9,787,310	10,437,944	11,469,317
Changes of benefit terms	-	1,074,140	-	-	-
Difference between expected and actual experience	-	4,783,943	-	5,114,242	-
Change of assumptions	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(5,655,539)	(4,923,273)	(4,816,472)	(5,709,565)	(6,961,903)
Net change in total pension liability	6,890,463	14,106,818	9,936,606	14,957,362	10,570,557
Total pension liability - beginning	121,442,365	128,332,828	142,439,646	152,376,252	167,333,614
Total pension liability - ending (a)	$ 128,332,828	$ 142,439,646	$ 152,376,252	$ 167,333,614	$ 177,904,171
Plan fiduciary net position:					
Contributions - employer	$ 4,069,311	$ 4,249,769	$ 4,545,905	$ 4,888,426	$ 5,846,904
Contributions - employee	2,771,532	2,894,437	3,096,130	3,329,414	3,889,705
Net investment income (loss)	12,313,949	21,206,371	(6,446,061)	12,849,568	13,206,709
Benefit payments, including refunds of employee contributions	(5,655,539)	(4,923,273)	(4,816,472)	(5,709,565)	(6,961,903)
Administrative expense	(116,909)	(87,866)	(114,279)	(87,648)	(109,901)
Net change in plan fiduciary net position	13,382,344	23,339,438	(3,734,777)	15,270,195	15,871,514
Plan fiduciary net position - beginning	103,815,795	117,198,139	140,537,577	136,802,800	152,072,995
Plan fiduciary net position - ending (b)	$ 117,198,139	$ 140,537,577	$ 136,802,800	$ 152,072,995	$ 167,944,509
OPEB liability - ending (a) - (b)	$ 11,134,689	$ 1,902,069	$ 15,573,452	$ 15,260,619	$ 9,959,662
Plan fiduciary net position as a percentage of total pension liability	91.32%	98.66%	89.78%	90.88%	94.40%
Covered payroll	$ 21,996,287	$ 22,971,722	$ 24,572,460	$ 26,423,921	$ 30,870,675
OPEB liability as a percentage of covered payroll	50.62%	8.28%	63.38%	57.75%	32.26%

(concluded)

CITY OF DENTON, TEXAS **Exhibit XVI**
REQUIRED SUPPLEMENTARY INFORMATION
FIREMEN'S RELIEF AND RETIREMENT FUND
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS (Unaudited)

Fiscal Year	(a) Annual Required Contributions	(b) Contributions in Relation to the Annual Required Contributions	(c) Contribution Excess (Deficiency) (b) - (a)	(d) Covered Payroll	Contributions as a Percentage of Covered Payroll (b)/(d)
2016	2,819,046	2,819,046	-	15,540,826	18.14%
2017	2,924,757	2,924,757	-	16,747,217	17.46%
2018	3,310,248	3,310,248	-	18,080,014	18.31%
2019	3,610,711	3,610,711	-	19,517,358	18.50%
2020	3,838,014	3,838,014	-	20,746,026	18.50%
2021	4,158,368	4,158,368	-	22,477,667	18.50%
2022	4,440,025	4,440,025	-	24,000,134	18.50%
2023	4,804,198	4,804,198	-	25,968,636	18.50%
2024	5,530,963	5,530,963	-	29,897,097	18.50%
2025	6,136,743	6,136,743	-	32,400,966	18.94%

Notes to Schedule:
Annual required contributions are not actuarially determined. In accordance with city ordinance since 2017, the City has contributed to the Firemen's Relief and Retirement Fund at the rate of 18.88%, the assumed actuarial valuation rate over the unfunded liability amortization period.

While the contribution requirements are not actuarially determined, state law requires an actuary certify the assumed City contribution rate is adequate. Methods and assumptions used to contribution adequacy in the December 31, 2023 actuarial valuation:

Actuarial Cost Method	**Entry Age**
Amortization Method	**Level Percentage of Payroll, Open**
Remaining Amortization Period	**6.5 Years**
Asset Valuation Method	**5-year smoothing**
Inflation	**2.50%**
Salary Increases	**3.00% annual general compensation increase plus promotion, step, and longevity increases that varies by service**
Investment Rate of Return	**6.75%, net of pension plan investment expense, including inflation**
Retirement Age	**Average expected age at retirement of 57**
Mortality	**PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (Sex distinct), projected for morality improvement generationally using the projection scale MP-2019**

CITY OF DENTON, TEXAS **Exhibit XVII**
REQUIRED SUPPLEMENTARY INFORMATION
MEDICAL OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS (PREVIOUS YEARS ARE NOT AVAILABLE)[1,2]

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total OPEB liability:								
Service Cost	$ 1,750,172	$ 1,995,008	$ 2,052,606	$ 2,884,792	$ 3,554,317	$ 3,282,530	$ 2,538,726	$ 2,882,929
Interest (on the total OPEB liability)	1,360,179	1,329,949	1,507,925	1,186,428	995,640	921,256	1,687,421	1,740,446
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(150,485)	(1,512,289)	329,072	(1,283,436)	(42,650)	(920,557)	(105,456)
Change of assumptions or other inputs	2,067,787	(1,724,923)	1,444,810	3,664,984	(1,091,668)	(10,266,201)	3,039,595	(1,393,130)
Benefit payments	(742,818)	(899,361)	(1,126,992)	(1,695,382)	(1,826,367)	(1,679,015)	(2,174,160)	(1,858,482)
Net change in total OPEB liability	4,435,320	550,188	2,366,060	6,369,894	348,486	(7,784,080)	4,171,025	1,266,307
Total OPEB liability - beginning	35,196,570	39,631,890	40,182,078	42,548,138	48,918,032	49,266,518	41,482,438	45,653,463
Total OPEB liability - ending	$ 39,631,890	$ 40,182,078	$ 42,548,138	$ 48,918,032	$ 49,266,518	$ 41,482,438	$ 45,653,463	$ 46,919,770
Covered-employee payroll	104,783,403	$ 109,480,718	$ 118,063,295	$ 130,944,182	$ 126,595,871	$ 137,686,788	$ 152,743,678	$ 174,682,731
OPEB liability as a percentage of covered-employee payroll	37.82%	36.70%	36.04%	37.36%	38.92%	30.13%	29.89%	26.86%

[1]Schedule is intended to present information for ten years. Additional years of information will be presented as they become available.

[2]There are no assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

Methods and assumptions used to determine contribution rate for 2024:

Actuarial cost method	Entry-Age Normal
Discount rate	4.08% as of December 31, 2024 (This was a change of assumption, up from 3.77%, December 31, 2023)
Inflation rate	2.50%
Projected salary increases	3.60% to 11.85% for TMRS and 3.00% to 9.18% for Fire, including inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2023 as conducted for the Texas Municipal Retirement System (TMRS) and the assumptions used in the December 31, 2023 actuarial valuation for the Denton Firemen's Relief and Retirement Fund.
Healthcare trend rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.
Mortality	TMRS: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Fire: For healthy retirees, the gender-distinct PubS-2010 (safety employees) total data set mortality tables are used. The rates are projected on a fully generational basis using the project scale MP-2019.
Participation rates	65% for employees retiring at age 65 or older; 45% for employees retiring between the ages of 50 and 64; 5% for employees retiring between the ages of 45 and 49; 0% for employees retiring before the ages of 45.

CITY OF DENTON, TEXAS **Exhibit XVIII**
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT FUND
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS (PREVIOUS YEARS ARE NOT AVAILABLE)[1,2]

	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020	Measurement Year 2021	Measurement Year 2022	Measurement Year 2023	Measurement Year 2024
Total OPEB liability:								
Service Cost	$ 144,886	$ 176,359	$ 152,989	$ 236,668	$ 233,130	$ 284,912	$ 146,216	$ 179,426
Interest (on the total OPEB liability)	106,885	110,831	130,143	115,434	103,668	100,639	151,640	157,100
Difference between expected and actual experience	-	155,143	(284,991)	(28,782)	(158,830)	46,933	30,281	(3,170)
Change of assumptions or other inputs	270,541	(247,941)	680,198	720,927	172,092	(1,978,189)	208,108	(227,872)
Benefit payments	(17,045)	(17,636)	(28,686)	(32,273)	(81,089)	(98,623)	(121,847)	(138,020)
Net change in total OPEB liability	505,267	176,756	649,653	1,011,974	268,971	(1,644,328)	414,398	(32,536)
Total OPEB liability - beginning	2,763,726	3,268,993	3,445,749	4,095,402	5,107,376	5,376,347	3,732,019	4,146,417
Total OPEB liability - ending	$ 3,268,993	$ 3,445,749	$ 4,095,402	$ 5,107,376	$ 5,376,347	$ 3,732,019	$ 4,146,417	$ 4,113,881
Covered-employee payroll	$ 85,227,078	$ 88,179,581	$ 95,618,386	$ 107,576,172	$ 101,361,066	$ 137,686,788	$ 121,846,875	$ 138,020,067
OPEB liability as a percentage of covered-employee payroll	3.84%	3.91%	4.28%	4.75%	5.30%	2.71%	3.40%	2.98%

[1]Schedule is intended to present information for ten years. Additional years of information will be presented as they become available.

[2]There are no assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 to pay related benefits.

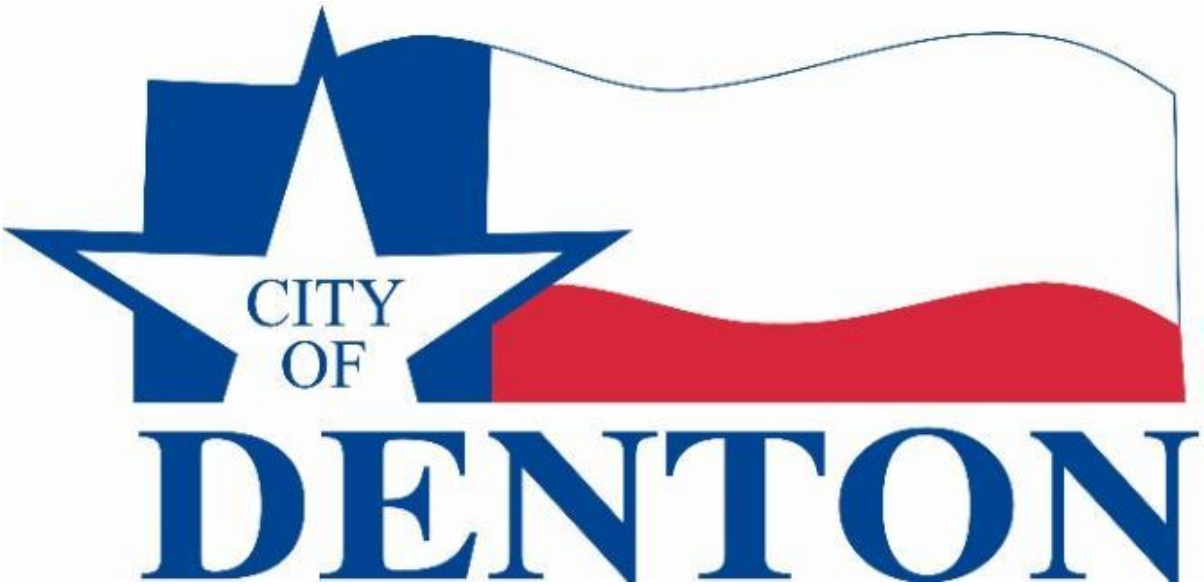
Methods and assumptions used to determine contribution rate for 2024:

Inflation rate	**2.50% per annum**
Discount rate	**4.08% (as of December 31, 2024.) The prior year discount rate was 3.77%.**
Actuarial cost method	**Entry Age Normal**
Projected salary increases	**3.60 % to 11.85%, including inflation.**
Retirees' share of benefit-related costs	**$0**
Administrative expenses	**All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB No. 68.**
Mortality rates - service retirees	**For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).**
Mortality rates - disabled retirees	**2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.**

CITY OF DENTON, TEXAS **Exhibit XIX**
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Adjustments - Budgetary	Actual on a Budgetary	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUES:						
Taxes	$ 50,012,675	$ 50,040,043	$ 50,087,820	$ -	$ 50,087,820	$ 47,777
Investment revenue (loss)	27,368	27,368	1,071,608	-	1,071,608	1,044,240
Total revenues	50,040,043	50,067,411	51,159,428	-	51,159,428	1,092,017
EXPENDITURES:						
Debt service:						
Principal, interest and fiscal charges	129,462,195	129,462,195	50,729,801	73,014,927	123,744,728	5,717,467
Bond refunding	-	-	-	-	-	-
Bond issuance costs	-	-	56,915	(56,915)	-	-
Total expenditures	129,462,195	129,462,195	50,786,716	72,958,012	123,744,728	5,717,467
Excess (deficiency) of revenues over (under) expenditures	(79,422,152)	(79,394,784)	372,712	(72,958,012)	(72,585,300)	6,809,484
OTHER FINANCING SOURCES (USES):						
Refunding bonds issued	-	-	10,375,000	(10,375,000)	-	-
Payment to refunded bond agent	-	-	(11,400,289)	11,400,289	-	-
Premium on debt issuance	-	-	1,084,796	(1,084,796)	-	-
Transfers in	79,422,152	79,422,152	751,656	73,014,927	73,766,583	(5,655,569)
Total other financing sources (uses)	79,422,152	79,422,152	811,163	72,955,420	73,766,583	(5,655,569)
Net change in fund balance	-	27,368	1,183,875	(2,592)	1,181,283	1,153,915
Fund balance at beginning of year	1,410,137	1,410,137	1,410,137	-	1,410,137	-
Fund balance at end of year	$ 1,410,137	$ 1,437,505	$ 2,594,012	$ (2,592)	$ 2,591,420	$ 1,153,915

Adjustments - Budgetary Basis are pass-through debt service payments budgeted as transfers in from enterprise and internal service funds.
Other Financing Sources (Uses) related to refunding are adjusted out as they are non-budgeted items reducing future debt service payments.


CITY
OF
DENTON

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Community Development Block Grant (CDBG) – to account for the operations of projects utilizing Community Development Block Grant Funds. Such revenues are restricted to expenditures for specified projects by the Department of Housing and Urban Development.

Criminal Justice – to account for revenue received from the State of Texas Criminal Justice Division and other grants administered by the police department.

Police Confiscation – to account for revenues received from confiscated goods. Expenditures are restricted to enhancing law enforcement.

Tourist and Convention – to account for taxes received from hotel and motel occupancy for the purpose of promoting tourism.

Street Improvement – to account for street maintenance and improvement activities.

Gas Well Revenues – to account for the receipt of royalty, pooling, tax, and lease revenue related to park gas wells.

Citizens' Park Trusts – to account for several small trust funds that are for park development.

All Other – to account for miscellaneous special revenue sources that are required to finance specific activities.

CITY OF DENTON, TEXAS **Exhibit XX**
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2025

	Special Revenue Funds				
	Community Development Block Grant	Criminal Justice	Police Confiscation	Tourist and Convention	Street Improvement
ASSETS					
Cash, cash equivalents and investments, at fair value	$ -	$ -	$ 1,266,258	$ 1,252,757	$ 5,650,440
Receivables (net of allowances):	-	-	-	-	-
Taxes	-	-	-	393,370	
Accrued interest	-	-	8,423	8,333	37,587
Other	-	-	-	-	-
Interfund receivables	-	-	-	-	1,285,663
Due from other governments	901,213	12,408	-	-	-
Total assets	$ 901,213	$ 12,408	$ 1,274,681	$ 1,654,460	$ 6,973,690
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	175,753	-	-	71,910	768,186
Interfund payables	341,129	12,408	-		-
Retainage payable	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	516,882	12,408	-	71,910	768,186
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - general services	-	-	-	-	-
Unavailable revenue - intergovernmental	169,670	-	-	-	-
Total deferred inflows of revenues	169,670	-	-	-	-
FUND BALANCES (DEFICIT):					
Restricted for:					
Parks and recreation	-	-	-	-	-
Streets and drainage projects	-	-	-	-	-
Other grants and purposes	214,661	-	1,274,681	1,582,550	-
Committed to:					
Streets	-	-	-	-	6,205,504
Parks and recreation	-	-	-	-	-
Other purposes	-	-	-	-	-
Assigned to:					
Other purposes	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance (deficit)	214,661	-	1,274,681	1,582,550	6,205,504
Total liabilities, deferred inflows of resources, and fund balances (deficit)	$ 901,213	$ 12,408	$ 1,274,681	$ 1,654,460	$ 6,973,690

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XX**
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (concluded)
AS OF SEPTEMBER 30, 2025

	Gas Well Revenues	Citizens' Park Trusts	All Other	Total Nonmajor Governmental Funds
ASSETS				
Cash, cash equivalents and investments, at fair value	$ 221,150	$ 16,893,257	$ 27,721,479	$ 53,005,341
Receivables (net of allowances):	-	-	-	-
Taxes	-		17,333	410,703
Accrued interest	1,471	112,374	178,770	346,958
Other	-	-	36,569	36,569
Interfund receivables	-	-	-	1,285,663
Due from other governments	-	-	2,070,620	2,984,241
Total assets	$ 222,621	$ 17,005,631	$ 30,024,771	$ 58,069,475
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	-	151,276	192,644	1,359,769
Interfund payables	-	-	-	353,537
Retainage payable	-	8,136	2,478	10,614
Unearned revenues	-	-	74,213	74,213
Total liabilities	-	159,412	269,335	1,798,133
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - general services	-	-	1,667,482	1,667,482
Unavailable revenue - intergovernmental	-	-	-	169,670
Total deferred inflows of revenues	-	-	1,667,482	1,837,152
FUND BALANCES (DEFICIT):				
Restricted for:				
Parks and recreation	-	16,846,219	172,654	17,018,873
Streets and drainage projects	-	-	12,396,304	12,396,304
Other grants and purposes	-	-	2,181,734	5,253,626
Committed to:				
Streets	-	-	-	6,205,504
Parks and recreation	222,621	-	-	222,621
Other purposes	-	-	14,943,783	14,943,783
Assigned to:				
Other purposes	-	-	1,010	1,010
Unassigned	-	-	(1,607,531)	(1,607,531)
Total fund balance (deficit)	222,621	16,846,219	28,087,954	54,434,190
Total liabilities, deferred inflows of resources, and fund balances (deficit)	$ 222,621	$ 17,005,631	$ 30,024,771	$ 58,069,475

(concluded)

CITY OF DENTON, TEXAS **Exhibit XXI**
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds				
	Community Development Block Grant	Criminal Justice	Police Confiscation	Tourist and Convention	Street Improvement
REVENUES:					
Tax revenue	$ -	$ -	$ -	$ 3,319,923	$ -
Franchise fees	-	-	-	-	16,300,000
Fines and forfeitures	-	-	182,168	-	-
Fees for services	-	-	-	-	-
Investment revenue	-	-	64,997	67,636	219,857
Intergovernmental	1,968,311	227,360	-	-	-
Miscellaneous	57,607	-	51,593	-	14,500
Total revenues	2,025,918	227,360	298,758	3,387,559	16,534,357
EXPENDITURES:					
Current:					
General government	2,150,946	-	-	3,033,853	-
Public safety	-	74,516	499,456	-	-
Public works	-	-	-	-	9,582,870
Parks and recreation	-	-	-	-	-
Capital outlay	-	-	146,119	-	-
Total expenditures	2,150,946	74,516	645,575	3,033,853	9,582,870
Excess (deficiency) of revenues over (under) expenditures	(125,028)	152,844	(346,817)	353,706	6,951,487
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	2,126,082
Transfers out	-	-	-	(250,000)	(7,262,849)
Total other financing sources (uses)	-	-	-	(250,000)	(5,136,767)
Net change in fund balances	(125,028)	152,844	(346,817)	103,706	1,814,720
Fund balance, beginning of year	339,689	(152,844)	1,621,498	1,478,844	4,390,784
Fund balance at end of year	$ 214,661	$ -	$ 1,274,681	$ 1,582,550	$ 6,205,504

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XXI**
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (concluded)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Gas Well Revenues	Citizens' Park Trusts	All Other	Recreation Fund	
REVENUES:					
Tax revenue	$ -	$ -	$ 2,226,189	$ -	$ 5,546,112
Franchise fees	-	-	-	-	16,300,000
Fines and forfeitures	-	-	-	-	182,168
Fees for services	23,485	4,803,969	210,570	-	5,038,024
Investment revenue	8,438	586,017	1,273,618	-	2,220,563
Intergovernmental	-	-	5,416,467	-	7,612,138
Miscellaneous	-	-	6,796,418	-	6,920,118
Total revenues	31,923	5,389,986	15,923,262	-	43,819,123
EXPENDITURES:					
Current:					
General government	-	-	5,225,878	-	10,410,677
Public safety	-	-	4,120,652	-	4,694,624
Public works	-	-	49,250	-	9,632,120
Parks and recreation	-	36,694	535,979	-	572,673
Capital outlay	-	1,259,364	433,722	-	1,839,205
Total expenditures	-	1,296,058	10,365,481	-	27,149,299
Excess (deficiency) of revenues over (under) expenditures	31,923	4,093,928	5,557,781	-	16,669,824
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	2,126,082
Transfers out	-	-	(5,707,329)	-	(13,220,178)
Total other financing sources (uses)	-	-	(5,707,329)	-	(11,094,096)
Net change in fund balances	31,923	4,093,928	(149,548)	-	5,575,728
Fund balance, beginning of year	190,698	12,752,291	28,237,502	-	48,858,462
Fund balance at end of year	$ 222,621	$ 16,846,219	$ 28,087,954	$ -	$ 54,434,190

(concluded)

CITY OF DENTON, TEXAS **Exhibit XXII**
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUNDS: POLICE CONFISCATION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Adjustments - Budgetary	Actual on a Budgetary	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUES:						
Fines and forfeitures	$ -	$ -	$ 182,168	$ -	$ 182,168	$ 182,168
Investment revenue	-	-	64,997	-	64,997	64,997
Miscellaneous	-	-	51,593	-	51,593	51,593
Total revenues	-	-	298,758	-	298,758	298,758
EXPENDITURES:						
Current:						
Public safety	500,000	500,000	499,456	-	499,456	544
Capital outlay	-	-	146,119	-	146,119	(146,119)
Total expenditures	500,000	500,000	645,575	-	645,575	(145,575)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balance	(500,000)	(500,000)	(346,817)	-	(346,817)	153,183
Fund balance at beginning of year	1,621,498	1,621,498	1,621,498	-	1,621,498	-
Fund balance at end of year	$ 1,121,498	$ 1,121,498	$ 1,274,681	$ -	$ 1,274,681	$ 153,183

CITY OF DENTON, TEXAS **Exhibit XXIII**
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUNDS: TOURIST AND CONVENTION FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Adjustments - Budgetary	Actual on a Budgetary	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUES:						
Taxes	$ 4,019,349	$ 4,019,349	$ 3,319,923	$ -	$ 3,319,923	$ (699,426)
Investment revenue (loss)	25,000	25,000	67,636	-	67,636	42,636
Total revenues	4,044,349	4,044,349	3,387,559	-	3,387,559	(656,790)
EXPENDITURES:						
Current:						
General government	2,725,504	6,136,704	3,033,853	-	3,033,853	3,102,851
Total expenditures	2,725,504	6,136,704	3,033,853	-	3,033,853	3,102,851
Excess (deficit) of revenues over (under) expenditures	1,318,845	(2,092,355)	353,706	-	353,706	2,446,061
OTHER FINANCING SOURCES (USES):						
Transfers out	(1,810,600)	1,600,600	(250,000)	-	(250,000)	(1,850,600)
Total other financing sources (uses)	(1,810,600)	1,600,600	(250,000)	-	(250,000)	(1,850,600)
Net change in fund balance	(491,755)	(491,755)	103,706	-	103,706	595,461
Fund balance at beginning of year	1,478,844	1,478,844	1,478,844	-	1,478,844	-
Fund balance at end of year	$ 987,089	$ 987,089	$ 1,582,550	$ -	$ 1,582,550	$ 595,461

CITY OF DENTON, TEXAS **Exhibit XXIV**
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUNDS: STREET IMPROVEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Adjustments - Budgetary	Actual on a Budgetary	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUES:						
Franchise fees	$ 16,300,000	$ 16,300,000	$ 16,300,000	$ -	$ 16,300,000	$ -
Fees for services	-	-	-	-	-	-
Investment revenue (loss)	100,000	100,000	219,857	-	219,857	119,857
Miscellaneous	10,000	10,000	14,500	-	14,500	4,500
Total revenues	16,410,000	16,410,000	16,534,357	-	16,534,357	124,357
EXPENDITURES:						
Current:						
Public Works	11,639,423	10,936,574	9,582,870	(1,269,706)	8,313,164	2,623,410
Debt service:						
Principal retirement	-	-	-	-	-	-
Total expenditures	11,639,423	10,936,574	9,582,870	(1,269,706)	8,313,164	2,623,410
Excess (deficit) of revenues over (under) expenditures	4,770,577	5,473,426	6,951,487	1,269,706	8,221,193	2,747,767
OTHER FINANCING SOURCES (USES):						
Sale of Assets	-	-	-	-	-	-
Transfers in	3,699,714	3,699,714	2,126,082	-	2,126,082	(1,573,632)
Transfers out	(8,893,212)	(9,596,061)	(7,262,849)	(1,269,706)	(8,532,555)	1,063,506
Total other financing sources (uses)	(5,193,498)	(5,896,347)	(5,136,767)	(1,269,706)	(6,406,473)	(510,126)
Net change in fund balance	(422,921)	(422,921)	1,814,720	-	1,814,720	2,237,641
Fund balance at beginning of year	4,390,784	4,390,784	4,390,784	-	4,390,784	-
Fund balance at end of year	$ 3,967,863	$ 3,967,863	$ 6,205,504	$ -	$ 6,205,504	$ 2,237,641

Adjustments - Budgetary Basis are expenditures allocated from and reimbursed to other funds. These expenditures are recorded as operating expenditures but budgeted as cost of service transfers.

CITY OF DENTON, TEXAS **Exhibit XXV**
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUNDS: GAS WELL REVENUES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Adjustments - Budgetary	Actual on a Budgetary	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUES:						
Fees for service	$ 70,000	$ 70,000	$ 23,485	$ -	$ 23,485	$ (46,515)
Investment revenue	-	-	8,438	-	8,438	8,438
Total revenues	70,000	70,000	31,923	-	31,923	(38,077)
Excess of revenues over expenditures	70,000	70,000	31,923	-	31,923	(38,077)
OTHER FINANCING USES:						
Transfers out	(70,000)	(70,000)	-	-	-	70,000
Total other financing uses	(70,000)	(70,000)	-	-	-	70,000
Net change in fund balance	-	-	31,923	-	31,923	31,923
Fund balance at beginning of year	190,698	190,698	190,698	-	190,698	-
Fund balance at end of year	$ 190,698	$ 190,698	$ 222,621	$ -	$ 222,621	$ 31,923

CITY OF DENTON, TEXAS **Exhibit XXVI**
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
SPECIAL REVENUE FUNDS: CITIZENS' PARK TRUSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Adjustments - Budgetary	Actual on a Budgetary	Variance with Final Budget - Positive
	Original	Final	Amounts	Basis	Basis	(Negative)
REVENUES:						
Fees for service	$ 4,000,000	$ 4,000,000	$ 4,803,969	$ -	$ 4,803,969	$ 803,969
Investment revenue (loss)	375,000	375,000	586,017	-	586,017	211,017
Total revenues	4,375,000	4,375,000	5,389,986	-	5,389,986	1,014,986
EXPENDITURES:						
Current:						
Parks and recreation	2,000,000	2,000,000	36,694	-	36,694	1,963,306
Capital outlay	-	-	1,259,364	-	1,259,364	(1,259,364)
Total expenditures	2,000,000	2,000,000	1,296,058	-	1,296,058	703,942
Net change in fund balance	2,375,000	2,375,000	4,093,928	-	4,093,928	1,718,928
Fund balance at beginning of year	12,752,291	12,752,291	12,752,291		12,752,291	-
Fund balance at end of year	$ 15,127,291	$ 15,127,291	$ 16,846,219	$ -	$ 16,846,219	$ 1,718,928

INTERNAL SERVICE FUNDS

Internal Service Funds account for the financing of goods or services provided by one department for another.

The City has the following Internal Service Funds:

Materials Management Fund – to account for the financing of goods and services provided by the Materials Management operations of purchasing and warehouse to other City departments. Purchasing is responsible for procuring goods and services for City departments, and the warehouse maintains an inventory of materials and supplies used by City departments. Warehouse items are billed to other departments.

Fleet Services Fund – to account for the financing of goods and services provided by the Municipal Garage and Machine Shop to other City departments. Municipal Garage and Machine Shop billings include cost of parts and labor and administrative charges. Actual costs include depreciation on the building, improvements, machinery, and equipment used to provide the service.

Health Insurance Fund – to account for the accumulation of resources for the self-insurance activities of the City for employee medical insurance as well as other employee insurance benefits including long-term disability, short-term disability, dental insurance, and vision insurance.

Risk Retention Fund – to account for the accumulation of resources for the payment of activities associated with providing general liability insurance coverage and self-funded activities for City operations.

Technology Services Fund – to account for the accumulation of resources to provide computer services such as programming, support, training, maintenance, and office services to City departments.

Engineering Services Fund – to account for providing engineering, real estate, public works inspection, and development review services primarily to internal City departments although some services are provided to external entities.

Customer Service Fund – to account for providing customer service activities to residents and businesses for City departments. Services include bill pay, utility service requests, connect/disconnect services, maintenance of customer accounts, utility billing, operator calls, collections, accounts receivable, and cash handling.

Facilities Fund – to account for the maintenance of all city-owned facilities and vertical construction projects.

Environmental Services Fund – to account for the consolidated environmental-related services provided across the City.

CITY OF DENTON, TEXAS **Exhibit XXVII**
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2025

	Materials Management Fund	Fleet Services Fund	Health Insurance Fund	Risk Retention Fund	Technology Services Fund
ASSETS:					
Current assets:					
Cash, cash equivalents and investments, at fair value	$ 120,554	$ 56,622	$ 2,736,678	$ 2,171,242	$ 3,869,827
Receivables, net of allowances:					
Accrued interest	-	392	18,204	14,443	25,742
Other	-	-	-	282,174	1,017,864
Interfund receivables	-	-	-	-	-
Merchandise inventory	26,117,323	111,900	-	-	-
Prepaid items	6,606	-	-	-	-
Debt issuance costs	-	-	-	-	-
Total current assets	26,244,483	168,914	2,754,882	2,467,859	4,913,433
Noncurrent assets:					
Restricted assets:					
Cash, cash equivalents and investments, at fair value	-	5,506,201	-	-	6,874,249
Accrued interest	-	36,627	-	-	45,727
Escrow deposit	-	-	234,000	10,000	-
Lease assets, net of accumulated amortization	-	-	94,014	-	-
Right-to-use assets, net of accumulated amortization	89,721	1,743,364	-	-	4,014,386
Capital assets, net of accumulated depreciation	793,832	11,083,863	-	-	6,204,582
Total noncurrent assets	883,553	18,370,055	328,014	10,000	17,138,944
Total assets	27,128,036	18,538,969	3,082,896	2,477,859	22,052,377
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charges on refunding	-	-	-	-	-
Deferred pension balances	282,751	298,291	-	143,724	924,997
Deferred other post employment benefits balances	80,904	95,329	-	37,214	199,949
Total deferred outflows of resources	363,655	393,620	-	180,938	1,124,946
LIABILITIES:					
Current liabilities:					
Accounts payable	595,934	592,873	13,251	111,389	824,367
Retainage payable	-	29,459	-	-	-
Claims payable	-	-	2,183,108	821,345	-
Compensated absences payable	258,019	342,373	-	42,252	905,177
Other post employment benefits	16,151	18,642	-	4,726	41,926
Deposits	-	-	-	-	-
Leases payable					
Accrued interest	175	63,786	-	-	159,908
Interfund payables	25,000,000	-	-	-	-
Right-to-use liability		1,084,398	-	-	2,613,044
Payable from restricted assets:					
Accounts payable	-	-	-	-	4,366
Retainage payable	-	-	-	-	-
Interfund payables	-	-	-	-	-
Certificate and general obligation bonds	-	685,826	-	-	888,087
Total current liabilities	25,870,279	2,817,357	2,196,359	979,712	5,436,875
Noncurrent liabilities:					
Leases payable	-	-	95,481	-	-
Right-to-use liability	64,471	342,642	-	-	681,093
Payable from restricted assets:	-	-	-	-	-
General obligation bonds payable	-	-	-	-	-
Certificates of obligation	-	10,414,372	-	-	8,686,955
Compensated absences payable	6,195	128,873	-	9,406	120,569
Claims payable	-	-	-	6,392,399	-
Net pension liability	902,725	1,070,488	-	574,370	2,830,029
Total other post-employment benefits liability	758,093	817,993	-	381,885	1,780,951
Total noncurrent liabilities:	1,731,484	12,774,368	95,481	7,358,060	14,099,597
Total liabilities	27,601,763	15,591,725	2,291,840	8,337,772	19,536,472
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows - leases	-	-	-	-	898,062
Deferred pension balances	-	-	-	-	-
Deferred other post employment benefits balances	145,471	165,381	-	49,643	352,532
Total deferred inflows of resources	145,471	165,381	-	49,643	1,250,594
NET POSITION:					
Net investment in capital assets	819,082	5,806,190	(1,467)	-	4,219,672
Restricted for capital acquisition	-	-	-	-	-
Unrestricted	(1,074,625)	(2,630,707)	792,523	(5,728,618)	(1,829,415)
Total net position	$ (255,543)	$ 3,175,483	$ 791,056	$ (5,728,618)	$ 2,390,257

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XXVII**
COMBINING STATEMENT OF NET POSITION (concluded)
INTERNAL SERVICE FUNDS
AS OF SEPTEMBER 30, 2025

	Engineering Services Fund	Customer Service Fund	Facilities Fund	Environmental Services Fund	Total Internal Service Funds
ASSETS:					
Current assets:					
Cash, cash equivalents and investments, at fair value	$ 589,564	$ 1,357,402	$ 280,947	$ 890,647	$ 12,073,483
Receivables, net of allowances:					
Accrued interest	3,922	8,999	1,869	5,961	79,532
Other	571,956	-	-	-	1,871,994
Interfund receivables	-	-	-	-	-
Merchandise inventory	-	-	-	-	26,229,223
Prepaid items	-	-	-	-	6,606
Debt issuance costs	-	-	-	-	-
Total current assets	1,165,442	1,366,401	282,816	896,608	40,260,838
Noncurrent assets:					
Restricted assets:					
Cash, cash equivalents and investments, at fair value	-	349	-	-	12,380,799
Accrued interest	-	2	-	-	82,356
Escrow deposit	-	-	-	-	244,000
Lease assets, net of accumulated amortization	-	-	-	-	94,014
Right-to-use assets, net of accumulated amortization	95,942	573,540	796,051	-	7,313,004
Capital assets, net of accumulated depreciation	9,057	466,093	1,006,938	59,923	19,624,288
Total noncurrent assets	104,999	1,039,984	1,802,989	59,923	39,738,461
Total assets	1,270,441	2,406,385	2,085,805	956,531	79,999,299
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred charges on refunding	-	-	-	-	-
Deferred pension balances	670,224	577,186	175,766	831,823	3,904,762
Deferred other post employment benefits balances	151,425	134,205	66,204	113,613	878,843
Total deferred outflows of resources	821,649	711,391	241,970	945,436	4,783,605
LIABILITIES:					
Current liabilities:					
Accounts payable	624,214	732,732	267,428	253,997	4,016,185
Retainage payable	-	-	-	-	29,459
Claims payable	-	-	-	-	3,004,453
Compensated absences payable	552,776	619,176	221,733	363,068	3,304,574
Other post employment benefits	32,669	37,758	3,769	22,396	178,037
Deposits	145,945	-	-	-	145,945
Leases payable					-
Accrued interest	-	37,525	21,179	-	282,573
Interfund payables	3,490,454	-	-	-	28,490,454
Right-to-use liability	-	-	563,130	-	4,260,572
Payable from restricted assets:					
Accounts payable	-	-	-	-	4,366
Retainage payable	-	-	-	-	-
Interfund payables	-	-	-	-	-
Certificate and general obligation bonds	-	149,461	-	-	1,723,374
Total current liabilities	4,846,058	1,576,652	1,077,239	639,461	45,439,992
Noncurrent liabilities:					
Leases payable	-	-	-	-	95,481
Right-to-use liability	2,000	603,665	159,599	-	1,853,470
Payable from restricted assets:	-	-	-	-	-
General obligation bonds payable	-	-	-	-	-
Certificates of obligation	-	939,915	-	-	20,041,242
Compensated absences payable	34,116	42,795	18,355		360,309
Claims payable	-	-	-	-	6,392,399
Net pension liability	2,167,858	1,987,620	924,986	3,011,403	13,469,479
Total other post-employment benefits liability	1,238,199	1,215,582	517,866	844,164	7,554,733
Total noncurrent liabilities:	3,442,173	4,789,577	1,620,806	3,855,567	49,767,113
Total liabilities	8,288,231	6,366,229	2,698,045	4,495,028	95,207,105
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows - leases	-	-	-	-	898,062
Deferred pension balances	-	-	-	-	-
Deferred other post employment benefits balances	270,051	276,240	64,724	174,419	1,498,461
Total deferred inflows of resources	270,051	276,240	64,724	174,419	2,396,523
NET POSITION:					
Net investment in capital assets	102,999	(653,059)	1,080,260	59,923	11,433,600
Restricted for capital acquisition	-	-	-	-	-
Unrestricted	(6,569,191)	(2,871,634)	(1,515,254)	(2,827,403)	(24,254,324)
Total net position	$ (6,466,192)	$ (3,524,693)	$ (434,994)	$ (2,767,480)	$ (12,820,724)

(concluded)

CITY OF DENTON, TEXAS **Exhibit XXVIII**
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Materials Management Fund	Fleet Services Fund	Health Insurance Fund	Risk Retention Fund	Technology Services Fund
OPERATING REVENUES:					
Charges for goods and services	$ 15,647,631	$ 16,587,590	$ 35,386,453	$ 6,236,385	$ 22,697,584
Miscellaneous	134,507	9,953	3,890,954	974,850	166,981
Total operating revenues	15,782,138	16,597,543	39,277,407	7,211,235	22,864,565
OPERATING EXPENSES:					
Operating expenses before depreciation and amortization	15,908,687	15,556,542	39,458,769	8,574,745	19,809,619
Depreciation and amortization	41,805	288,311	-	-	4,331,344
Total operating expenses	15,950,492	15,844,853	39,458,769	8,574,745	24,140,963
Operating income (loss)	(168,354)	752,690	(181,362)	(1,363,510)	(1,276,398)
NONOPERATING REVENUES (EXPENSES):					
Investment revenue (loss)	22,568	222,968	116,400	113,433	425,369
Interest expense and fiscal charges	(3,380)	(351,765)	2,148	-	(526,763)
Gain on disposal of capital assets	-	5,000	-	-	3,950
Other non-operating expenses	-	(102,665)	845	-	-
Total non-operating revenues (expenses)	19,188	(226,462)	119,393	113,433	(97,444)
Income (loss) before contributions and transfers	(149,166)	526,228	(61,969)	(1,250,077)	(1,373,842)
Capital contributions	-	-	-	-	30,000
Transfers in	-		-	-	-
Transfers out	-	(77,589)	-	(115,749)	-
Total contributions and transfers	-	(77,589)	-	(115,749)	30,000
Change in net position	(149,166)	448,639	(61,969)	(1,365,826)	(1,343,842)
Net position at beginning of year	(106,377)	2,726,844	853,025	(4,362,792)	3,734,099
Total net position at end of year	$ (255,543)	$ 3,175,483	$ 791,056	$ (5,728,618)	$ 2,390,257

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XXVIII**
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION (concluded)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Engineering Services Fund	Customer Service Fund	Facilities Fund	Environmental Services Fund	Total Internal Service Funds
OPERATING REVENUES:					
Charges for goods and services	$ 7,809,235	$ 10,729,422	$ 7,269,189	$ 5,436,714	$ 127,800,203
Miscellaneous	-	-	325	-	5,177,570
Total operating revenues	7,809,235	10,729,422	7,269,514	5,436,714	132,977,773
OPERATING EXPENSES:					
Operating expenses before depreciation and amortization	10,984,986	10,547,433	7,279,673	5,370,594	133,491,048
Depreciation and amortization	276,526	958,058	302,672	8,046	6,206,762
Total operating expenses	11,261,512	11,505,491	7,582,345	5,378,640	139,697,810
Operating income (loss)	(3,452,277)	(776,069)	(312,831)	58,074	(6,720,037)
NONOPERATING REVENUES (EXPENSES):					
Investment revenue (loss)	4,702	371,653	40,224	42,583	1,359,900
Interest expense and fiscal charges	(181)	(132,720)	(21,785)	-	(1,034,446)
Gain on disposal of capital assets	6,000	(1,068,096)	17,500	-	(1,035,646)
Other non-operating expenses	2,463	-	-	-	(99,357)
Total non-operating revenues (expenses)	12,984	(829,163)	35,939	42,583	(809,549)
Income (loss) before contributions and transfers	(3,439,293)	(1,605,232)	(276,892)	100,657	(7,529,586)
Capital contributions	-	-	-	-	30,000
Transfers in	-	-	-	67,970	67,970
Transfers out	(132,675)	-	-	(12,000)	(338,013)
Total contributions and transfers	(132,675)	-	-	55,970	(240,043)
Change in net position	(3,571,968)	(1,605,232)	(276,892)	156,627	(7,769,629)
Net position at beginning of year	(2,894,224)	(1,919,461)	(158,102)	(2,924,107)	(5,051,095)
Total net position at end of year	$ (6,466,192)	$ (3,524,693)	$ (434,994)	$ (2,767,480)	$ (12,820,724)

(concluded)

CITY OF DENTON, TEXAS **Exhibit XXIX**
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

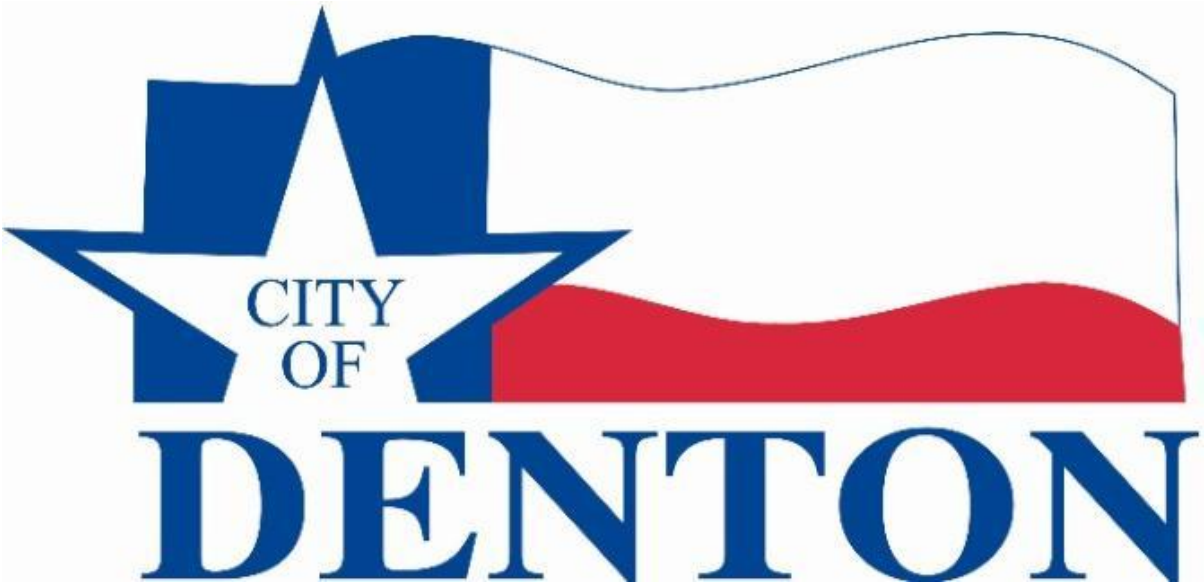
	Materials Management Fund	Fleet Services Fund	Health Insurance Fund	Risk Retention Fund	Technology Services Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	$ 15,782,138	$ 16,597,543	$ 39,277,407	$ 6,929,061	$ 22,847,013
Cash paid to employees for services	(2,532,646)	(3,572,690)	-	(1,652,008)	(9,874,050)
Cash paid to suppliers	(13,659,060)	(12,257,254)	(40,617,476)	(6,250,979)	(10,279,046)
Net cash provided (used) by operations	(409,568)	767,599	(1,340,069)	(973,926)	2,693,917
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	-	(77,589)	-	(115,749)	-
Transfers in	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	(77,589)	-	(115,749)	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Principal payments on capital debt	-	2,788,768	-	-	(625,000)
Interest and fiscal charges	(3,227)	(344,932)	-	-	(436,664)
Principal payments under capital lease obligation	-	-	-	-	-
Proceeds from lease financing	-	-	2,993	-	-
Proceeds from issuance of debt	-	(2,360,000)	-	-	1,650,000
Proceeds from capital contributions and transfers in	-	-	-	-	30,000
Proceeds from the sale of fixed assets	-	5,000	-	-	3,950
Acquisition of lease assets	-	-	-	-	-
Lease liability	-	-	(78,205)	-	-
Acquisition of Right-to-use assets	(28,754)	(316,324)	75,212	-	(2,599,746)
Acquisition and construction of capital assets	(35,702)	(1,045,668)	-	-	(2,352,286)
Net cash provided (used) by capital financing activities	(67,683)	(1,273,156)	-	-	(4,329,746)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale and maturities of investment securities	(610)	2,726,216	634,091	1,850,391	5,230,586
Purchase of investment securities	-	(2,709,669)	-	(1,344,101)	(4,888,967)
Interest received on investments	23,178	227,577	121,889	117,820	436,578
Net cash provided (used) by investing activities	22,568	244,124	755,980	624,110	778,197
Net increase (decrease) in cash and cash equivalents	(454,683)	(339,022)	(584,089)	(465,565)	(857,632)
Cash and cash equivalents at beginning of year	575,237	2,380,747	1,589,243	1,263,041	4,803,822
Cash and cash equivalents at end of year	120,554	2,041,725	1,005,154	797,476	3,946,190
Investments, at fair value	-	3,521,098	1,731,524	1,373,766	6,797,886
Cash, cash equivalents and investments, at fair value	$ 120,554	$ 5,562,823	$ 2,736,678	$ 2,171,242	$ 10,744,076
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ (168,354)	$ 752,690	$ (181,362)	$ (1,363,510)	$ (1,276,398)
Adjustments:					
Depreciation and Amortization expense	41,805	288,311	-	-	4,331,344
Decrease (Increase) in receivables	-	-	-	(282,174)	79,799
Decrease (Increase) in interfund receivables	-	-	-	-	-
Decrease (Increase) in inventories	(3,257,229)	(22,709)	-	-	-
Decrease (Increase) in customer deposits	-	-	-	-	-
Decrease (Increase) in prepaid items	4,574	-	-	-	-
Increase in escrow deposits items	-	-	-	-	-
Increase (Decrease) in accounts payable	180,429	(555,208)	(1,158,707)	657,001	(960,924)
Increase (Decrease) in compensated absences	158,519	261,627	-	(2,409)	451,808
Increase in interfund payables	2,600,000	-	-	-	-
Increase in net pension balances	9,219	13,030	-	6,179	104,293
Increase in other post-employment benefit balances	21,469	29,858	-	10,987	61,347
Increase (Decrease) in lease deferred inflows	-	-	-	-	(97,352)
Total adjustments	(241,214)	14,909	(1,158,707)	389,584	3,970,315
Net cash provided (used) by operating activities	$ (409,568)	$ 767,599	$ (1,340,069)	$ (973,926)	$ 2,693,917
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Increase (Decrease) in fair value of investments	-	(8,643)	(7,884)	(6,274)	(18,488)
Increase (Decrease) in equity due to non-cash transfers	-	-	-	-	-
Capital asset contributions	-	-	-	-	30,000
Right-to-use assets acquired through lease and SBITA Liabilities	-	-	-	-	2,246,804

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XXIX**
COMBINING STATEMENT OF CASH FLOWS (concluded)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Engineering Services Fund	Customer Service Fund	Facilities Fund	Environmental Services Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	$ 7,511,365	$ 10,729,420	$ 7,269,514	$ 5,436,714	$ 132,380,175
Cash paid to employees for services	(5,355,122)	(5,372,732)	(2,624,364)	(3,262,866)	$ (34,246,478)
Cash paid to suppliers	(2,003,434)	(4,519,812)	(4,791,126)	(1,813,248)	$ (96,191,435)
Net cash provided (used) by operations	152,809	836,876	(145,976)	360,600	1,942,262
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	(132,675)	-	-	(12,000)	(338,013)
Transfers in	-	-	-	67,970	67,970
Net cash provided (used) by noncapital financing activities	(132,675)	-	-	55,970	(270,043)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Principal payments on capital debt	-	(53,445)	-	-	2,110,323
Interest and fiscal charges	(181)	(103,730)	(606)	-	(889,340)
Principal payments under capital lease obligation	-	-	-	-	-
Proceeds from lease financing	-	-	-	-	2,993
Proceeds from issuance of debt	-	-	-	-	(710,000)
Proceeds from capital contributions and transfers in	-	-	-	-	30,000
Proceeds from the sale of fixed assets	(259,339)	-	17,500	-	(232,889)
Acquisition of lease assets	-	-	-	-	-
Lease liability	-	-	-	-	(78,205)
Acquisition of Right-to-use assets	-	(729,509)	56,070	-	(3,543,051)
Acquisition and construction of capital assets	-	(542,042)	(227,635)	(67,969)	(4,271,302)
Net cash provided (used) by capital financing activities	(259,520)	(1,428,726)	(154,671)	(67,969)	(7,581,471)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sale and maturities of investment securities	119,400	(4,031,561)	550,394	239,396	7,318,303
Purchase of investment securities	-	4,107,034	(406,151)	(507,036)	(5,748,890)
Interest received on investments	5,712	381,298	42,595	40,813	1,397,460
Net cash provided (used) by investing activities	125,112	456,771	186,838	(226,827)	2,966,873
Net increase (decrease) in cash and cash equivalents	(114,274)	(135,079)	(113,809)	121,774	(2,942,379)
Cash and cash equivalents at beginning of year	330,815	636,614	216,998	201,893	11,998,410
Cash and cash equivalents at end of year	216,541	501,535	103,189	323,667	9,056,031
Investments, at fair value	373,023	856,216	177,758	566,980	15,398,251
Cash, cash equivalents and investments, at fair value	$ 589,564	$ 1,357,751	$ 280,947	$ 890,647	$ 24,454,282
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	$ (3,452,277)	$ (776,069)	$ (312,831)	$ 58,074	$ (6,720,037)
Adjustments:					
Depreciation and Amortization expense	276,526	958,058	302,672	8,046	6,206,762
Decrease (Increase) in receivables	200,636	-	-	-	(1,739)
Decrease (Increase) in interfund receivables	-	-	-	-	-
Decrease (Increase) in inventories	-	-	-	-	(3,279,938)
Decrease (Increase) in customer deposits	-	-	-	-	-
Decrease (Increase) in prepaid items	-	-	-	-	4,574
Increase in escrow deposits items	-	-	-	-	-
Increase (Decrease) in accounts payable	3,280,729	139,327	(289,049)	27,493	1,321,091
Increase (Decrease) in compensated absences	272,912	440,973	145,798	206,435	1,935,663
Increase in interfund payables	(498,506)	-	-	-	2,101,494
Increase in net pension balances	(72,078)	57,022	9,781	11,587	139,033
Increase in other post-employment benefit balances	144,867	17,565	(2,347)	48,965	332,711
Increase (Decrease) in lease deferred inflows	-	-	-	-	(97,352)
Total adjustments	3,605,086	1,612,945	166,855	302,526	8,662,299
Net cash provided (used) by operating activities	$ 152,809	$ 836,876	$ (145,976)	$ 360,600	$ 1,942,262
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:					
Increase (Decrease) in fair value of investments	(1,598)	(2,563)	(1,277)	183	(46,544)
Increase (Decrease) in equity due to non-cash transfers	-	-	-	-	-
Capital asset contributions	-	-	-	-	30,000
Right-to-use assets acquired through lease and SBITA Liabilities	267,802	1,333,174	894,293	-	4,742,073

(concluded)


CITY
OF
DENTON

STATISTICAL SECTION

This part of the City of Denton's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time. (Tables 1 – 4)

Revenue Capacity

These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax. These tables do not include the Electric fund information due to confidentiality of information necessary for competitive rates. (Tables 5 – 8)

Debt Capacity

These schedules present information to help the reader assess the affordability of the city's current level of outstanding debt and the city's ability to issue additional debt in the future. (Tables 9 – 12)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place. (Tables 13 – 14)

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs. (Tables 15 – 17)

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF DENTON, TEXAS **Table 1**
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	$ 145,309,987	$ 165,408,284	$ 194,210,730	$ 242,957,674	$ 288,548,831
Restricted	13,736,624	14,530,908	21,654,948	30,348,748	29,974,236
Unrestricted	(3,620,580)	(6,509,698)	(19,332,607)	(39,525,390)	(36,726,698)
Total governmental activities net position	155,426,031	173,429,494	196,533,071	233,781,032	281,796,369
Business-type activities					
Net investment in capital assets	460,330,063	502,801,204	540,697,505	589,492,414	661,996,500
Restricted	8,892,547	11,516,207	20,209,408	32,678,917	38,024,525
Unrestricted	151,234,604	145,191,889	177,836,401	173,355,308	162,312,209
Total business-type activities net position	620,457,214	659,509,300	738,743,314	795,526,639	862,333,234
Primary government					
Net investment in capital assets	605,640,050	668,209,488	734,908,235	832,450,088	950,545,331
Restricted	22,629,171	26,047,115	41,864,356	63,027,665	67,998,761
Unrestricted	147,614,024	138,682,191	158,503,794	133,829,918	125,585,511
Total primary government net position	$ 775,883,245	$ 832,938,794	$ 935,276,385	$ 1,029,307,671	$ 1,144,129,603

(continued on the following page)

Source: Annual Comprehensive Financial Reports

CITY OF DENTON, TEXAS **Table 1**
NET POSITION BY COMPONENT (concluded)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2021	2022	2023	2024	2025
Governmental activities					
Net investment in capital assets	$ 324,398,859	$ 368,485,279	$ 394,899,297	$ 444,564,361	502,427,544
Restricted	31,847,883	35,792,764	42,215,668	44,845,200	49,801,460
Unrestricted	(27,553,444)	2,815,218	9,172,313	12,734,966	16,474,505
Total governmental activities net position	328,693,298	407,093,261	446,287,278	502,144,527	568,703,509
Business-type activities					
Net investment in capital assets	716,242,869	773,134,073	820,950,533	884,537,640	960,266,998
Restricted	47,267,201	73,714,031	95,817,087	119,995,788	157,059,753
Unrestricted	183,575,000	219,065,186	186,026,842	168,790,588	166,007,876
Total business-type activities net position	947,085,070	1,065,913,290	1,102,794,462	1,173,324,016	1,283,334,627
Primary government					
Net investment in capital assets	1,040,641,728	1,141,619,352	1,215,849,830	1,329,102,001	1,462,694,542
Restricted	79,115,084	109,506,795	138,032,755	164,840,988	206,861,213
Unrestricted	156,021,556	221,880,404	195,199,155	181,525,554	182,482,381
Total primary government net position	$ 1,275,778,368	$ 1,473,006,551	$ 1,549,081,740	$ 1,675,468,543	$ 1,852,038,136

(concluded)

Source: Annual Comprehensive Financial Reports

CITY OF DENTON, TEXAS **Table 2**
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2016	2017	2018	2019	2020
EXPENSES					
Governmental activities:					
General government	$33,847,052	$40,761,972	$37,968,945	$39,051,942	$37,921,928
Public safety	63,118,516	68,546,557	71,945,219	77,883,435	82,119,480
Public works	24,557,482	24,994,628	25,683,779	24,502,864	26,049,847
Parks and recreation	16,043,697	16,792,417	17,422,273	17,710,634	15,759,371
Interest expense	4,664,608	4,970,968	5,379,149	6,750,917	6,757,736
Total governmental activities expenses	142,231,355	156,066,542	158,399,365	165,899,792	168,608,362
Business-type activities:					
Electric system	145,963,753	174,900,860	168,110,899	236,131,640	195,306,979
Water system	26,000,734	28,202,500	27,481,058	29,689,758	32,013,603
Wastewater system	23,921,154	26,730,157	26,284,049	28,317,484	31,018,019
Solid waste	29,435,101	34,532,856	29,028,299	30,541,859	32,370,675
Airport	2,536,460	1,930,767	1,802,703	2,017,380	1,706,646
Total business-type activities expenses	227,857,202	266,297,140	252,707,008	326,698,121	292,415,922
Total primary government expenses	370,088,557	422,363,682	411,106,373	492,597,913	461,024,284
PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
General government	6,015,305	5,266,777	6,489,438	6,460,483	8,007,187
Public safety	9,827,784	8,773,221	8,221,314	7,233,973	5,234,958
Public works	729,528	879,453	649,293	712,953	1,177,961
Parks and recreation	5,268,637	4,414,379	4,852,322	5,868,619	3,022,162
Operating grants and contributions	2,855,501	4,667,791	3,697,696	4,092,532	8,991,320
Capital grants and contributions	5,885,033	17,180,091	33,991,306	28,085,591	34,911,879
Total governmental activities program revenues	30,581,788	41,181,712	57,901,369	52,454,151	61,345,467
Business-type activities:					
Charges for services:					
Electric system	166,290,498	172,027,080	198,748,366	242,437,211	217,111,983
Water system	38,181,034	41,332,006	48,912,059	45,886,900	47,125,123
Wastewater system	31,900,885	33,360,603	35,594,624	35,042,110	36,146,835
Solid waste	31,236,506	33,847,593	33,590,463	34,670,519	36,142,207
Airport	1,183,661	1,495,619	1,625,672	1,397,581	1,286,479
Capital grants and contributions	7,705,101	20,347,889	20,519,510	16,039,076	16,374,066
Total business-type activities program revenues	276,497,685	302,410,790	338,990,694	375,473,397	354,186,693
Total primary government program revenues	307,079,473	343,592,502	396,892,063	427,927,548	415,532,160
NET (EXPENSE)/REVENUE					
Governmental activities	(111,649,567)	(114,884,830)	(100,497,996)	(113,445,641)	(107,262,895)
Business-type activities	48,640,483	36,113,650	86,283,686	48,775,276	61,770,771
Total primary government program net expense	$ (63,009,084)	$ (78,771,180)	$ (14,214,310)	$ (64,670,365)	$ (45,492,124)

CITY OF DENTON, TEXAS **Table 2**
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2016	2017	2018	2019	2020
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental activities:					
Taxes:					
Property tax	$58,788,255	$64,348,754	$67,185,610	$71,351,314	$75,431,860
Sales tax[1]	32,624,297	36,841,137	38,270,026	38,330,825	39,337,834
Franchise tax	22,659,014	24,211,081	26,007,002	26,160,639	29,503,569
Hotel occupancy tax	2,243,264	2,374,221	2,733,720	3,039,747	2,142,483
Beverage tax	597,284	617,662	632,217	661,823	440,766
Bingo tax	18,910	13,633	11,244	11,445	13,527
Investment income	1,019,594	1,330,008	1,937,579	6,093,100	2,999,094
Gain (Loss) on sale of capital assets	498,265	192,583	188,958	95,760	103,796
Miscellaneous	1,087,504	2,042,274	4,700,466	3,930,285	4,008,679
Transfers	1,184,433	916,940	(1,104,290)	1,018,664	1,296,624
Total governmental activities	120,720,820	132,888,293	140,562,532	150,693,602	155,278,232
Business-type activities:					
Investment income	2,010,008	3,471,635	4,083,560	9,026,713	6,099,964
Gain (Loss) on sale of capital assets	1,197,915	383,741	240,740	-	232,484
Miscellaneous	-	-	-	-	-
Transfers	(1,184,433)	(916,940)	1,104,290	(1,018,664)	(1,296,624)
Total business-type activities	2,023,490	2,938,436	5,428,590	8,008,049	5,035,824
Total primary government	122,744,310	135,826,729	145,991,122	158,701,651	160,314,056
CHANGE IN NET POSITION					
Governmental activities	9,071,253	18,003,463	40,064,536	37,247,961	48,015,337
Business-type activities	50,663,973	39,052,086	91,712,276	56,783,325	66,806,595
Total primary government	$ 59,735,226	$ 57,055,549	$ 131,776,812	$ 94,031,286	$ 114,821,932

(continued on the following page)

Source: Annual Comprehensive Financial Reports

CITY OF DENTON, TEXAS **Table 2**
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2021	2022	2023	2024	2025
EXPENSES					
Governmental activities:					
General government	$37,401,990	$40,369,454	$53,383,319	$57,475,453	$64,602,853
Public safety	82,678,373	87,970,791	104,695,335	112,543,358	119,030,615
Public works	24,800,411	25,489,369	39,086,849	27,466,868	27,465,600
Parks and recreation	19,295,206	22,787,282	28,096,065	29,842,466	30,703,498
Interest expense	7,380,293	8,571,877	10,198,425	12,698,504	17,359,096
Total governmental activities expenses	171,556,273	185,188,773	$235,459,993	$240,026,649	259,161,662
Business-type activities:					
Electric system	307,772,345	270,421,754	364,624,498	286,616,552	234,784,149
Water system	28,428,703	35,891,682	41,005,645	34,825,913	38,643,794
Wastewater system	32,247,857	36,814,363	41,810,385	46,815,012	52,675,288
Solid waste	32,734,938	34,117,196	38,049,052	41,283,128	43,878,520
Airport	1,674,412	2,437,563	2,421,380	2,680,904	2,850,255
Total business-type activities expenses	402,858,255	379,682,558	487,910,960	412,221,509	372,832,006
Total primary government expenses	574,414,528	564,871,331	723,370,953	652,248,158	631,993,668
PROGRAM REVENUES					
Governmental activities:					
Charges for services:					
General government	8,038,235	12,705,349	9,008,753	8,485,270	11,476,392
Public safety	5,788,122	5,640,947	6,364,307	6,189,289	7,218,413
Public works	775,279	804,751	784,136	527,218	634,097
Parks and recreation	4,150,336	6,052,680	7,547,307	8,286,101	10,341,751
Operating grants and contributions	8,607,304	9,545,392	10,623,546	13,042,489	13,398,515
Capital grants and contributions	23,945,640	34,406,757	27,351,806	35,255,951	31,369,812
Total governmental activities program revenues	51,304,916	69,155,876	61,679,855	71,786,318	74,438,980
Business-type activities:					
Charges for services:					
Electric system	342,640,914	293,811,955	329,513,796	271,665,456	258,295,781
Water system	50,670,242	65,873,478	65,514,614	56,737,921	63,776,494
Wastewater system	38,393,521	46,616,569	47,276,024	46,691,611	56,094,632
Solid waste	37,635,030	40,574,676	39,176,607	40,606,704	44,585,934
Airport	1,586,333	2,239,264	1,896,148	1,896,686	2,293,594
Capital grants and contributions	18,282,891	52,663,359	28,042,612	35,948,742	37,399,047
Total business-type activities program revenues	489,208,931	501,779,301	511,419,801	453,547,120	462,445,482
Total primary government program revenues	540,513,847	570,935,177	573,099,656	525,333,438	536,884,462
NET (EXPENSE)/REVENUE					
Governmental activities	(120,251,357)	(116,032,897)	(173,780,138)	(168,240,331)	(184,722,682)
Business-type activities	86,350,676	122,096,743	23,508,841	41,325,611	89,613,476
Total primary government program net expense	$ (33,900,681)	$ 6,063,846	$ (150,271,297)	$ (126,914,720)	$ (95,109,206)

(continued on the following page)

CITY OF DENTON, TEXAS **Table 2**
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2021	2022	2023	2024	2025
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION (concluded)					
Governmental activities:					
Taxes:					
Property tax	$78,243,553	$79,552,638	$92,185,668	$106,555,772	$119,835,095
Sales tax[1]	45,404,857	53,264,724	55,906,340	57,074,842	58,972,691
Franchise tax	32,047,074	38,132,032	39,963,334	34,985,074	35,761,375
Hotel occupancy tax	3,074,942	3,684,534	2,894,816	2,965,129	3,319,923
Beverage tax	511,326	671,493	707,315	703,199	724,191
Bingo tax	14,681	15,119	16,581	13,628	15,948
Investment income	326,158	(973,108)	11,029,848	17,015,328	16,357,066
Gain on sale of capital assets	(16,435)	564,787	-	265,262	301,091
Miscellaneous	5,566,698	7,534,118	6,253,238	5,389,536	13,348,644
Transfers	1,975,432	2,913,731	4,017,015	(870,190)	2,645,640
Total governmental activities	167,148,286	185,360,068	$212,974,155	$224,097,580	$251,281,664
Business-type activities:					
Investment income	264,722	(646,799)	17,370,180	27,497,468	22,655,173
Gain on sale of capital assets	111,870	292,007	19,166	836,285	387,604
Miscellaneous	-	-	-	-	-
Transfers	(1,975,432)	(2,913,731)	(4,017,015)	870,190	(2,645,642)
Total business-type activities	(1,598,840)	(3,268,523)	13,372,331	29,203,943	20,397,135
Total primary government	165,549,446	182,091,545	226,346,486	253,301,523	271,678,799
CHANGE IN NET POSITION					
Governmental activities	46,896,929	69,327,171	39,194,017	55,857,249	66,558,982
Business-type activities	84,751,836	118,828,220	36,881,172	70,529,554	110,010,611
Total primary government	$ 131,648,765	$ 188,155,391	$ 76,075,189	$ 126,386,803	$ 176,569,593

(concluded)

Source: Annual Comprehensive Financial Reports

CITY OF DENTON, TEXAS **Table 3**
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
General fund					
Nonspendable	$ -	$ -	$ -	$ -	$ 5,184
Reserved for encumbrances	-	-	-	-	-
Unreserved, designated	-	-	-	-	-
Committed to streets	-	-	-	-	-
Assigned to use of reserves	99,365	-	1,398,704	160,606	-
Unassigned	28,070,483	31,770,773	28,918,681	30,578,238	33,777,027
Total general fund	28,169,848	31,770,773	30,317,385	30,738,844	33,782,211
All other governmental funds					
Restricted for:					
Debt Service	4,893,032	5,409,144	5,529,483	5,453,180	5,325,062
Public Works	-	-			
Parks and recreation	13,553,834	10,599,568	9,153,654	12,723,077	17,586,279
Streets and drainage projects	46,511,509	51,149,305	82,702,916	75,897,954	75,037,095
Other capital projects	13,512,733	18,544,086	21,984,608	20,271,843	30,142,806
Other grants and purposes	3,319,230	4,104,036	7,158,843	7,171,142	5,704,555
Committed to:					
Streets	1,798,624	1,158,667	4,495,971	5,965,815	9,340,552
Parks and recreation	498,150	439,825	520,852	549,415	555,629
Other purposes	5,500,983	6,889,093	3,150,491	3,779,944	3,361,851
Assigned to:					
Streets and drainage projects	3,430,681	7,897,077	10,591,478	10,867,803	4,231,795
Other capital projects	3,728,955	6,945,492	7,440,133	8,907,816	7,459,112
Other purposes	74,558	59	59	61	181
Unassigned	(242,338)	(2,942,377)	(943,930)	(782,684)	(987,611)
Total all other governmental funds	$ 96,579,951	$ 110,193,975	$ 151,784,558	$ 150,805,366	$ 157,757,306

(continued on the following page)

Source: Annual Comprehensive Financial Reports

CITY OF DENTON, TEXAS **Table 3**
FUND BALANCES OF GOVERNMENTAL FUNDS (concluded)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2021	2022	2023	2024	2025
General fund					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Reserved for encumbrances	-	-	-	-	-
Unreserved, designated	-	-	-	-	-
Committed to streets	-	-	-	-	-
Assigned to use of reserves	-	-	-	-	-
Unreserved, undesignated, unassigned	38,499,992	45,459,406	44,600,382	42,077,084	42,825,552
Total general fund	38,499,992	45,459,406	44,600,382	42,077,084	42,825,552
All other governmental funds					
Restricted for:					
Debt Service	4,680,742	2,411,532	1,138,403	1,410,137	2,594,012
Public Works		-	-	-	-
Parks and recreation	15,765,777	12,511,791	13,649,187	64,377,599	84,400,650
Streets and drainage projects	58,709,209	59,426,096	48,306,398	65,009,955	81,065,838
Other capital projects	69,314,699	70,482,880	84,667,842	115,961,534	107,390,246
Other grants and purposes	4,771,982	4,974,681	4,955,475	5,770,039	6,564,648
Committed to:					
Streets	12,817,321	11,104,916	17,804,149	17,289,104	16,956,107
Parks and recreation	418,155	53,516	60,000	250,698	227,054
Other purposes	4,902,548	6,605,432	12,454,606	16,180,625	14,979,080
Assigned to:					
Streets and drainage projects	8,402,327	16,492,913	16,382,349	21,860,247	11,464,997
Other capital projects	10,610,950	9,044,538	9,677,154	7,077,752	5,762,916
Other purposes	271	610	750	850	688,112
Unassigned	(809,536)	(507,144)	(407,514)	(1,741,955)	(1,607,531)
Total all other governmental funds	$ 189,584,445	$ 192,601,761	$ 208,688,799	$ 313,446,585	$ 330,486,129

(concluded)

Source: Annual Comprehensive Financial Reports

CITY OF DENTON, TEXAS **Table 4**
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
REVENUES:					
Taxes:					
Property tax	$ 58,802,856	$ 64,317,641	$ 67,055,807	$ 71,393,395	$ 75,413,501
Sales tax	32,624,297	36,841,137	38,270,026	38,330,825	39,337,834
Hotel occupancy tax	2,243,264	2,374,221	2,733,720	3,039,748	2,142,483
Beverage tax	597,284	617,662	632,217	661,823	440,766
Bingo tax	18,910	13,633	11,244	11,445	13,527
Licenses and permits	3,106,162	3,016,697	3,739,691	3,889,820	5,225,128
Franchise fees	22,659,014	24,211,081	26,007,002	26,160,639	29,503,569
Fines and forfeitures	6,433,158	6,039,401	5,539,793	5,147,203	2,621,002
Fees for services	10,927,305	10,395,166	10,536,817	11,583,743	10,328,261
Investment revenue	1,019,594	1,330,008	1,937,579	6,093,100	2,999,094
Intergovernmental	5,217,302	9,647,977	30,518,141	22,477,192	31,907,490
Miscellaneous	1,347,258	2,382,708	5,053,082	5,043,652	4,049,419
Total revenues	144,996,404	161,187,332	192,035,119	193,832,585	203,982,074
EXPENDITURES:					
General government	31,024,356	31,330,757	32,800,175	35,528,063	33,242,486
Public safety	59,067,019	61,156,694	66,355,282	71,257,658	77,408,797
Public works	11,604,966	15,871,804	14,710,211	14,579,218	14,018,054
Parks and recreation	13,987,694	14,140,518	14,671,894	15,221,092	13,118,332
Capital outlay	25,966,695	38,191,803	54,829,949	64,835,885	86,392,357
Debt service:					
Principal retirement	13,390,576	14,351,487	15,429,697	16,904,637	17,929,324
Advance refunding escrow	147,687	103,950	-	-	-
Bond issuance costs	154,948	171,252	284,181	142,226	180,870
Interest and other charges	5,246,925	5,819,949	6,561,442	8,146,969	8,368,163
Total expenditures	160,590,866	181,138,214	205,642,831	226,615,748	250,658,383
Excess (deficiency) of revenues over (under) expenditures	(15,594,462)	(19,950,882)	(13,607,712)	(32,783,163)	(46,676,309)
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued	12,045,000	10,850,000	-	-	2,490,000
Payment to refunded bond escrow agent	(14,075,445)	(11,358,665)	-	-	(2,973,354)
Issuance of long-term debt	22,780,000	33,405,000	56,960,000	25,870,000	49,205,000
Premium on debt issuance	4,317,817	3,077,360	3,206,728	2,006,343	6,250,067
Insurance recoveries	30,624	86,992	18,135	88,954	-
Proceeds of capital lease	150,155	-	-	-	-
Sale of capital assets	530,054	236,068	226,025	17,033	148,586
Transfers in	8,164,575	10,856,904	15,083,695	14,477,744	13,868,308
Transfers (out)	(6,592,842)	(9,987,828)	(21,749,676)	(10,234,644)	(12,316,991)
Total other financing sources (uses)	27,349,938	37,165,831	53,744,907	32,225,430	56,671,616
NET CHANGE IN FUND BALANCES	$ 11,755,476	$ 17,214,949	$ 40,137,195	$ (557,733)	$ 9,995,307
Debt service as a percentage of noncapital expenditures	13.8%	14.1%	14.6%	15.5%	16.0%

Source: Annual Comprehensive Financial Reports

(continued on the following page)

CITY OF DENTON, TEXAS **Table 4**
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (concluded)
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2021	2022	2023	2024	2025
REVENUES:					
Taxes:					
Property tax	$ 78,109,665	$ 79,552,638	$ 91,905,213	106,615,248	119,430,058
Sales tax	45,404,857	53,264,724	55,906,340	57,074,842	58,972,691
Hotel occupancy tax	3,074,942	3,684,534	2,894,816	2,965,129	3,319,923
Beverage tax	511,326	671,493	707,315	703,199	724,191
Bingo tax	14,681	15,119	16,581	13,628	15,948
Licenses and permits	5,939,320	9,058,717	6,049,752	5,561,811	6,853,283
Franchise fees	32,047,074	38,132,032	39,963,334	34,985,074	35,761,375
Fines and forfeitures	1,590,416	2,158,848	2,418,953	2,746,442	2,931,953
Fees for services	12,072,118	13,911,934	15,361,361	15,747,807	18,901,926
Investment revenue	326,158	(973,108)	11,029,848	17,015,328	16,357,066
Intergovernmental	23,014,733	21,757,882	28,857,990	31,875,443	30,644,788
Miscellaneous	5,756,438	7,797,900	6,599,451	5,389,536	13,348,644
Total revenues	207,861,728	229,032,713	261,710,954	280,693,487	307,261,846
EXPENDITURES:					
General government	34,002,983	36,260,036	43,404,684	45,235,515	51,089,867
Public safety	81,849,916	88,147,676	98,603,496	109,475,264	115,875,693
Public works	13,657,700	13,524,895	14,754,929	14,438,782	13,553,145
Parks and recreation	16,756,062	20,035,827	23,961,050	26,404,586	26,164,758
Capital outlay	80,873,532	110,971,677	100,357,577	102,098,775	108,556,603
Debt service:					
Principal retirement	19,768,191	21,768,842	22,555,789	24,920,000	29,740,000
Advance refunding escrow	-	55,186	178,390	64,381	-
Bond issuance costs	277,307	638,700	493,070	870,902	478,367
Interest and other charges	8,973,021	10,748,455	12,754,569	14,929,102	21,597,826
Total expenditures	256,158,712	302,151,294	317,063,554	338,437,307	367,056,259
Excess (deficiency) of revenues over (under) expenditures	(48,296,984)	(73,118,581)	(55,352,600)	(57,743,820)	(59,794,413)
OTHER FINANCING SOURCES (USES):					
Refunding bonds issued	1,415,000	2,145,000	9,300,000	3,100,000	10,375,000
Payment to refunded bond escrow agent	(1,691,409)	(2,203,141)	(10,156,875)	(3,430,365)	(11,400,289)
Issuance of long-term debt	75,600,000	63,960,000	60,075,000	145,220,000	70,055,000
Premium on debt issuance	7,098,821	5,255,571	6,811,509	12,513,152	5,292,843
Insurance recoveries		-	-	-	-
Proceeds of capital lease		-	-	-	-
Sale of capital assets	326,682	568,128	205,726	384,737	344,186
Transfers in	16,349,953	21,970,594	33,908,741	19,372,214	17,740,341
Transfers (out)	(14,257,143)	(17,947,311)	(29,563,487)	(17,181,430)	(14,824,656)
Total other financing sources (uses)	84,841,904	73,748,841	70,580,614	159,978,308	77,582,425
NET CHANGE IN FUND BALANCES	$ 36,544,920	$ 630,260	$ 15,228,014	$ 102,234,488	$ 17,788,012
Debt service as a percentage of noncapital expenditures	16.4%	17.0%	16.3%	16.9%	19.9%

Source: Annual Comprehensive Financial Reports **(concluded)**

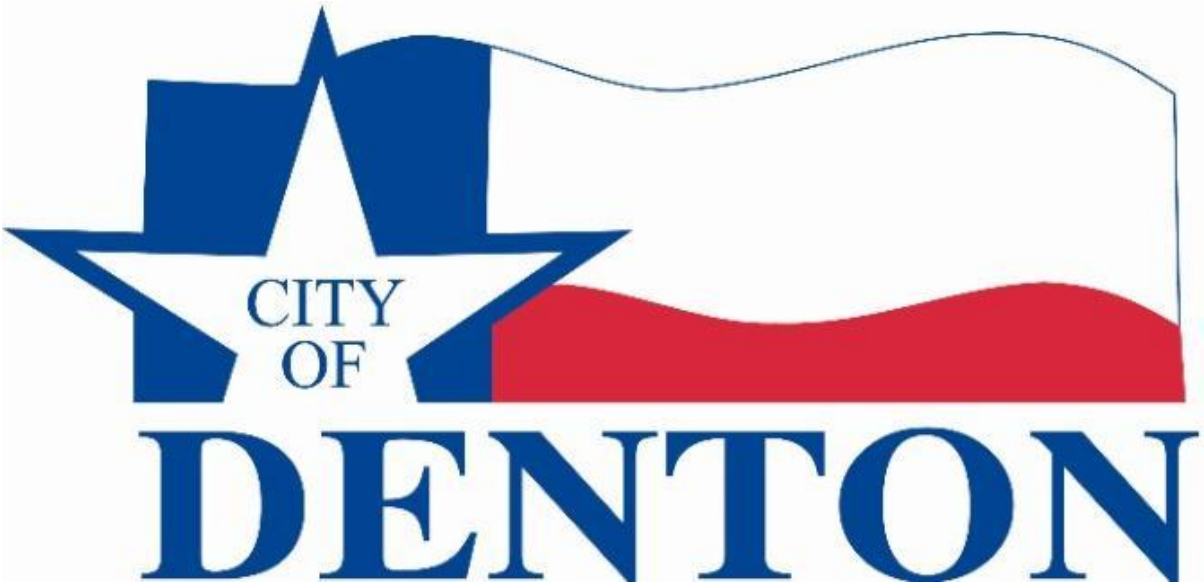
CITY OF DENTON, TEXAS **Table 5**
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Estimated Market Value: Real Property	Estimated Market Value: Personal Property	Less: Tax-Exempt Property	Less: Frozen Value[1]	Total Taxable Assessed Value[2]	Total Direct Tax Rate
2016	8,989,650,946	1,332,290,743	1,858,794,929	-	8,463,146,760	0.68975
2017	9,784,179,133	1,429,040,012	2,040,968,652	-	9,172,250,493	0.68334
2018	11,218,394,767	1,497,275,644	2,298,809,194	-	10,416,861,217	0.63786
2019	12,399,345,379	1,376,428,125	2,348,204,604	112,974,494	11,314,594,406	0.62048
2020	13,680,931,478	1,807,156,540	2,698,699,972	177,067,782	12,612,320,264	0.59045
2021	14,719,186,349	1,653,546,317	2,805,813,775	162,157,709	13,404,761,182	0.59045
2022	15,921,269,742	1,713,104,985	2,994,660,048	263,774,952	14,375,939,727	0.56582
2023	19,253,046,715	1,863,342,050	4,134,344,027	417,132,301	16,564,912,437	0.56068
2024	22,759,562,750	2,115,805,342	5,387,846,880	634,046,001	18,853,475,211	0.56068
2025	24,533,203,394	2,013,394,892	4,998,313,253	909,079,294	20,639,205,739	0.58542

Source: Denton Central Appraisal District

[1]**Fiscal year 2019 marks the first year of the Over 65/Disabled tax limitation (freeze).**

[2]**Total Taxable Assessed Value from 2016-2025 include the Downtown and West Park TIRZ's.**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CITY OF DENTON, TEXAS **Table 6**
PROPERTY TAX RATES (PER $100 OF ASSESSED VALUE)
DIRECT AND OVERLAPPING[1] GOVERNMENTS
LAST TEN FISCAL YEARS

	City of Denton			Overlapping Rates		
					School Districts	
Fiscal Year	Operating Rate	Debt Service Rate	Total Direct Rate	Denton County	Denton Independent School District	Argyle Independent School District
2016	0.47456	0.21519	0.68975	0.262000	1.54000	1.570050
2017	0.46674	0.21660	0.68334	0.248409	1.54000	1.570050
2018	0.43031	0.20755	0.63786	0.237812	1.54000	1.585050
2019	0.40543	0.21505	0.62048	0.225574	1.54000	1.585050
2020	0.38536	0.20509	0.59045	0.225278	1.47000	1.508000
2021	0.38036	0.21009	0.59045	0.224985	1.40760	1.418700
2022	0.35044	0.21537	0.56581	0.233086	1.36200	1.400000
2023	0.35643	0.20425	0.56068	0.217543	1.34460	1.397600
2024	0.35478	0.20590	0.56068	0.189485	1.15920	1.212200
2025	0.33478	0.25064	0.58542	0.187869	1.15690	1.209900

(continued on the following page)

Source: Denton County Tax Office
Denton County Central Appraisal District

[1]**Overlapping rates are those of the school district and county government that apply to property owners within the City of Denton.**

CITY OF DENTON, TEXAS **Table 6**
PROPERTY TAX RATES (PER $100 OF ASSESSED VALUE) (concluded)
DIRECT AND OVERLAPPING[1] GOVERNMENTS
LAST TEN FISCAL YEARS

	Overlapping Rates					
	School Districts					
Fiscal Year	Aubrey Independent School District	Krum Independent School District	Pilot Point Independent School District	Ponder Independent School District	Sanger Independent School District	Total Direct & Overlapping Rates (Range)
2016	1.510000	1.540000	1.370000	1.387500	1.372067	2.321750 - 2.521800
2017	1.510000	1.540000	1.370000	1.467840	1.372067	2.301749 - 2.501799
2018	1.510000	1.540000	1.370000	1.467790	1.372067	2.245668 - 2.460718
2019	1.590000	1.540000	1.370000	1.467790	1.372067	2.216051 - 2.436051
2020	1.568350	1.391830	1.268350	1.467780	1.308350	2.084082 - 2.384082
2021	1.508700	1.345082	1.218600	1.464180	1.197643	2.013078 - 2.324135
2022	1.460300	1.344930	1.160300	1.407780	1.142300	1.941196 - 2.259196
2023	1.442900	1.417500	1.211660	1.347700	1.410600	1.989883 - 2.221123
2024	1.257500	1.232100	1.026260	1.242300	1.147400	1.776427 - 2.007667
2025	1.255200	1.229800	1.026260	1.242300	1.143400	1.799549 - 2.028489

(concluded)

Source: Denton County Tax Office
Denton County Central Appraisal District

[1]**Overlapping rates are those of the school district and county government that apply to property owners within the City of Denton.**

CITY OF DENTON, TEXAS **Table 7**
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2025			2016		
Name of Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value[1]	Name of Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value[2]
PACCAR Inc. (Peterbilt)	$116,192,452	0.56%	PACCAR Inc (Peterbilt)	$97,146,347	1.15%
Denton ICC 35 LLC	97,208,595	0.47%	Columbia Medical Center of Denton (Denton Regional Hospital)	90,617,674	1.07%
TRDWIND Timberlinks Borrower	85,836,660	0.42%	Inland Western Crossing (Denton Crossing)	57,185,000	0.68%
Exeter Denton Land LP	85,324,312	0.41%	Cypress Denton Station LTD (Forum at Denton Station Apartments)	51,401,583	0.61%
RR Town Center Associates LLC	75,976,215	0.37%	ACC OP LLC (U Centre at Fry Street Apartments)	51,300,000	0.61%
Epic Development Inc.	74,521,343	0.36%	RR Marketplace LP (Rayzor Ranch North Shopping Center)	48,684,184	0.58%
NREA GARDENS, DST	72,600,000	0.35%	Timber Links Apartments LLC (The Timber Links	44,500,000	0.53%
JRM Windsor LLC	72,056,824	0.35%	Eagleridge Operating LLC (EagleRidge Energy)	38,227,658	0.45%
WINCO Foods LLC	71,000,000	0.34%	HRA University Courtyard LLC (University Courtyard Apartments)	33,660,000	0.40%
Tetra Pak Inc	69,794,956	0.34%	SCI Gateway at Denton Fund 25 LLC (Gateway at Denton Apartments)	30,718,622	0.36%
Total	$ 820,511,357	3.98%	Total	$ 543,441,068	6.44%

Source: Denton Central Appraisal District

[1]**Total taxable assessed value for tax year 2024 (fiscal year 2025) is $20,639,205,739**

[2]**Total taxable assessed value for tax year 2015 (fiscal year 2016) is $8,463,146,760**

CITY OF DENTON, TEXAS **Table 8**
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied Within the Fiscal Year of the Levy	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Fiscal Year	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2016	58,634,172	58,280,013	99.40%	268,784	2016	58,548,797	99.85%
2017	64,030,255	63,702,954	99.49%	203,321	2017	63,906,275	99.81%
2018	66,830,333	66,493,774	99.50%	202,356	2018	66,696,130	99.80%
2019	70,914,567	70,345,941	99.20%	349,563	2019	70,695,504	99.69%
2020	75,040,101	74,711,122	99.56%	133,684	2020	74,844,806	99.74%
2021	77,955,896	77,539,353	99.47%	45,100	2021	77,584,453	99.52%
2022	79,440,823	79,125,105	99.60%	28,880	2022	79,153,985	99.64%
2023	91,758,521	91,245,193	99.44%	(301,857)	2023	90,943,336	99.11%
2024	106,515,412	106,029,051	99.54%	(561,656)	2024	105,467,395	99.02%
2025	120,022,186	119,191,504	99.30%	-	2025	119,191,504	99.30%

Source: Denton County Tax Assessor

CITY OF DENTON, TEXAS **Table 9**
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Governmental Activities						Business-Type Activities			
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Premiums, Discounts	Right-to-use liability	Lease Liability	Other Obligations	Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Right-to-use liability
2016	109,861,174	34,565,000	9,250,779	-	-	1,373,230	-	141,063,826	416,465,000	-
2017	118,267,663	49,285,000	10,994,176	-	-	498,062	214,890,000	127,677,337	467,620,000	-
2018	127,647,935	81,200,000	12,515,724	-	-	4,171	214,890,000	111,347,065	447,050,000	-
2019	135,507,957	83,560,000	12,749,386	-	-	-	214,890,000	118,682,043	414,890,000	-
2020	150,187,533	99,295,000	17,024,883	-	-	-	207,310,000	121,872,467	396,900,000	-
2021	193,376,855	115,145,000	22,123,885	-	-	-	341,330,000	110,803,145	437,255,000	-
2022	236,288,240	118,055,000	24,952,600	-	-	-	332,955,000	99,701,760	506,945,000	-
2023	258,005,000	134,630,000	28,677,480	5,003,121	247,072	-	320,520,000	111,900,000	573,285,000	2,670,421
2024	328,400,000	193,855,000	38,270,941	3,664,244	173,686	-	339,010,000	124,070,000	689,255,000	4,739,302
2025	353,395,000	209,590,000	38,949,231	6,114,042	95,481	-	330,070,000	132,280,000	839,365,000	3,153,640

(continued on the following page)

Source: Annual Comprehensive Financial Reports

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF DENTON, TEXAS **Table 9**
RATIO OF OUTSTANDING DEBT BY TYPE (concluded)
LAST TEN FISCAL YEARS

	Business-Type Activities				
Fiscal Year	Premiums, Discounts	Other Obligations	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
2016	38,514,641	-	751,093,650	0.02494%	5,994.94
2017	69,029,540	-	1,058,261,778	0.03176%	8,230.50
2018	61,504,481	-	1,056,157,358	0.03044%	7,965.29
2019	56,877,139	-	1,037,156,525	0.02752%	7,574.52
2020	57,094,682	-	1,049,684,565	0.02558%	7,446.90
2021	56,775,507	-	1,276,809,392	0.02930%	8,655.45
2022	57,106,692	-	1,376,004,292	0.02882%	9,288.16
2023	58,873,414	-	1,493,811,508	0.02944%	9,935.10
2024	66,772,551	7,500,000	1,795,710,724	0.02914%	11,557.34
2025	71,821,764		1,984,834,158	0.02973%	12,488.50

(concluded)

Source: Annual Comprehensive Financial Reports

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1]**See Table 13 for personal income and population data.**

CITY OF DENTON, TEXAS **Table 10**
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

	General Bonded Debt Outstanding						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Premiums, Discounts	Less: Amounts Available in Debt Service Fund	Total	Percentage of Taxable Value of Property[1]	Per Capita[2]
2016	250,925,000	34,565,000	47,765,420	4,314,370	328,941,050	3.89%	2,625.48
2017	245,945,000	49,285,000	49,644,634	4,666,797	340,207,837	3.71%	2,645.93
2018	238,995,000	81,200,000	46,011,204	4,773,267	361,432,937	3.47%	2,725.84
2019	254,190,000	83,560,000	43,987,604	4,627,301	377,110,303	3.33%	2,754.10
2020	272,060,000	99,295,000	50,850,724	4,515,678	417,690,046	3.31%	2,963.27
2021	304,180,000	115,145,000	57,917,029	3,416,922	473,825,107	3.53%	3,212.05
2022	335,990,000	118,055,000	63,275,504	735,796	516,584,708	3.59%	3,487.00
2023	369,905,000	134,630,000	70,873,311	-	575,408,311	3.47%	3,826.95
2024	452,470,000	193,855,000	90,375,001	-	736,700,001	3.91%	4,741.46
2025	485,675,000	209,590,000	98,009,466	-	793,274,466	3.84%	4,991.25

Source: Annual Comprehensive Financial Reports

(continued on the following page)

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1]See Table 5 for property value data.

[2]See Table 13 for population data.

[3]In 2010, the City began issuing Certificates of Obligation not only for general government purposes which are repaid by property taxes, but also for utility related projects of the City. The Certificates of Obligation issued for utility purposes are repaid from the specific utility fund as revenue supported for which the debt was issued.

CITY OF DENTON, TEXAS **Table 10**
RATIO OF GENERAL BONDED DEBT OUTSTANDING (concluded)
LAST TEN FISCAL YEARS

	Tax Supported General Bonded Debt Outstanding			
Fiscal Year	Less: Revenue Supported Debt[3]	Net Tax Supported Debt	Percentage of Actual Taxable Value of Property	Per Capita[2]
2016	596,043,467	(267,102,417)	-3.16%	(2,131.91)
2017	633,947,795	(293,739,958)	-3.20%	(2,284.53)
2018	144,842,545	216,590,392	2.08%	1,633.47
2019	149,920,261	227,190,042	2.01%	1,659.21
2020	155,698,308	261,991,738	2.08%	1,858.68
2021	146,596,289	327,228,818	2.44%	2,218.27
2022	138,024,664	378,560,044	2.63%	2,555.32
2023	154,095,831	421,312,480	2.54%	2,802.08
2024	176,174,060	560,525,941	2.97%	3,607.59
2025	191,340,235	601,934,231	2.92%	3,787.35
				(concluded)

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1]See Table 5 for property value data.

[2]See Table 13 for population data.

[3]In 2010, the City began issuing Certificates of Obligation not only for general government purposes which are repaid by property taxes, but also for utility related projects of the City. The Certificates of Obligation issued for utility purposes are repaid from the specific utility fund as revenue supported for which the debt was issued.

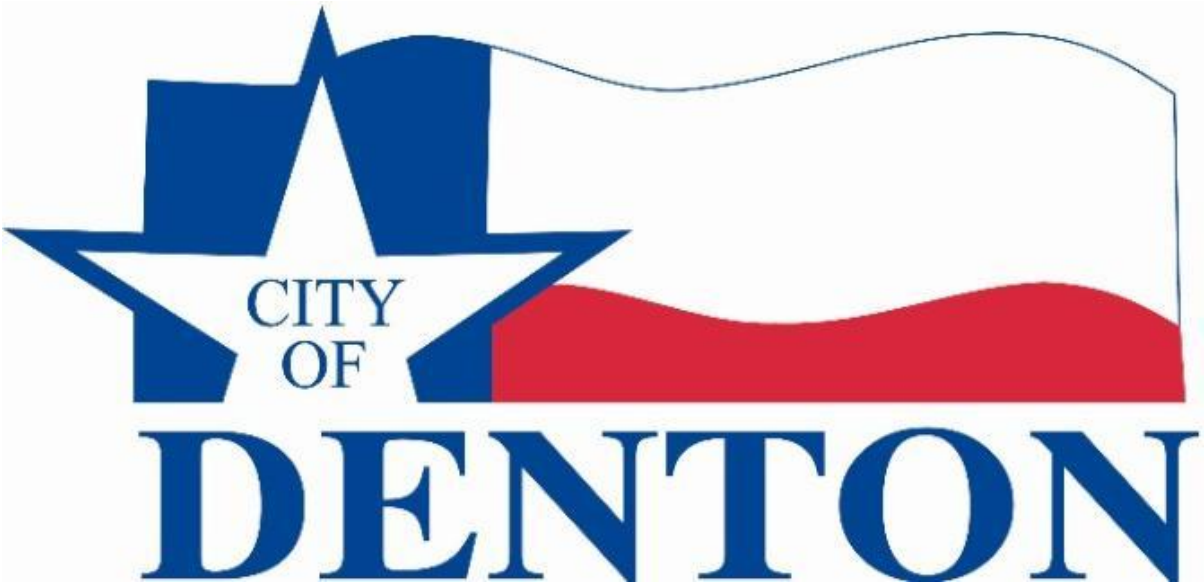
CITY OF DENTON, TEXAS **Table 11**
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Denton Independent School District	$ 2,385,086,731	57.01%	$ 1,359,737,945
Denton County	721,100,000	11.99%	86,459,890
Argyle Independent School District	670,626,909	6.53%	43,791,937
Aubrey Independent School District	409,646,976	0.00%	-
Krum Independent School District	209,024,284	4.85%	10,137,678
Lake Dallas Independent School District	159,000,040	0.00%	-
Pilot Point Independent School District	40,544,657	0.00%	-
Ponder Independent School District	61,103,375	8.85%	5,407,649
Sanger Independent School District	137,445,105	0.32%	439,824
Subtotal, overlapping debt			1,505,974,923
City of Denton, direct debt			608,143,754
Total direct and overlapping debt			$ 2,114,118,677
Ratio of direct and overlapping funded debt to the City's taxable assessed valuation			10.24%
Per capita overlapping funded debt			13,302

Source: Hilltop

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Denton. This process recognizes that, when considering the City of Denton's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

[1]The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City of Denton's boundaries and dividing it by the overlapping government's total taxable assessed value.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CITY OF DENTON, TEXAS **Table 12**
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

	Utility System[1] Revenue Bonds					
Fiscal Year	Operating Revenue	Investment Revenue	Less: Fair Market Value Adjustment to Investment Revenue[2]	Impact Fee Revenue[3]	Less: Operating Expenses Before Depreciation	Add: Franchise Fees and Return on Investment Paid to General Fund[4]
2016	229,086,008	1,772,813	(132,432)	7,286,409	163,392,323	17,027,566
2017	239,310,663	3,150,469	(737,238)	7,409,026	182,455,762	18,215,432
2018	271,387,844	3,599,667	(707,351)	11,867,205	177,438,191	20,089,862
2019	311,420,814	7,852,695	2,174,835	11,945,407	236,743,123	20,527,742
2020	286,680,979	5,338,527	829,978	13,702,962	189,987,335	24,520,095
2021	412,377,440	187,087	(1,341,742)	25,932,237	324,977,625	26,874,761
2022	376,384,805	(657,831)	(3,694,366)	29,917,197	284,659,394	32,247,525
2023	413,929,415	15,594,049	1,415,261	28,375,018	367,025,471	32,044,452
2024	357,994,571	24,162,387	3,467,055	-	298,525,400	29,522,169
2025	348,679,286	20,319,858	(483,861)	-	257,948,688	29,939,273

(continued on the following page)

Source: Annual Comprehensive Financial Reports

[1]The Utility System includes the Electric, Water, and Wastewater funds.

[2]For the coverage calculation, the fair market adjustment to the value of investments is excluded.

[3]Determined to exclude impact fees from gross revenues starting FY2024

[4]For the coverage calculation, franchise fees and return on investment payments to the General Fund are excluded from operating expenses.

[5]Revenue bond covenants required a times coverage of 1.25 or greater through fiscal year 2016. Starting in fiscal year 2017, revenue bond covenants require a times coverage of 1.00 or greater.

[6]Total times coverage provided to assess total bond debt related to the Utility System.

CITY OF DENTON, TEXAS **Table 12**
PLEDGED REVENUE COVERAGE (concluded)
LAST TEN FISCAL YEARS

		Utility System[1] Revenue Bonds						
		Revenue Bond Debt			Certificate of Obligation & General Obligation Bond Debt			
Fiscal Year	Net Available Revenue	Principal	Interest	Times Coverage[5]	Principal	Interest	Times Coverage	Total Times Coverage[6]
2016	91,912,905	10,210,000	2,551,456	7.20	18,800,000	18,258,583	2.48	1.84
2017	86,367,066	-	3,680,389	23.47	25,495,000	21,419,293	1.84	1.71
2018	130,213,738	-	10,685,000	12.19	31,035,000	22,962,237	2.41	2.01
2019	112,828,700	-	10,685,000	10.56	34,805,000	21,067,832	2.02	1.70
2020	139,425,250	7,580,000	10,495,500	7.71	36,710,000	19,938,154	2.46	1.87
2021	141,735,642	7,970,000	10,106,250	7.84	35,170,000	18,529,486	2.64	1.97
2022	156,926,668	8,375,000	12,195,668	7.63	35,105,000	19,372,176	2.88	2.09
2023	121,502,202	12,435,000	12,860,259	4.80	33,488,899	22,746,710	2.16	1.49
2024	109,686,672	12,905,000	12,395,313	4.34	34,285,000	25,589,934	1.83	1.29
2025	141,473,590	29,210,000	13,512,569	3.31	37,390,000	32,957,295	2.01	1.25

(concluded)

Source: Annual Comprehensive Financial Reports

[1]**The Utility System includes the Electric, Water, and Wastewater funds.**

[2]**For the coverage calculation, the fair market adjustment to the value of investments is excluded.**

[3]**Determined to exclude impact fees from gross revenues starting FY2024**

[4]**For the coverage calculation, franchise fees and return on investment payments to the General Fund are excluded from operating expenses.**

[5]**Revenue bond covenants required a times coverage of 1.25 or greater through fiscal year 2016. Starting in fiscal year 2017, revenue bond covenants require a times coverage of 1.00 or greater.**

[6]**Total times coverage provided to assess total bond debt related to the Utility System.**

CITY OF DENTON, TEXAS **Table 13**
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Estimated Population[1]	Personal Income	Per Capita Income[2]	Median Age[2]	Grade School Enrollment[3]	University Enrollment[4]	Unemployment Rate[5]
2016	125,288	3,011,547,656	24,037	28.4	28,658	50,809	3.5%
2017	128,578	3,332,098,870	25,915	28.5	29,433	50,911	3.1%
2018	132,595	3,469,348,175	26,165	29.1	30,219	51,100	3.1%
2019	136,927	3,768,094,113	27,519	29.9	30,973	52,368	2.8%
2020	140,956	4,103,088,204	29,109	29.1	30,319	48,064	6.5%
2021	147,515	4,357,298,070	29,538	29.5	32,068	51,193	5.6%
2022	148,146	4,773,856,704	32,224	29.5	32,632	57,092	3.2%
2023	150,357	5,073,496,251	33,743	31.1	32,973	59,639	4.0%
2024	155,374	6,162,288,214	39,661	32.0	33,335	58,928	3.8%
2025	158,933	6,676,298,531	42,007	32.1	33,266	58,578	4.7%

Sources:

[1]City of Denton Planning and Development Department estimate.

[2]United States Census and Denton Chamber of Commerce

[3]Denton Independent School District

[4]University of North Texas' and Texas Woman's University's Denton campus enrollment

[5]Texas Workforce Commission estimate

CITY OF DENTON, TEXAS **Table 14**
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

2024			2016		
Name of Employer	Employees	Percentage of Total City Employment	Name of Employer	Employees	Percentage of Total City Employment
University of North Texas	8,891	13.77%	University of North Texas	8,738	12.54%
Denton Independent School District	4,331	6.71%	Denton Independent School District	4,417	6.34%
Peterbilt Motors-Headquarters & Plant	2,000	3.10%	Peterbilt Motors-Headquarters & Plant	2,314	3.22%
Denton County (in Denton)	1,822	2.82%	Denton State Supported Living Center	1,700	2.44%
Denton State Supported Living Center	1,146	1.77%	Texas Woman's University	1,672	2.40%
City of Denton	1,104	1.71%	Denton County (in Denton)	1,581	2.27%
Texas Presbyterian Hospital	1,100	1.70%	City of Denton	1,566	2.25%
Texas Woman's University	1,077	1.67%	Federal Emergency Management Agency	1,100	1.58%
Medical City Denton	799	1.24%	Texas Presbyterian Hospital	1,076	1.54%
Safran Electrical & Power	571	0.88%	Denton Regional Medical Center	950	1.36%
Total	22,841	35.37%	Total	25,114	35.94%

Source: Office of Economic Development & Denton Chamber of Commerce

CITY OF DENTON, TEXAS **Table 15**
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function / Program	2016	2017	2018	2019	2020
General government	229.75	224.75	224.25	226.50	216.25
Public safety					
Police	230.23	249.73	253.73	239.73	258.23
Fire	177.25	184.25	191.25	194.25	197.25
Animal services	13.00	14.00	14.00	16.50	20.00
Municipal Court/Judge	19.00	18.00	17.00	15.50	15.75
Public Safety Communication	-	-	-	30.00	33.50
Public works	54.50	61.00	60.00	55.00	56.00
Parks and recreation	148.48	157.73	157.73	163.93	164.63
Electric system	188.00	191.00	199.00	187.00	189.00
Water system	144.50	151.50	149.00	105.50	107.50
Wastewater system	111.25	111.25	110.00	113.50	125.00
Solid waste	124.50	132.50	132.50	122.50	128.00
Airport	7.50	6.50	6.00	6.00	6.00
Materials management	16.00	17.00	18.00	23.00	26.50
Fleet services	24.00	24.00	23.00	26.00	26.00
Technology services	36.00	43.00	44.00	56.75	61.75
Engineering	34.00	35.00	36.00	52.00	51.00
Risk Retention	8.00	9.00	9.00	10.00	10.00
Customer Service	-	-	-	42.50	45.00
Environmental Services	-	-	-	-	-
Facilities Management	-	-	-	-	20.50
Total	1,565.96	1,630.21	1,644.46	1,686.16	1,757.86

(continued on the following page)

Source: City of Denton Budget Office

[1]Public Safety Communication moved out of Police in

CITY OF DENTON, TEXAS **Table 15**
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM (concluded)
LAST TEN FISCAL YEARS

Function / Program	2021	2022	2023	2024	2025
General government	264.12	295.54	252.63	261.88	272.88
Public safety					
Police	265.73	274.23	289.23	291.23	298.23
Fire	199.25	208.25	223.25	235.25	238.25
Animal services	20.00	22.00	22.00	25.00	28.00
Judge[2]	12.75	2.75	2.75	2.75	2.75
Public Safety Communication[1]	41.50	40.50	42.50	42.50	43.50
Public works	55.00	51.00	110.72	53.00	53.00
Parks and recreation[3]	115.92	121.68	122.68	182.90	181.90
Electric system	173.00	173.00	185.00	188.00	189.00
Water system	104.50	112.50	119.50	110.00	117.00
Wastewater system	108.50	107.50	106.50	101.00	102.00
Solid waste	126.00	128.00	135.00	133.00	131.00
Airport	5.00	6.00	7.50	7.50	7.50
Materials management	23.50	24.00	24.00	23.00	23.00
Fleet services	26.00	27.00	31.00	32.00	32.00
Technology services	57.00	61.00	65.00	69.00	73.00
Engineering	45.00	45.00	52.00	55.00	55.00
Risk Retention	8.00	8.00	12.00	13.00	13.00
Customer Service	43.00	52.00	56.50	61.50	65.50
Environmental Services	-	-	-	32.50	33.50
Facilities Management	17.00	16.00	16.00	20.00	22.00
Total	1,710.77	1,775.95	1,875.76	1,940.01	1,982.01

(concluded)

Source: City of Denton Budget Office

[1]**Public Safety Communication moved out of Police in fiscal year 2019 into its own department.**

[2]**Municipal Court moved into Finance in 2021.**

[3]**Parks Leisure Services moved from Public Works to Parks and recreation in 2024.**

CITY OF DENTON, TEXAS **Table 16**
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year				
Function / Program	**2016**	**2017**	**2018**	**2019**	**2020**
Public Safety					
Police					
Calls for service	86,399	87,122	81,672	87,847	90,583
Traffic citations issued	20,207	22,323	20,251	22,747	10,896 [2]
Fire					
Fire calls for service	4,511	4,651	4,978	3,502	4,421
EMS calls for service	8,943	9,687	9,876	9,130	12,091
Inspections (Businesses)	4,361	3,988	4,142	3,537	2,982
Animal Services					
Animals sheltered	5,032	4,944	4,924	5,027	4,059
Animals adopted, transferred, or returned	4,468	4,203	4,236	4,065	3,671
Public Works					
Street repaving (lane miles)	25.69	28.36	32.01	16.89	11.66
Pot holes repaired	15,254	16,972	6,228	6,658	4,837
Cutouts base failures (square feet)	152,002	95,601	328,022	72,819	160,661 [1]
Crack seal maintenance (linear feet)	37,828	119,611	438,240	47,908	- [1]
Parks and Recreation					
Attendance					
Leisure Services	1,007,102	1,082,246	1,166,987	1,000,918	421,364 [2]
Water Park	224,893	232,527	210,171	218,326	- [2]
Total Acres Maintained	2,511	2,206	2,245	1,990	2,081
Water					
Number of customers	34,198	34,714	35,945	36,876	38,082
Annual finished water production (in thousand gallons)	6,301,333	6,368,582	7,141,131	6,706,951	7,178,384
Wastewater					
Number of customers	32,077	32,618	33,987	34,873	35,922
Annual wastewater discharge (in thousand gallons)	6,111,680	5,175,571	4,548,900	5,335,150	5,237,560
Solid Waste					
Monthly average number of customers (residential and commercial)	39,806	41,219	42,499	43,256	44,736
MSW Landfilled (tons)	251,305	268,000	276,537	310,487	401,563
Recycling collections (tons)	113,743	117,155	105,493	48,025	35,680

(continued on the following page)

Source: Various city departments

CITY OF DENTON, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM (concluded)
LAST TEN FISCAL YEARS

Table 16

	Fiscal Year				
Function / Program	2021	2022	2023	2024	2025
Public Safety					
Police					
Calls for service	115,209	129,202	128,987	135,892	128,547
Traffic citations issued	7,067	9,441	11,014	14,562	16,336
Fire					
Fire calls for service	5,079	7,307	8,457	7,745	8,189
EMS calls for service	15,001	13,127	13,566	14,917	15,962
Inspections (Businesses)	2,889	3,305	5,277	5,172	4,355
Animal Services					
Animals sheltered	4,431	4,605	4,605	5,485	4,269
Animals adopted, transferred, or returned	3,842	3,056	3,056	4,456	3,770
Public Works					
Street repaving (lane miles)	12.91	9.42	4.26	14.69	6.54
Pot holes repaired	6,803	3,404	3,447	814	1,836
Cutouts base failures (square feet)	202,879	75,745	44,030	83,014	215,634
Crack seal maintenance (linear feet)	134,573	64,680	79,200	164,493 [3]	217,104
Parks and Recreation					
Attendance					
Leisure Services	213,843	721,552	767,427	898,929	914,352
Water Park	71,749	74,245	77,759	110,364	96,297
Total Acres Maintained	5,810	6,826	7,219	7,627	7,641
Water					
Number of customers	39,118	39,494	42,038	44,913	45,579
Annual finished water production (in thousand gallons)	6,887,601	8,140,324	8,726,106	8,518,458 [4]	8,453,257
Wastewater					
Number of customers	36,589	36,562	39,103	41,354	44,043
Annual wastewater discharge (in thousand gallons)	5,261,440	4,821,020	5,203,010	5,309,677	5,620,000
Solid Waste					
Monthly average number of customers (residential and commercial)	46,103	50,683	43,584	42,426	44,038
MSW Landfilled (tons)	437,100	458,395	345,462	341,196	404,248
Recycling collections (tons)	38,827	37,208	38,352	38,683	46,047

(concluded)

Source: Various city departments

[1] The City did less route and seal of the concrete pavement and more clean and seal of asphalt pavement during the year. The drop in # of cutouts and crack seal maintenance was due to resources being allocated to other projects and programs.

[2] These numbers were impacted from the COVID19 pandemic. The Water Park did not open during this year.

[3] The City started only sending a crew out once a week to work on potholes as opposed to have a dedicated crew to potholes.

[4] Implemented an irrigation schedule in FY23-24.

CITY OF DENTON, TEXAS **Table 17**
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function / Program	2016	2017	2018	2019	2020
Public safety					
Police					
Police stations	1	1	1	1	1
Police patrol units	141	147	155	168	169
Fire					
Fire stations	7	7	7	7	7
Emergency vehicles	36	36	37	37	34
Animal services					
Animals shelters	1	1	1	1	1
Public works					
Lane miles added per year	8.11	22.45	22.64	85.60	23.49
Streetlights	7,233	7,414	7,771	7,889	8,199
Parks and recreation					
Parks	34	34	34	34	38
Parks and open spaces acreage	2,284	2,284	2,245	4,033	3,906
Recreation centers	12	12	12	12	12
Water					
Water mains (miles)	618	626	631	631	642
Raw water (in thousand gallons)	6,182,450	6,232,032	6,946,073	6,473,664	6,760,814
Wastewater					
Wastewater mains (miles)	521	526	533	533	528
Maximum daily capacity (in million gallons)	25	25	25	25	25
Solid waste					
Landfills	1	1	1	1	1

(continued on the following page)

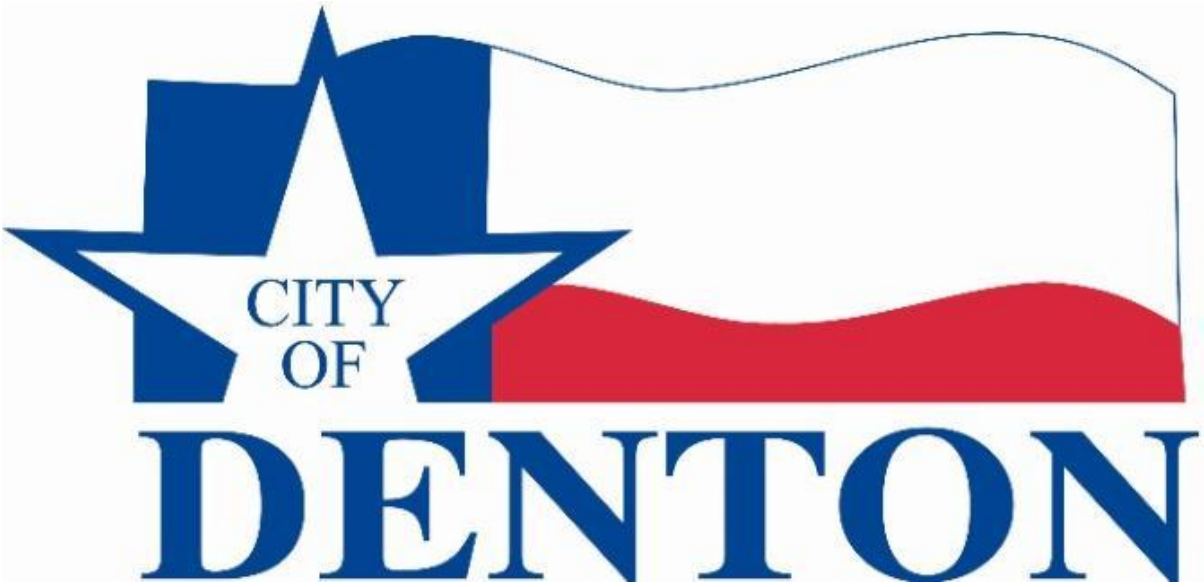
Source: Various city departments

CITY OF DENTON, TEXAS **Table 17**
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (concluded)
LAST TEN FISCAL YEARS

Function / Program	2021	2022	2023	2024	2025
Public safety					
Police					
Police stations	1	1	1	1	2
Police patrol units	181	250	284	260	255
Fire					
Fire stations	8	8	8	9	9
Emergency vehicles	42	105	119	101	105
Animal services					
Animals shelters	1	1	1	1	1
Public works					
Lane miles added per year	42.65	39.24	8.99	5.61	19.41
Streetlights	9,051	8,036	8,036	9,776	10,044
Parks and recreation					
Parks	38	38	41	43	44
Parks and open spaces acreage	5,025	5,895	5613	5820	5653
Recreation centers	12	12	12	13	13
Water					
Water mains (miles)	676	665	699	699	703
Raw water (in thousand gallons)	6,790,254	7,988,110	8,726,000	8,518,000	8,503,000
Wastewater					
Wastewater mains (miles)	544	568	561	596	590
Maximum daily capacity (in million gallons)	25	25	21	21	26
Solid waste					
Landfills	1	1	1	1	1

(concluded)

Source: Various city departments


CITY
OF
DENTON

CITY OF DENTON, TEXAS **Exhibit XXX**
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES:				
Personnel Services	$ 3,312,130	$ 3,299,010	$ 3,324,166	$ (25,156)
Materials and Supplies	46,978	44,605	16,473	28,132
Maintenance and Repairs	-	-	-	-
Insurance	29,233	29,233	21,203	8,030
Miscellaneous	215,775	218,148	167,350	50,798
Operations, Services	430,571	429,116	350,845	78,271
Transfers - Interfund	186,244	218,744	212,711	6,033
Fixed Assets	32,500	-	-	-
City Manager's Office	4,253,431	4,238,856	4,092,748	146,108
Personnel Services	600,044	600,044	588,968	11,076
Materials and Supplies	600	600	741	(141)
Maintenance and Repairs	-	-	-	-
Insurance	38,126	38,126	27,653	10,473
Miscellaneous	1,000	1,000	1,188	(188)
Operations, Services	64,062	64,062	22,230	41,832
Transfers - Interfund	41,200	41,200	39,866	1,334
Fixed Assets	-	-	-	-
Cable Television	745,032	745,032	680,646	64,386
Personnel Services	629,016	629,016	549,675	79,341
Materials and Supplies	500	500	214	286
Maintenance and Repairs	-	-	-	-
Insurance	8,310	8,310	6,027	2,283
Miscellaneous	-	-	1,000	(1,000)
Operations, Services	156,745	156,745	125,608	31,137
Transfers - Interfund	50,223	50,223	48,597	1,626
Fixed Assets	-	-	-	-
Internal Audit	844,794	844,794	731,121	113,673
Personnel Services	1,094,752	1,094,752	1,091,843	2,909
Materials and Supplies	250,245	250,245	18,631	231,614
Maintenance and Repairs	-	-	-	-
Insurance	13,617	13,617	9,876	3,741
Miscellaneous	-	-	1,500	(1,500)
Operations, Services	559,098	559,098	283,858	275,240
Transfers - Interfund	130,166	130,166	125,951	4,215
Fixed Assets	-	-	-	-
Public Communications	2,047,878	2,047,878	1,531,659	516,219
Personnel Services	3,074,471	3,074,471	2,809,910	264,561
Materials and Supplies	25,000	27,500	16,832	10,668
Maintenance and Repairs	500	500	-	500
Insurance	57,673	57,673	41,831	15,842
Miscellaneous	52,500	52,500	49,876	2,624
Operations, Services	862,207	862,207	573,170	289,037
Transfers - Interfund	398,323	398,323	382,933	15,390
Fixed Assets	2,500	-	-	-
Human Resources	4,473,174	4,473,174	3,874,552	598,622
Personnel Services	3,545,577	3,545,577	3,218,919	326,658
Materials and Supplies	131,530	131,530	96,267	35,263
Maintenance and Repairs	-	-	-	-
Insurance	31,701	31,701	22,993	8,708
Miscellaneous	-	-	-	-
Operations, Services	199,655	199,655	65,637	134,018
Transfers - Interfund	157,713	157,713	152,606	5,107
Fixed Assets	-	-	-	-
Legal Administration	4,066,176	4,066,176	3,556,422	509,754

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XXX**
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES:				
Personnel Services	534,740	534,740	589,034	(54,294)
Materials and Supplies	32,176	32,176	760	31,416
Maintenance and Repairs	-	-	-	-
Insurance	5,148	5,148	3,734	1,414
Miscellaneous	-	-	-	-
Operations, Services	52,935	52,935	41,617	11,318
Transfers - Interfund	75,656	75,656	73,206	2,450
Fixed Assets	-	-	-	-
Municipal Judge	700,655	700,655	708,351	(7,696)
Personnel Services	3,206,125	3,206,125	3,208,484	(2,359)
Materials and Supplies	25,228	33,228	18,195	15,033
Maintenance and Repairs	-	-	-	-
Insurance	48,368	48,368	35,082	13,286
Miscellaneous	43,181	43,181	1,275	41,906
Operations, Services	202,824	145,324	119,475	25,849
Transfers - Interfund	286,556	336,056	340,211	(4,155)
Fixed Assets	-	-	-	-
Planning	3,812,282	3,812,282	3,722,722	89,560
Personnel Services	3,900,515	3,900,515	3,763,237	137,278
Materials and Supplies	51,162	51,162	15,023	36,139
Maintenance and Repairs	-	-	-	-
Insurance	65,102	65,102	47,219	17,883
Miscellaneous	-	-	-	-
Operations, Services	242,962	242,962	207,847	35,115
Transfers - Interfund	214,890	214,890	207,931	6,959
Fixed Assets	-	-	-	-
Building Inspections	4,474,631	4,474,631	4,241,257	233,374
Personnel Services	-	-	-	-
Materials and Supplies	-	-	-	-
Maintenance and Repairs	-	-	-	-
Insurance	-	-	-	-
Miscellaneous	-	-	-	-
Operations, Services	-	-	-	-
Transfers - Interfund	-	-	-	-
Fixed Assets	-	-	-	-
Gas Well Review	-	-	-	-
Personnel Services	802,518	802,518	729,680	72,838
Materials and Supplies	18,345	17,995	11,404	6,591
Maintenance and Repairs	-	-	-	-
Insurance	85,399	85,399	61,940	23,459
Miscellaneous	280	630	305	325
Operations, Services	158,873	158,873	105,251	53,622
Transfers - Interfund	-	-	-	-
Fixed Assets	-	-	-	-
Community Improvement	1,065,415	1,065,415	908,580	156,835

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XXX**
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES:				
Personnel Services	1,292,381	1,292,381	1,146,848	145,533
Materials and Supplies	43,000	43,000	23,336	19,664
Maintenance and Repairs	-	-	-	-
Insurance	24,009	24,009	17,414	6,595
Miscellaneous	800	800	245	555
Operations, Services	43,850	43,850	27,810	16,040
Transfers - Interfund	267,506	267,506	258,844	8,662
Fixed Assets	-	-	-	-
Municipal Court	1,671,546	1,671,546	1,474,497	197,049
Personnel Services	5,179,407	5,179,407	4,744,229	435,178
Materials and Supplies	47,541	40,041	20,842	19,199
Maintenance and Repairs	1,800	1,800	1,195	605
Insurance	61,019	61,019	44,257	16,762
Miscellaneous	1,630	1,630	1,010	620
Operations, Services	262,032	269,532	170,379	99,153
Transfers - Interfund	1,008,282	1,008,282	975,632	32,650
Fixed Assets	-	-	-	-
Finance	6,561,711	6,561,711	5,957,544	604,167
Personnel Services	843,385	843,385	849,787	(6,402)
Materials and Supplies	12,300	12,300	5,281	7,019
Maintenance and Repairs	-	-	-	-
Insurance	10,716	10,716	7,773	2,943
Miscellaneous	30,600	30,600	30,009	591
Operations, Services	5,088,227	5,088,227	4,909,629	178,598
Transfers - Interfund	67,790	67,790	65,595	2,195
Fixed Assets	-	-	-	-
Economic Development	6,053,018	6,053,018	5,868,074	184,944
Personnel Services	15,325,619	15,325,619	15,268,138	57,481
Materials and Supplies	1,770,385	1,757,713	1,437,520	320,193
Maintenance and Repairs	986,387	986,387	855,317	131,070
Insurance	512,962	512,962	372,055	140,907
Miscellaneous	413,134	413,134	250,909	162,225
Operations, Services	5,656,866	5,594,266	5,771,523	(177,257)
Transfers - Interfund	2,645,487	2,720,759	2,718,323	2,436
Fixed Assets	9,916	9,916	-	9,916
Parks & Recreation	27,320,756	27,320,756	26,673,785	646,971
Personnel Services	1,496,078	1,496,078	1,542,449	(46,371)
Materials and Supplies	-	-	27	(27)
Maintenance and Repairs	8,000	8,000	10,054	(2,054)
Insurance	18,600	18,600	13,491	5,109
Miscellaneous	1,290	1,290	1,824	(534)
Operations, Services	112,000	112,000	110,743	1,257
Transfers - Interfund	72,613	72,613	70,262	2,351
Fixed Assets	-	-	-	-
Development Review	1,708,581	1,708,581	1,748,850	(40,269)
Personnel Services	5,150,254	5,150,254	4,989,713	160,541
Materials and Supplies	134,027	129,492	119,704	9,788
Maintenance and Repairs	62,287	67,287	61,171	6,116
Insurance	168,640	168,640	122,315	46,325
Miscellaneous	-	-	-	-
Operations, Services	681,119	678,250	661,928	16,322
Transfers - Interfund	763,185	763,185	725,843	37,342
Fixed Assets	484,567	486,971	477,031	9,940
Library	7,444,079	7,444,079	7,157,705	286,374

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XXX**
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

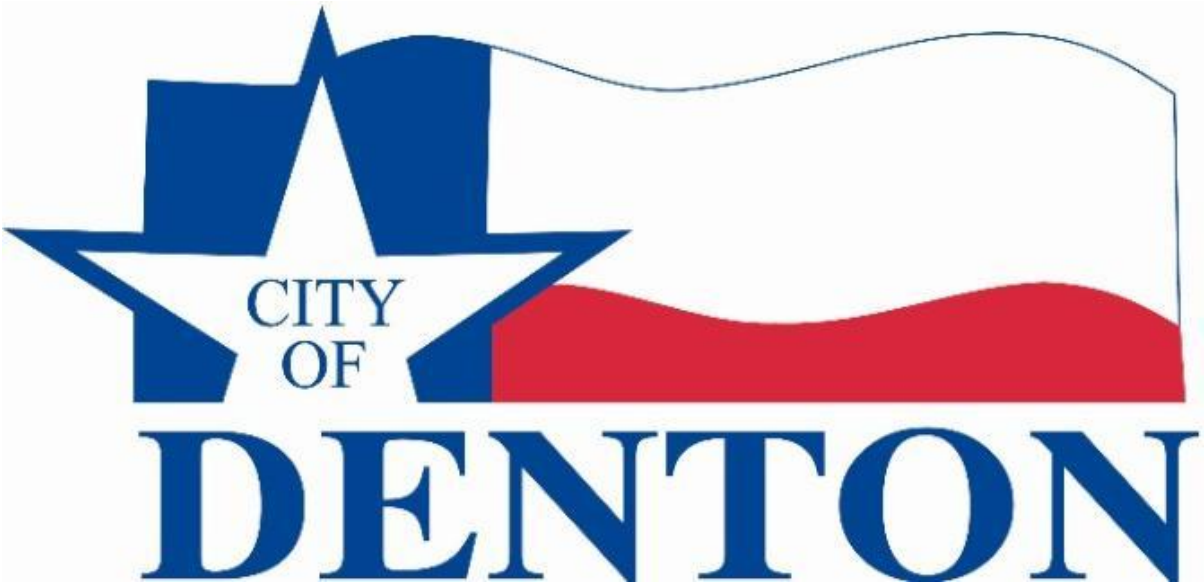
	Budgeted Amounts		Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES:				
Personnel Services	1,167,525	1,180,644	1,218,378	(37,734)
Materials and Supplies	27,275	27,275	9,363	17,912
Maintenance and Repairs	1,014,300	1,014,300	901,308	112,992
Insurance	45,210	45,210	32,791	12,419
Miscellaneous	2,400	2,400	339	2,061
Operations, Services	126,071	126,071	136,140	(10,069)
Transfers - Interfund	708,757	708,757	492,282	216,475
Fixed Assets	-	-	-	-
Traffic Operations	3,091,538	3,104,657	2,790,601	314,056
Operations, Services	950,000	950,000	1,008,703	(58,703)
Street Lighting	950,000	950,000	1,008,703	(58,703)
Personnel Services	48,689,318	48,689,318	47,665,196	1,024,122
Materials and Supplies	947,392	1,031,640	851,857	179,783
Maintenance and Repairs	21,150	21,150	6,894	14,256
Insurance	1,889,060	1,889,060	1,370,408	518,652
Miscellaneous	564,903	484,903	258,770	226,133
Operations, Services	2,209,223	2,220,626	2,016,796	203,830
Transfers - Interfund	4,950,570	4,950,570	4,790,260	160,310
Fixed Assets	83,000	67,350	-	67,350
Police	59,354,616	59,354,617	56,960,181	2,394,436
Personnel Services	2,858,053	2,858,053	2,542,651	315,402
Materials and Supplies	457,960	451,515	466,527	(15,012)
Maintenance and Repairs	30,000	24,208	26,820	(2,612)
Insurance	81,363	81,363	59,013	22,350
Miscellaneous	2,000	2,000	1,733	267
Operations, Services	776,452	786,538	1,091,305	(304,767)
Transfers - Interfund	250,678	250,843	242,725	8,118
Fixed Assets	-	1,986	-	1,986
Animal Services	4,456,506	4,456,506	4,430,774	25,732
Personnel Services	38,168,121	38,168,121	40,644,581	(2,476,460)
Materials and Supplies	1,111,866	1,102,546	1,074,009	28,537
Maintenance and Repairs	209,162	218,482	216,757	1,725
Insurance	1,197,671	1,197,671	868,674	328,997
Miscellaneous	94,330	94,330	83,210	11,120
Operations, Services	2,324,260	2,324,260	2,875,087	(550,827)
Transfers - Interfund	1,849,677	1,849,677	1,789,781	59,896
Fixed Assets	74,000	74,000	13,320	60,680
Fire	45,029,087	45,029,087	47,565,419	(2,536,332)

(continued on the following page)

CITY OF DENTON, TEXAS **Exhibit XXX**
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (concluded)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual on a Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES:				
Personnel Services	1,130,487	1,130,487	1,006,588	123,899
Materials and Supplies	11,335	11,335	2,893	8,442
Maintenance and Repairs	-	-	-	-
Insurance	18,572	18,572	13,470	5,102
Miscellaneous	2,135,706	2,135,706	1,847,996	287,710
Operations, Services	61,362	61,362	34,571	26,791
Transfers - Interfund	120,937	120,937	117,021	3,916
Fixed Assets	-	-	-	-
Agency Contributions	3,478,399	3,478,399	3,022,539	455,860
Personnel Services	(1,987,504)	(1,987,504)	56,305	(2,043,809)
Materials and Supplies	36,666	36,666	-	36,666
Maintenance and Repairs	-	-	-	-
Insurance	111,267	111,267	80,702	30,565
Miscellaneous	192,400	185,336	204,029	(18,693)
Operations, Services	2,022,377	2,030,896	2,337,637	(306,741)
Transfers - Interfund	10,259,009	13,582,641	9,281,848	4,300,793
Fixed Assets	18,000	18,000	-	18,000
Administrative Cost	3,323,632	-	-	-
Miscellaneous/Finance	13,975,847	13,977,302	11,960,521	2,016,781
Personnel Services	140,013,012	140,013,011	141,548,779	(1,535,768)
Materials and Supplies	5,181,511	5,233,064	4,205,899	1,027,165
Maintenance and Repairs	2,333,586	2,342,114	2,079,516	262,598
Insurance	4,521,766	4,521,766	3,279,921	1,241,845
Miscellaneous	3,751,929	3,667,588	2,902,568	765,020
Operations, Services	23,243,771	23,156,855	23,047,789	109,066
Transfers - Interfund	24,505,462	27,986,531	23,112,428	4,874,103
Fixed Assets	704,483	658,223	490,351	167,872
Administrative Cost	3,323,632	-	-	-
TOTAL GENERAL FUND	$ 207,579,152.00	$ 207,579,152.00	$ 200,667,251.00	$ 6,911,901.00

(concluded)


CITY
OF
DENTON

Published 03/2026
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City of Denton, Texas

Federal and State Single Audit Reports
Year Ended September 30, 2025

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C O N T E N T S

Page

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 1

Independent Auditor's Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas Grant Management Standards 3

Schedule of Expenditures of Federal and State Awards 6

Notes to Schedule of Expenditures of Federal and State Awards 9

Schedule of Findings and Questioned Costs 10

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Mayor and
Members of the City Council
of the City of Denton, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Denton, Texas, (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 17, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented. or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Honorable Mayor and
Members of the City Council
of the City of Denton, Texas

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
March 17, 2026

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

Independent Auditor's Report on Compliance for Each Major Federal and State Program, Report on Internal Control over Compliance, and Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State of Texas Grant Management Standards

The Honorable Mayor and
Members of the City Council
of the City of Denton, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited City of Denton, Texas (the City)'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and Texas Grant Management Standards (TxGMS) issued by the Texas Comptroller of Public Accounts Statewide Procurement Division that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2025. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and Texas Grant Management Standards (TxGMS). Our responsibilities under those standards, the Uniform Guidance, and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and
Members of the City Council
of the City of Denton, Texas

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and TxGMS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 17, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and TxGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
March 17, 2026

City of Denton, Texas

Schedule of Expenditures of Federal and State Awards

For the Year Ended September 30, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	GRANT I.D.NUMBER	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development				
Direct Awards:				
Community Development Block Grant	14.218	B-19-MC-48-0036	$ 67,416	$ -
Community Development Block Grant	14.218	B-21-MC-48-0036	119,564	107,116
Community Development Block Grant	14.218	B-23-MC-48-0036	58,259	-
Community Development Block Grant	14.218	B-24-MC-48-0036	848,739	118,496
COVID-19 - Community Development Block Grant CARES	14.218	B-20-MC-48-0036	10,453	-
Subtotal - CDBG - Entitlement Grants Cluster			1,104,431	225,612
Home Investment Partnerships Program	14.239	M-20-MC-48-0223	120,634	-
Home Investment Partnerships Program	14.239	M-21-MC-48-0223	64,532	-
Home Investment Partnerships Program	14.239	M-24-MC-48-0223	47,199	
ARP Home Investment Partnerships Program	14.239	M-21-MP-48-0223	814,150	814,150
Subtotal - Assistance Listing # 14.239			1,046,515	814,150
Total U.S. Department of Housing and Urban Development			2,150,946	1,039,762
U.S. Department of Justice				
Direct Awards:				
U.S. Marshals Violent Offenders Task Force	16.000	VOTF	11,167	-
North Texas Organized Crime Task Force	16.000	NTOCTF	19,331	-
Subtotal - Assistance Listing # 16.000			30,498	-
BJA Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02269-JAGX	21,796	21,796
BJA Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-23-GG-03829-JAGX	9,075	5,481
Subtotal - Assistance Listing # 16.738			30,871	27,277
Equitable Sharing Program	16.922	TX0610200	232,917	-
The Patrick Leahy Bulletproof Vest Program	16.607	2023BOBX23036853	4,196	-
Passed through Denton County Friend of the Family				
Improving Criminal Justice Responses	16.590	15JOVW-21-GG-02041-ICJR	35,254	-
Total U.S. Department of Justice			333,736	27,277
U.S. Department of Transportation				
Passed through Texas Department of Transportation:				
Green Ribbon Landscaping Improvements Program	20.205	2681-01-026	38,558	-
Green Ribbon HW 377 Landscaping Enhancement	20.205	0081-04-045	357,469	-
School Connection Sidewalks	20.205	0918-46-267	64,129	-
Safe Routes to School-Ginnings Elementary School & Lee Elementary School	20.205	0918-46-305	129,937	-
Bonnie Brae From Windsor Drive to US 77	20.205	0918-46-319	3,405,949	-
Subtotal - Assistance Listing # 20.205			3,996,042	-
National Priority Safety Programs	20.616	2025-DentonPD-PG-00002	90,601	-
National Priority Safety Programs	20.616	2025-DentonPD-IDM-00011	26,147	-
Subtotal - Highway Safety Cluster			116,748	-
Total U.S. Department of Transportation			4,112,790	-
U.S. Department of Treasury				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	5,216,739	365,405
Total U.S. Department of Treasury			5,216,739	365,405

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

City of Denton, Texas

Schedule of Expenditures of Federal and State Awards - Continued

For the Year Ended September 30, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	GRANT I.D.NUMBER	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
Institute of Museum and Library Services				
Passed through Texas State Library and Archives Commision (TSLAC):				
Interlibrary Loan Program	45.310	LS-253655-OLS-23	6,960	-
Special Projects 75 2025	45.310	LS-256843-OLS-24	74,597	-
Total Institute of Museum and Library Services			81,557	-
U.S. Department of Homeland Security				
Direct Awards:				
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2020-FF-00715	49,350	-
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2021-FF-01282	1,676,153	-
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2022-FF-01860	815,234	-
Subtotal - Assistance Listing # 97.083			2,540,737	-
Passed through Texas A&M Engineering Extension Office:				
National Urban Search & Rescue Response System	97.025	47-100-769	71,178	-
Passed through Texas Division of Emergency Management (TDEM):				
Disaster Grants-Public Assistance-Summer Fire Weather 2024	97.036	N/A	117	-
Disaster Grants-Public Assistance-Wildfire Season 2025 ST125	97.036	N/A	94,339	-
Disaster Grants-Public Assistance-Wildfire Season 2025 ST128	97.036	N/A	17,013	-
Disaster Grants-Public Assistance-Crabapple FMAG	97.036	N/A	5,451	-
Subtotal - Assistance Listing # 97.036			116,920	-
Passed through Office of the Governor - Homeland Security Grants Division:				
UASI-SWAT Helmets & Communication Devices	97.067	EMW-2023-SS-00025	1,357	-
2024 UASI-HAZMAT	97.067	EMW-2024-SS-05096	98,642	-
2024 UASI-SWAT	97.067	EMW-2024-SS-05096	31,309	-
Subtotal - Assistance Listing # 97.067			131,308	-
Total U.S. Department of Homeland Security			2,860,143	-
U.S. Department of the Interior				
Passed through Texas Parks and Wildlife Department				
Villages of Carmel Park Property	15.916	48-01241	83,900	-
Total U.S. Department of the Interior			83,900	-
Federal Aviation Administration				
Passed through Texas Department of Transportation Aviation Division:				
COVID-19 Airport Coronavirus Relief Grant	20.106	21TWDENTN	34,162	-
Airport Master Plan	20.106	24MPDNTON	553,420	-
Total Federal Aviation Administration			587,582	-
U.S. Department of Agriculture				
Passed through Texas A&M Forest Service				
Community Forestry Program	10.664	CO-24-172	20,000	-
Total U.S. Department of Agriculture			20,000	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 15,447,393	$ 1,432,444

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

City of Denton, Texas

Schedule of Expenditures of Federal and State Awards – Continued

For the Year Ended September 30, 2025

STATE GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	GRANT I.D. NUMBER	EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
STATE AWARDS			
Office of the Texas Attorney General			
Chapter 59 Asset Forfeiture Award	N/A	$ 266,538	$ -
Total Office of the Texas Attorney General		266,538	-
Texas Department of Transportation			
Airport Maintenance Grant	M2418DNTO	99,359	-
RTR-Bonnie Brae Road - From IH35 East to US 377	0918-46-245	7,159,997	-
RTR-Hickory Creek Road Project	0918-46-290	681	-
RTR-Hickory Creek FM 1830 to Riverpass Drive	0918-46-332	177,249	-
Total Regional Toll Revenue (RTR) Transportation Projects		7,337,927	-
Total Texas Department of Transportation		7,437,286	-
Texas Intrastate Fire Mutual Aid System			
Training Tuition Grant	N/A	1,635	-
Total Texas Intrastate Fire Mutual Aid System		1,635	-
Texas Commission on Environmental Quality			
Passed through North Central Texas Council of Governments:			
Solid Waste Implementation Grant	22-04-02	65,027	-
Solid Waste Implementation Grant	22-04-03	79,000	-
Solid Waste Implementation Grant	582-24-50093	47	-
Total Texas Commission on Environmental Quality		144,074	-
Texas Comptroller of Public Accounts			
Police-Law Enforcement Officer Standards & Education	N/A	3,180	-
Total Texas Comptroller of Public Accounts		3,180	-
Texas Commission on the Arts			
High Quality Arts Programming - TCA Halloween Grant	N/A	44,686	-
Total Texas Commission on the Arts		44,686	-
Texas State Library and Archives Commission (TSLAC)			
Interlibrary Loan Program	904223	8,550	-
Total Texas State Library and Archives Commission		8,550	-
TOTAL EXPENDITURES OF STATE AWARDS		$ 7,905,949	$ -
TOTAL EXPENDITURES OF FEDERAL AND STATE AWARDS		$ 23,353,342	$ 1,432,444

The Notes to the Schedule of Expenditures of Federal and State Awards are an integral part of this schedule.

City of Denton, Texas

Notes to Schedule of Expenditures of Federal and State Awards

Note 1. General

The accompanying Schedule of Expenditures of Federal and State Awards presents the activity of all applicable federal and state awards of City of Denton, Texas (the City). The City's reporting entity is defined in Note 1 to the City's basic financial statements. Federal and state awards received directly from federal and state agencies as well as federal awards passed through other government agencies are included on the schedule of expenditures of federal and state awards (the schedule). The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Texas Grant Management Standards (TxGMS). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. Basis of Accounting

The accompanying schedule is presented using the modified accrual basis of accounting. The modified accrual basis of accounting is described in Note 1 to the City's basic financial statements.

Note 3. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedule may not agree with amounts reported in the related federal and state financial reports with grantor agencies because of accruals which would be included in the next report filed with the agencies.

Note 4. Indirect Costs

The City has elected not to use the 15% de minimis indirect cost rate allowed under Uniform Guidance.

City of Denton, Texas

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2025

Section I - Summary of Auditor's Results

Basic Financial Statements:

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that is (are) not considered to be material weakness(es)? ____ Yes __X__ None reported

Noncompliance which is material to the basic financial statements noted? ____Yes __X__ No

Federal and State Awards:

Internal control over major programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that is (are) (are) not considered to be material weakness(es)? ____ Yes __X__ None reported

An unmodified opinion was issued on compliance for each major program.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or State of Texas Grant Management Standards? ____ Yes __X__ No

Identification of major programs:

Assistance Listing Number/Grant Identification Number	Name of Federal or State Program
Major Federal Programs:	
14.239	Home Investment Partnerships Program
20.205	Highway Planning and Construction
Major State Program:	Regional Toll Revenue (RTR) Transportation Projects

Dollar threshold used to distinguish Between type A and type B programs: $1,000,000 for federal and state programs

Auditee qualified as low-risk for federal single audit? __X__ Yes ____ No

City of Denton, Texas

Schedule of Findings and Questioned Costs - Continued
For the Year Ended September 30, 2025

Section II - Financial Statement Findings

None

Section III - Federal and State Awards Findings and Questioned Costs

None

Section IV – Schedule of Prior Year Findings and Questioned Costs

None

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

March 17, 2026

To the Honorable Mayor
and the City Council
of the City of Denton, Texas

We have audited the financial statements of the City of Denton, Texas (the "City") as of and for the year ended September 30, 2025, and have issued our report thereon dated March 17, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 30, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks during the performance of our risk assessment procedures:

- Management override of internal controls
  - Note: This is a presumed risk on all audit engagements
- Risk of improper revenue recognition
  - Charges for services (utilities)
  - Grants (federal and state)

No audit findings were noted from the results of our work performed.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies
Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by City is included in Note I to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended September 30, 2025 that had a material effect. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures
Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of the allowance for doubtful accounts, useful lives of depreciable assets, net pension liability, landfill closure/postclosure liability, other post-employment benefits (OPEB) liability, and incurred but not reported (IBNR) liabilities for workers compensation claims, general liability claims, and health insurance claims.

The fair value of derivative instruments is provided by a third-party derivative consultant. The net pension and OPEB liabilities are based on actuarial calculations provided by TMRS.

The estimate for the closure/postclosure landfill liability is based on calculations provided by City staff based on initial estimates determined by independent third parties.

IBNR liabilities are based on calculations performed by independent third parties. Allowances for doubtful accounts are calculated based on historical collection rates.

Useful lives of depreciable assets are determined by management and compared to other comparable assets held by the City and other similar entities.

We have evaluated the key factors and assumptions used to development these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures
Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the City's financial statements related to the pension and OPEB plans.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no material corrected or uncorrected financial statement misstatements to report.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested and received certain written representations from management on March 17, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as City's auditors.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or non-financial, included in the City's ACFR, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we have:

- Applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.
- Applied certain audit procedures to the combining individual and nonmajor fund financial statements and schedules in accordance with auditing standards generally accepted in the United States of America, which consisted of procedures applied in the audit of the basic financial statements or to the basic financial statements themselves, and other additional procedures.
- Read the introductory and statistical sections and considered whether such information, or the manner of their presentation, were materially inconsistent with their presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.
Dallas, Texas

weaver
Assurance • Tax • Advisory

External Audit Results

Communications with City Council

For the Year Ended September 30, 2025

ID 25-2325 – March 24, 2026

Weaver Team

City of Denton Engagement Team

Sara Dempsey, CPA
Engagement Partner

Bryant Sanchez, CPA
Engagement
Senior Manager

Jacqueline Diaz
Engagement
Supervisor

Senior Associates and Other Supporting Staff Members

Quality Control/Technical Review

Claire Wootton, CPA
Technical Review
Director

Subject Matter Advisors

David Friedenberg, CISA
Information Technology
Senior Manager

Elisa Gilbertson, CPA
Data Analytics
Senior Manager

Government Experience

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200+
PROFESSIONALS WITH SIGNIFICANT GOVERNMENT EXPERIENCE

300+
CLIENTS SERVED

OFFERINGS

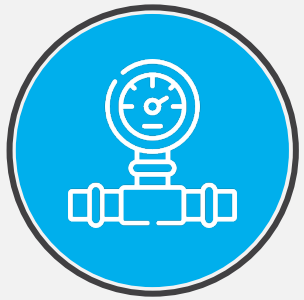
- External audit
- Risk assessment
- Internal Audit
- Digital transformation
- Grant compliance
- Performance audit
- Business process improvement
- IT audit and cybersecurity
- Agency restructuring and reorganization
- Strategic planning
- Organizational development
- Valuation
- Forensic accounting
- Fraud investigation

20+ STATE AGENCIES

40+ CITIES

50+ SCHOOL DISTRICTS

20+ COLLEGES & UNIVERSITIES



100+ LOCAL & REGIONAL ENTITIES

50+ GFOA AWARD RECIPIENTS

Audit Process

AUDIT STANDARDS

- Performed the audit in accordance with:
  - *Generally Accepted Auditing Standards* (GAAS)
  - *Generally Accepted Government Auditing Standards* (GAGAS)

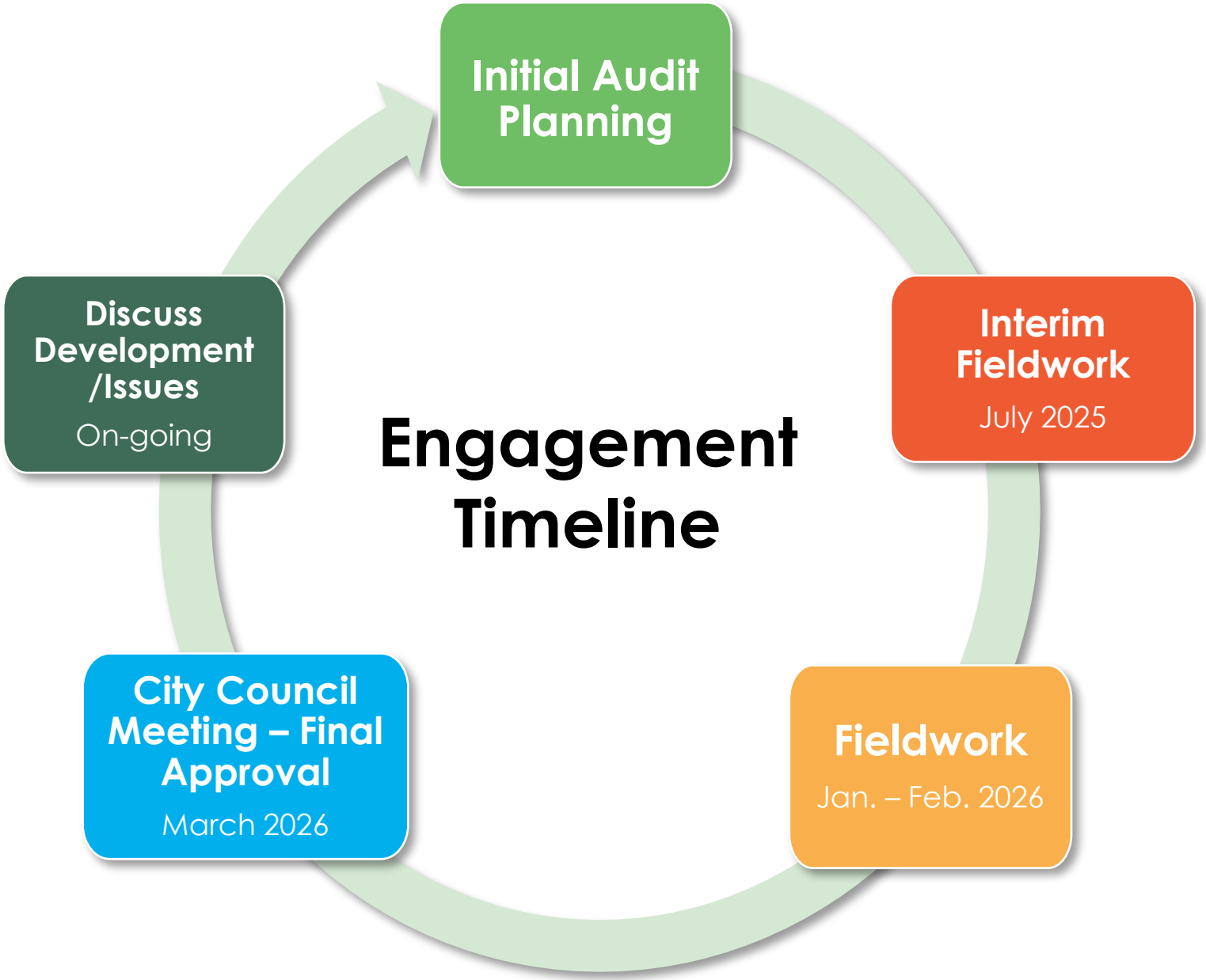
SINGLE AUDIT

- Performed the single audit of federal awards in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
- Performed the single audit of state awards in accordance with *Texas Grant Management Standards* (TxGMS)

COMPLIANCE

- Performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, including items such as compliance with:
  - Public Funds Investment Act (PFIA)
  - Procurement

Engagement Timeline



Overview

SIGNIFICANT CHANGES TO OUR PLANNED AUDIT STRATEGY

- There were no changes to our planned audit approach from those communicated to you during the interim meeting with those charged with governance.
- There were no changes to our significant risks originally identified and communicated to you.
  - Significant Risks included:
    - Improper Revenue Recognition - Charges for Services: Utilities
    - Improper Revenue Recognition - Federal and State Grants

RESULTS OF WORK PERFORMED

- During the course of the audit, we identified no uncorrected misstatements. There were also no misstatements identified by us and corrected by management.
- There are no identified significant deficiencies or material weaknesses.
- There are no independence matters to report.

OUR AUDIT REPORT

- We issued an unmodified audit report on the financial statements.
- We issued a report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards
- We issued an unmodified audit report on compliance for each major federal and state program and on internal control over compliance required by Uniform Guidance and TxGMS. The major programs were:
  - Federal - HOME and Highway Planning & Construction.
  - State - Regional Toll Roadway (RTR)

OTHER MATTERS

- There are no outstanding items as of the date of these communications,

Significant Risks

The following significant risks were identified during the performance of our risk assessment procedures:

SIGNIFICANT RISK IDENTIFIED	RELATED ASSERTIONS	RESULTS OF WORK PERFORMED
Management Override of Controls *(Note: This is a presumed risk on all audit engagements.)*	Pervasive	Journal entry testing, incorporating elements of unpredictability into testing, and the review of significant estimates for bias. No audit findings noted.
Risk of Improper Revenue Recognition – • Charges for Services (Utilities) • Grants (Federal and State)	Accuracy Cutoff Existence/Occurrence	Analytical procedures and detailed testing items including items that are individually immaterial. No audit findings noted.

Other Area Tested

- Fraud and non-compliance inquiries were made during the planning process and throughout our audit
- Information technology – review of processes and controls
- Utility Bill recalculations
- Adequacy of disclosures
- Long-term debt, including review of new issuances
- Tax revenues and collections
- Allowance for doubtful accounts
- Capital assets
- Investments
- Employee compensation
- Utilities operating revenues and expenses
- Landfill closure and post-closure estimate

Required Communications

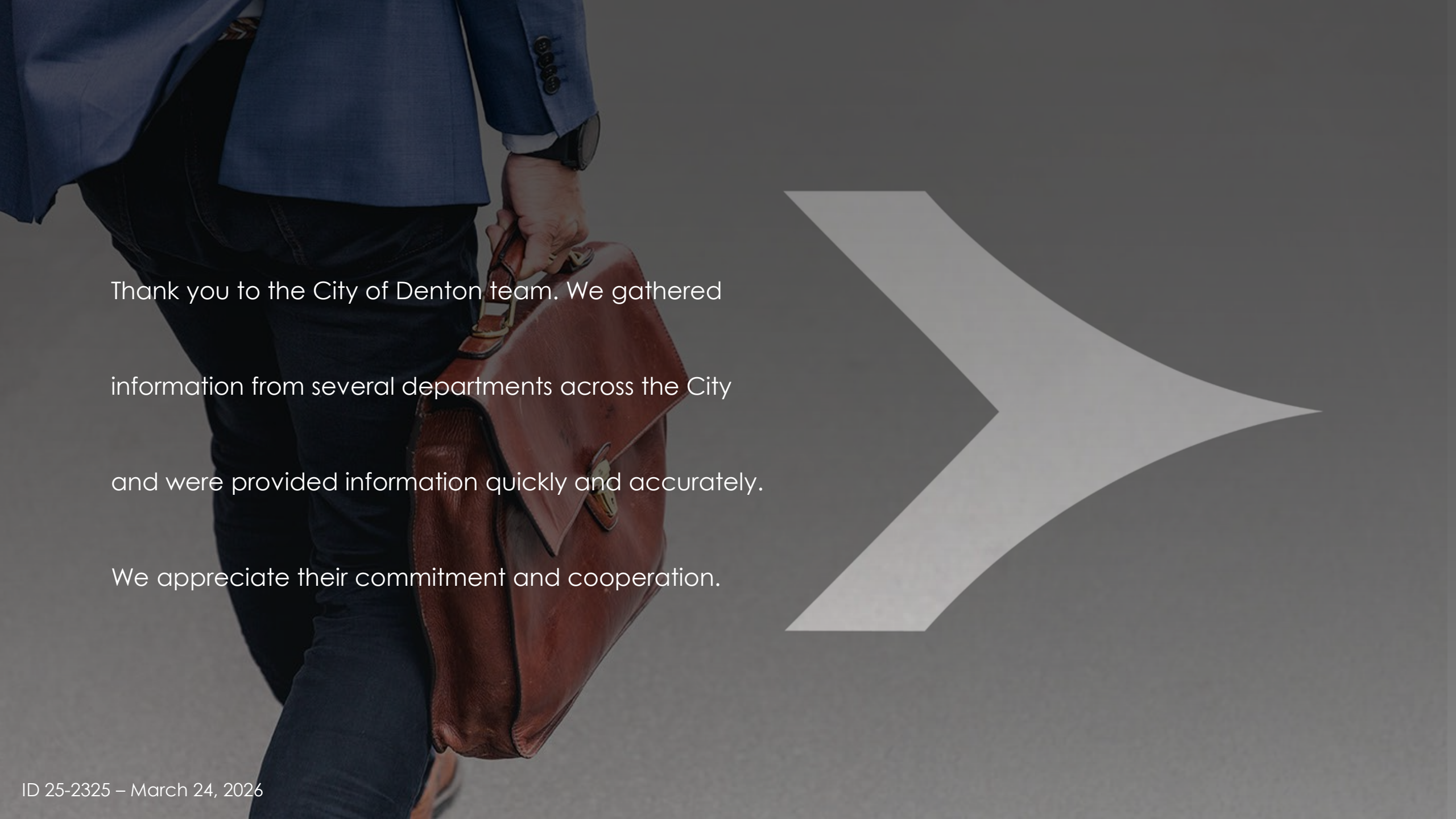
REQUIRED COMMUNICATIONS	COMMENTS
Significant Accounting Policies	A summary of the significant accounting policies adopted by City is included in Note I to the financial statements. There have been no changes in significant accounting policies, but the City did implement GASB Statements 101and 102, which had no material financial impact on the City. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Significant Accounting Estimates	The most sensitive accounting estimates affecting the financial statements are: • *Pension and Other Post Employment Benefits(OPEB) liabilities, expenses, and related deferred balances* • *Incurred but not Reported (IBNR) liabilities* We evaluated the key factors and assumptions used to develop the accounting estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Required Communications

REQUIRED COMMUNICATIONS	COMMENTS
Financial Statement Disclosures	The most sensitive disclosures affecting City's financial statements relate to: • *Revenue Recognition* • *Contingencies* • *Estimates*
Significant Unusual Transactions	No significant unusual transactions were identified during the course of the audit.
Identified or Suspected Fraud	No identified or suspected fraud noted.
Significant Difficulties Encountered during the Audit	We encountered no difficulties in dealing with management relating to the performance of the audit.
Disagreements with Management	No such disagreements arose during the course of the audit.

Required Communications

REQUIRED COMMUNICATIONS	COMMENTS
Representations Requested from Management	We received written representations from management in the form of a letter addressed to Weaver and Tidwell, L.L.P.
Management's Consultations with Other Accountant's	Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.
Other Significant Matters, Findings, or Issues	We encountered no other matters that require communication at this time.



Thank you to the City of Denton team. We gathered information from several departments across the City and were provided information quickly and accurately.

We appreciate their commitment and cooperation.

weaver

Assurance • Tax • Advisory

Sara Dempsey, CPA

Partner-in-Charge, Public Sector Services

972-448-6958
sara.dempsey@weaver.com

Bryant Sanchez, CPA

Senior Manager, Public Sector Services

972-448-9849
bryant.sanchez@weaver.com

Definitions

ARPA: American Rescue Plan Act provided emergency funding for state, local, territorial, and tribal governments to address the COVID-19 pandemic's public health and economic impacts, with recipients obligated to spend the funds by December 31, 2026.

CDBG: Community Development Block Grant is a federal program administered by the U.S. Department of Housing and Urban Development (HUD) that provides funding to the City of Denton for projects aimed at improving community infrastructure, expanding affordable housing, supporting economic development, and enhancing public services to benefit low- and moderate-income residents.

GAAS: Generally Accepted Auditing Standards are the rules and guidelines auditors follow when examining a company's financial statements to ensure the audit is conducted correctly and the financial information is accurate and reliable.

GAGAS: Generally Accepted Government Auditing Standards, also known as the Yellow Book, are the guidelines for audits created by the Comptroller General and the audit agency of the United States Congress, the Government Accountability Office.

GASB: Governmental Accounting Standards Board, an independent, private-sector organization that establishes accounting and financial reporting standards for U.S. state and local governments.

GFOA: Governmental Finance Officers Association is a member group of federal, state/provincial, and local finance officials deeply involved in planning, financing, and implementing thousands of governmental operations in each of their jurisdictions.

IBNR: Incurred But Not Reported, which refers to the estimate of the liability from claims that have taken place but have not yet been reported.

"Improper Revenue Recognition": Improper revenue recognition, a common accounting issue, involves recognizing revenue before it's earned or after it's earned, often to artificially inflate earnings or meet financial targets, and can lead to penalties and misrepresentation of the City's financial health.

"Management Override of Controls": Management override occurs when senior management or those charged with governance manipulate accounting records or prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

OPEB: Other Post-Employment Benefits, which are benefits, other than pensions, that employers provide to their retirees, such as healthcare, life insurance, and dental coverage.

PFIA: The Public Funds Investment Act (PFIA), governs the investment of public funds in Texas, requiring compliance audits and training for those involved in managing these funds.

RTR: The Regional Toll Revenue (RTR) program expedites transportation projects by providing non-federal funding to implement projects. The Texas Legislature previously enabled the Texas

Department of Transportation to consider public- and private-sector partnerships to finance roadways.

TxGMS: Texas Grant Management Standards, was established to promote the efficient use of public funds in local government and in programs requiring cooperation among local, state, and federal agencies.

“Uniform Guidance”: The Uniform Guidance is a "government-wide framework for grants management" – is an authoritative set of rules and requirements for Federal awards that synthesizes and supersedes guidance from earlier OMB circulars.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **City Auditor's Office**

CITY AUDITOR: **Madison Rorschach**

DATE: **March 24, 2026**

SUBJECT

Receive a report, hold a discussion, and give staff direction regarding Audit Project 030–Solid Waste Operations: Scale House Management and Safety, Training, & Reporting Compliance Follow-Up Review.

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 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 follow-up review is intended to provide a progress update on recommendations from the Audits of Solid Waste Operations: Scale House Management and Solid Waste Operations: Safety, Training, & Reporting Compliance originally issued in December 2022 and January 2023 respectively. This audit generally evaluated management of the City's Scale House as well as waste collections and landfill safety and equipment training, and environmental reporting compliance activities. This review found an initial implementation rate of 100 percent for the Scale House Management report and 92 percent for the Safety, Training, and Reporting Compliance report.

RECOMMENDATION

Staff recommends Audit Project 030–Solid Waste Operations be closed until an informal follow-up review can be completed, likely in Fiscal Year 2026-27.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Dec. 13, 2022:	Original Audit Phase 1 Scale House Management Presented During Work Session
Jan. 23, 2023:	Original Audit Phase 2 Safety, Training, & Reporting Compliance Presented During Work Session
Sep. 30, 2025:	Fiscal Year 2025-26 Annual Internal Audit Plan Adopted

EXHIBITS

Exhibit 1 - Agenda Information Sheet

Exhibit 2 - Follow-Up Review of the Audit of Solid Waste Operations: Scale House Management and Safety, Training, & Reporting Compliance

Exhibit 3 - Presentation

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

Audit of Solid Waste Operations

Scale House Management and Safety, Training, & Reporting Compliance Follow-Up Review

Solid Waste has implemented several new procedures manuals, and individual standard operating procedures for the Scale House, Landfill, and Collections teams. Additionally, safety training completion rates and record retention have improved for all Divisions.

Additional guidance on completing incident reports and vehicle inspections has been created. Environmental compliance reporting processes are generally the same, though steps have been taken to minimize manual data collection.

Audit Team

City Auditor
Madison Rorschach, CIA, CGAP

Audit Staff
Jenesa Halter, MA, CFE

Table of Contents

Follow-Up at a Glance 3

Recommendation Status Update: Scale House Management 5

Scale House Appears to Appropriately Charge Customers; Transaction Processing Lacks Written Policies or Procedures 5

Credit Account Holders Are Generally Billed Correctly; The Credit Account Process Overall Lacks Consistency 6

Staff Receive Payment Processing Training & Generally Complete Required Cash Handling Training; Safety Training Could Be Improved 8

Recommendation Status Update: Safety, Training, & Reporting Compliance 10

Safety & Equipment Training Has Expanded; Additional Resources May be Needed to Ensure All Employees Complete Training 10

Safety Incidents Are Reported; Lack of City-Wide Guidance Hinders Reporting Consistency 14

Truck Safety Equipment Condition Adequately Monitored; Guidance on When Maintenance is Needed Could Reduce Risk 15

Required Environmental Compliance Reporting Completed Accurately & Timely; Some Processes Could Be Streamlined 16

Audit Project Background 18

Auditing Standards 18

Management Responsibility 18

Objectives, Scope, and Methodology 18

Follow-Up at a Glance

Why we did this Follow-Up:

This report is intended to provide information on what changes have been made in response to the Audit of Solid Waste Operations: Scale House Management issued in December 2022 and the Audit of Solid Waste Operations: Safety, Training, & Reporting Compliance issued in January 2023. The original audits evaluated the City's internal controls over its Solid Waste operational processes. This follow-up review was included on the City's Fiscal Year 2025-2026 Annual Internal Audit Plan as approved by the City Council.

What we Found:

The Solid Waste Department has implemented several new standard operating procedures to better document the Scale House Division processes, including transaction processing, credit account billing, credit account application processing, and staff training. The Department continues to ensure that both Landfill and Collections staff receive safety and equipment training; medium- and heavy-duty vehicle defensive driving completion rates are more consistent, and monthly safety meeting attendance has increased. However, explicit training or clear guidance on how to record employees' training in the established method is still being developed. City-wide guidance has been published to clearly indicate what incidents should be reported and an internal checklist has been created to increase documentation consistency. Additionally, vehicle and equipment inspection guidance has been documented and communicated. Finally, though environmental compliance reporting and data collection methods remain similar, some data collection processes have been automated helping to reduce manual methods. The status of each recommendation is summarized below:

	Recommendation	Mgmt. Response	Status
Scale House Management	1. Develop a process to ensure altered transactions are consistently documented and reviewed periodically.	Concur	Implemented
	2. Develop a process to ensure refunds are reviewed, approved, and adequately documented.	Concur	Implemented
	3. Continue working with the Customer Service Division to streamline the monthly credit account billing process.	Concur	Implemented
	4. Document the credit account application process, including formalized criteria, in written policies and procedures.	Concur	Implemented
	5. Create and use an updated 'Request for Service' application that clearly documents the credit account criteria.	Concur	Implemented
	6. Retain completed credit account applications for a minimum of one year for all applicants with one million dollars or less in revenue and sixty days for those over a million dollars in revenue.	Concur	Implemented
	7. Implement a process that would allow leadership to track and ensure all applicable staff comply with the City's required cash handling training within the required timeframes.	Concur	Implemented

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

	8. Develop onboarding safety training and assess if a comprehensive safety manual is necessary for Scale House staff.	Concur	Implemented
Safety, Training, & Reporting Compliance	1. Continue ensuring all Collections and Landfill staff, including leadership, complete the appropriate occupation safety training program and consider implementing periodic refresher trainings.	Concur	Implemented
	2. Consider providing additional monthly safety meetings to ensure all employees are able to attend more frequently.	Partially Concur	Implemented
	3. Provide training or clear guidance to supervisors on how to record employees' equipment training in the established method including completing all data within the training proficiency letters and training logs.	Concur	In-Progress
	4. Evaluate methods to expand Solid Waste's defensive driving program to ensure all applicable employees complete training in accordance with City policy.	Concur	Implemented
	5. Consider centralizing all training documents into a single location and further digitalize training records.	Concur	Implemented
	6. Update policies & procedures to include clear instructions on what type of incidents need to be reported and what documentation is necessary.	Concur	Implemented
	7. Consider photographing any and all damage to Solid Waste equipment regardless of cause.	Partially Concur	Implemented
	8. Implement policies and procedures on what inspection issues should be reported and how those should be documented and communicated.	Concur	Implemented
	9. Centralize all policies and procedures into the appropriate division manual to ensure all employees easily have access to the information.	Concur	Implemented
	10. Evaluate necessary tests and data collections activities to determine if additional standard operating procedures should be developed.	Concur	Risk Accepted
	11. Explore ways to minimize the usage of handwritten data collections.	Partially Concur	Implemented
	12. Consider implementing a compliance software program to assist in complying with environmental reporting requirements.	Concur	Implemented

Recommendation Status Update: Scale House Management

This report summarizes the Audit of Solid Waste Operations: Scale House Management recommendations, management responses, and the City Auditor's Office's follow-up findings, which describe to what extent City management has implemented the City Auditor's Office's recommendations since the publication of the original report in December 2022.

Scale House Appears to Appropriately Charge Customers; Transaction Processing Lacks Written Policies or Procedures

1. **Develop a process to ensure altered transactions are consistently documented and reviewed periodically.**

   Management Response: Concur
   Solid Waste Department Comments: Staff will develop documented processes for transaction edits to ensure effective notes are entered that describe transaction changes and the reason for the change. All changes will be reviewed monthly by the manager.

   Audit Follow-Up Finding: Implemented
   The Scale House Division has implemented a procedures manual that adequately details the process of documenting and reviewing altered transactions by two senior staff members. As shown in Table 1, a review of a statistical sample of 100 edited transactions found that all had complete notes explaining and justifying the edit. Additionally, a review of photographs associated with a judgmental sample of 14 edited transactions found that all the notes were valid and matched the documented circumstances.

2. **Develop a process to ensure refunds are reviewed, approved, and adequately documented.**

   Management Response: Concur
   Solid Waste Department Comments: **Short Term:** Staff will save a daily Strong Data report and compare to Payment Mate report with proper documentation. Only the Weigh Station Supervisor or Team Lead shall perform refunds. The log will be reviewed monthly by the Admin. Manager. **Long Term:** Strong Data will be integrated with Payment mate, the City's POS credit card system. Once integrated, SWR will develop a new process for refunds based on the parameters of the new software.

   Audit Follow-Up Finding: Implemented
   The Scale House Division has implemented a procedures manual that provides adequate instructions on how to complete a refund in the payment

system and requires these actions to be completed by senior staff and reviewed by two staff members. A review of a statistical sample of 100 deleted transactions found that most had complete notes that explained the situation and verified the exit weight of the customer's vehicle if the customer was present when the transaction was deleted. Four deleted transactions did not have enough detail to confirm if the customer was present at the time of deletion, and thus, it could not be confirmed if those transaction notes should have included an exit weight as shown in Table 1.

Table 1: Transactions Without Detailed Notes Summary

Transaction Type	Original Audit		Follow-Up Review	
	Quantity	Percentage	Quantity	Percentage
Edited/Altered	28	64%	0	0%
Deleted/Voided	22	56%	4	4%

Credit Account Holders Are Generally Billed Correctly; The Credit Account Process Overall Lacks Consistency

3. **Continue working with the Customer Service Division to streamline the monthly credit account billing process.**

   Management Response: Concur
   Solid Waste Department Comments: SWR will work with the Customer Service Division to determine the format and missing codes that need to be included in the monthly billing report. SWR will then reach out to Strong Data Automation to develop these enhancements to the report. This should allow Customer Service to upload the charges instead of manually entering them, reducing the chance for human error.

   Audit Follow-Up Finding: Implemented
   The Scale House and Customer Service Divisions have updated the monthly credit account billing process to no longer require manual data entry. Additionally, the billing process is now detailed in the Scale House Division's procedures manual, which provides the steps required to complete the monthly billing process, including the need to save the billing reports internally.

4. **Document the credit account application process, including formalized criteria, in written policies and procedures.**

   Management Response: Concur
   Solid Waste Department Comments: SWR Staff will develop a written procedure for credit accounts. This process will include eligibility criteria, application process, and retention schedules.

   Audit Follow-Up Finding: Implemented

The Scale House Division has implemented a procedures manual that adequately details criteria for the credit account application process, including transaction history, minimum credit score requirements, and application retention requirements. During the original audit, the application review process and criteria were not clearly documented in a written policy, limiting the ability to verify that applications were processed appropriately. A review of all thirty-six applications received in 2025 found that all application decisions were appropriate based on the established criteria.

5 Create and use an updated 'Request for Service' application that clearly documents the credit account criteria.

Management Response: Concur
Solid Waste Department Comments: SWR Staff will work with Customer Service to ensure the utilization of the most current 'Request for Service' form or develop a Landfill specific form.

Audit Follow-Up Finding: Implemented
During the original audit, an outdated application that did not explain the applicable criteria was provided to Landfill customers to apply for a credit account. An updated application has been created and is now used for all submitted applications. The new application, the current criteria, and an overview of the application process were available as of February 2026 on the Solid Waste Department's public website.

6. Retain completed credit account applications for a minimum of one year for all applicants with one million dollars or less in revenue and sixty days for those over a million dollars in revenue.

Management Response: Concur
Solid Waste Department Comments: Staff will work with Customer Service to replicate their retention methods utilizing Laserfiche.

Audit Follow-Up Finding: Implemented
The Scale House Division has implemented a procedures manual that adequately details the credit account application process, including application retention requirements. Prior to the original audit, no completed applications were retained. A review of the digital document management system found that all completed applications received from 2023, 2024, and 2025 have been securely stored and retained.

Staff Receive Payment Processing Training & Generally Complete Required Cash Handling Training; Safety Training Could Be Improved

7. **Implement a process that would allow leadership to track and ensure all applicable staff comply with the City's required cash handling training within the required timeframes.**

   Management Response: Concur
   Solid Waste Department Comments: Staff will create a new-hire training tracker form. This will have a sign-off for the employee, trainer, and Supervisor. Supervisor and Manager will review on a monthly basis.

   Audit Follow-Up Finding: Implemented
   The City requires all staff members handling City monies to complete cash handling training within six months of hire. During the original audit, all but one Scale House staff member completed the required training. A review of all Scale House staff employed as of January 2026 found all had current cash handling training.

   Additionally, physical training checklists have been implemented to help ensure necessary Scale House training, including cash handling, is completed for new employees.

8. **Develop onboarding safety training and assess if a comprehensive safety manual is necessary for Scale House staff.**

   Management Response: Concur
   Solid Waste Department Comments: A core safety training module will be developed with assistance of our on-site SW Safety & training Specialist. This module will include basic safety, slips, trips, and falls, hazardous weather, and other applicable safety training. Training module will be created in NeoGov which will allow for tracking purposes. Tracking will also be included along with the new-hire training packet which will be reviewed on a monthly basis by the supervisor and manager.

   Audit Follow-Up Finding: Implemented
   The Scale House Division previously had no safety-related training, nor was safety training provided as part of the onboarding process. The Scale House Division procedures manual, implemented in 2023, includes a section that addresses basic employee safety related to the Scale House work environment including: personal protective equipment; slips, trips, and falls, including how to safely inspect vehicle loads; and weather-related safety.

   While there is not a specific onboarding safety course listed in the manual, a section of the new hire training checklist includes a review of

the safety section of the manual. Additionally, a virtual Scale House Safety course is available and is reportedly watched during new-hire training to help ensure staff receive safety training during onboarding.

Recommendation Status Update: Safety, Training, & Reporting Compliance

This report summarizes the Audit of Solid Waste Operations: Safety, Training & Reporting recommendations, management responses, and the City Auditor's Office's follow-up findings, which describe to what extent City management has implemented the City Auditor's Office's recommendations since the publication of the original report in January 2023.

Safety & Equipment Training Has Expanded; Additional Resources May be Needed to Ensure All Employees Complete Training

1. **Continue ensuring all Collections and Landfill staff, including leadership, complete the appropriate occupation safety training program and consider implementing periodic refresher trainings.**

   Management Response: Concur
   Solid Waste Department Comments: Solid Waste and Recycling (SWR) is committed to continuing to enhance and ensure a trained workforce.

   Audit Follow-Up Finding: Implemented
   During the original audit, occupational safety training was offered to both the Collections and Landfill Divisions' staff upon hire. The Landfill occupational safety onboarding training was required since roughly 2020, while the Collections onboarding training was implemented during the original audit.

   As shown in Table 2, the review of training records found that 88 percent of all Landfill staff have now completed at least one occupational safety course, an increase from the original audit, and 82 percent of a statistical sample of Collections employees have completed an occupational safety course. Landfill Division management reported that staff who had not completed a course were exempt due to work experience and were hired before the onboarding requirement.

Table 2: Occupational Safety Training Review

Division	Original Audit		Follow-Up Review	
	Quantity	Percentage	Quantity	Percentage
Landfill	17	65%	24	88%
Collections	N/A	N/A	44	82%

Additionally, hazard communication–or HAZCOM–training is required by a City-wide HAZCOM program. As shown in Table 3, the average HAZCOM training completion rates have increased from the original audit for both the Landfill and Collections Divisions from about 95 to 100 percent.

Table 3: HAZCOM Training Completion Rates

Division	Original Audit		Follow-Up Review	
	Quantity	Percentage	Quantity	Percentage
Landfill	17	94%	24	100%
Collections - Residential	22	100%	18	100%
Collections – Commercial	18	89%	20	100%
Collections – Valet	3	100%	6	100%
Total:	60	95%	68	100%

2. **Consider providing additional monthly safety meetings to ensure all employees are able to attend more frequently.**

Management Response: Partially Concur
Solid Waste Department Comments: SWR will continue to work through its managers and supervisors to ensure all staff are appropriately trained, and that training is adequately documented each month. The department has already taken steps towards enhancing the program, by recording the monthly trainings to promote the dissemination of information to employees that may miss a training topic in any given month.

Audit Follow-Up Finding: Implemented
As found in the original audit, Solid Waste has continued to offer additional safety-related training via monthly safety training meetings. As detailed in Table 4, during the original audit, Commercial Collections staff had the lowest attendance rate due to scheduling differences.

Since then, safety meeting attendance rates have increased for all divisions from an average of 68 to 93 percent, indicating that Department management is ensuring these meetings are accessible to all staff.

Table 4: Safety Meeting Attendance Rate (Jan. through Oct. 2025)

Division	Original Audit		Follow-Up Review	
	Quantity	Percentage	Quantity	Percentage
Landfill	17	75%	24	94%
Collections - Residential	36	81%	38	92%
Collections – Commercial	32	51%	32	95%
Collections – Valet	6	60%	6	95%
Total:	92	68%	100	93%

3. **Provide training or clear guidance to supervisors on how to record employees' equipment training in the established method including completing all data within the training proficiency letters and training logs.**

Management Response: Concur

Solid Waste Department Comments: SWR is committed to enhancing the existing training procedures and documents to ensure compliance with documentation and record requirements.

Audit Follow-Up Finding: In-Progress
During the original audit, Solid Waste had established a process to document training for different pieces of equipment that included multiple steps and different forms of documentation, resulting in some discrepancies in how training records were documented.

Since then, the Landfill Division introduced a new tracking sheet that lists each employee's capabilities on different pieces of equipment. Further, in December 2025, the Landfill Division implemented written guidance detailing employee training requirements and crew leaders' responsibility for completing Daily Observation Reports when training new employees. However, specific instructions on tracking, verifying, or recording the completion of all training programs were not included.

The Collections Division manual mentions training as a means of employee development, including cross-training, but it does not address recording or storing employees' training records. Furthermore, a specific standard operating procedure or written guidance related to tracking or recording of training for the Collections division was not provided.

4. **Evaluate methods to expand Solid Waste's defensive driving program to ensure all applicable employees complete training in accordance with City policy.**

Management Response: Concur
Solid Waste Department Comments: SWR is committed to this recommendation and has already taken steps to enhance the existing program by creating a retraining schedule, which internal safety staff will monitor to support defensive driving maintenance within the department.

Audit Follow-Up Finding: Implemented
As found during the original audit, the Solid Waste Department provides a comprehensive defensive driving program specific to the medium- and heavy-duty vehicles driven by both the Landfill and Collections Divisions. City policy requires all employees that must drive for their job duties complete a defensive driving course every three years, and the Department's defensive driving course fulfills the requirement.[1]

[1] City Policy 409.05 'Comprehensive Driving and City Vehicle Use'

Since the original audit, Solid Waste has trained a third certified defensive driving trainer, helping to ensure all staff can complete the medium- and heavy-duty defensive driving training timely. As detailed in Table 5, defensive driving completion rates have significantly increased from an average of 52 percent to 99 percent for all Divisions based on review of all Landfill employees and a statistical sample of 44 Collections Division employees.

Table 5: Defensive Driving Completion Rates

Division	Original Audit		Follow-Up Review	
	Quantity	Percentage	Quantity	Percentage
Landfill	17	82%	24	96%
Collections - Residential	22	55%	18	100%
Collections – Commercial	18	11%	20	100%
Collections – Valet	3	100%	6	100%
Total:	60	52%	68	99%

5. Consider centralizing all training documents into a single location and further digitalize training records.

Management Response: Concur
Solid Waste Department Comments: SWR currently maintains a centralized repository, and is committed to creating and improving processes and training materials to ensure compliance with documentation and records.

Audit Follow-Up Finding: Implemented
During the original audit, employee training records were not maintained in a central location, making it more difficult to track or verify an employee's training history and potentially hindering compliance with records retention requirements.

While calculating the training completion rates detailed in Tables 2, 3, 4, and 5, most training documents were maintained in individual, digital folders for each employee, though there were some exceptions. Specifically, the occupational safety training records for 13 employees were not initially found, and attendance for the newly adopted safety training program is maintained in a separate log. Still, training documentation has been significantly centralized, helping to ensure these risks are addressed.

Safety Incidents Are Reported; Lack of City-Wide Guidance Hinders Reporting Consistency

6. **Update policies & procedures to include clear instructions on what type of incidents need to be reported and what documentation is necessary. Guidance should also be provided to operators to ensure all employees understand their responsibilities.**

   Management Response: Concur
   Solid Waste Department Comments: SWR currently follows the City-wide accident and employee injury reporting and investigation requirements outlined in Policies 409.05 and 409.11 The department is committed to providing department specific procedures that build on the existing policies to provide clear guidance for employees.

   Audit Follow-Up Finding: Implemented
   During the original audit, there was no department-specific guidance for incident reporting as well as a lack of explicit City-wide guidance.

   The City implemented a comprehensive Safety Manual in February 2023 that specifically states "all injuries and accidents, no matter how minor, must be reported to the Risk Management division by submitting an Accident/Injury Report form and supporting documentation (e.g., photos, statements)." In addition, Solid Waste implemented an Accident Documentation Checklist to assist supervisors in handling incident reporting. Further, in February 2025, the monthly safety meeting topic was accident and injury investigation, indicating that guidance has been provided to staff.

7. **Consider photographing any and all damage to Solid Waste equipment regardless of cause.**

   Management Response: Partially Concur
   Solid Waste Department Comments: SWR currently photographs all damages that can be safely documented or assessed. Damage that cannot be accessed for photos (wheel bearings, injector ports, etc.) will include detailed written documentation, as to why photographs could not be included with the report.

   Audit Follow-Up Finding: Implemented
   During the original audit, a judgment sample of 13 safety incidents found that related documentation, including photographs, was inconsistently retained. Department management reported that all incidents are now documented with photos and video when available. Additionally, the Accident Documentation Checklist mentions the task of taking and filing

the pictures associated with the incident, indicating photographing damage is now a typical practice.

Truck Safety Equipment Condition Adequately Monitored; Guidance on When Maintenance is Needed Could Reduce Risk

8. **Implement policies and procedures on what inspection issues should be reported and how those should be documented and communicated. This guidance should clearly identify the safety deficiencies that would cause a vehicle to be placed out of service until repairs are complete.**

   Management Response: Concur
   Solid Waste Department Comments: Employee forums, emails, and department trainings have all been used to communicate the surplus disposal process. The Warehouse Manager presented a presentation in the December 2021 Employee Forum informing city personnel of the procedures. Staff will continue to utilize these and other identified platforms to provide periodic updates to City staff. Information on sustainability can be included.

   Audit Follow-Up Finding: Implemented
   As detailed in the original audit, Collections Division employees must inspect their assigned truck before and after their route to ensure the vehicle is in working order and document the vehicle's condition. There is a standard digital inspection checklist, and operators cannot view their assigned route for the day unless a pre-trip inspection is completed. The Collection Division inspection process is now outlined in the Division's manual.

   Additionally, Landfill Division staff are required to complete inspections of the equipment they are utilizing. The Landfill vehicle inspection process is detailed in its division manual and provides information on what inspection issues should be reported and how those should be documented and communicated.

9. **Centralize all policies and procedures into the appropriate division manual to ensure all employees easily have access to the information.**

   Management Response: Concur
   Solid Waste Department Comments: Warehouse will review the fixed asset criteria and update the asset destruction criteria for consistency across both programs.

   Audit Follow-Up Finding: Implemented
   As detailed in the original audit, though there were multiple written instructions and Department policies regarding Solid Waste operations,

they were not centrally retained, increasing the risk of staff not being able to readily review the information. Both the Landfill and Collections Divisions have created procedures manuals, which provide a general overview of requirements and themes for staff in a central location. Some procedural specifics are retained in separate standard operating procedures and staff must certify receipt upon implementation.

Required Environmental Compliance Reporting Completed Accurately & Timely; Some Processes Could Be Streamlined

10. Evaluate necessary tests and data collections activities to determine if additional standard operating procedures should be developed.

Management Response: Concur
Environmental Services & Solid Waste Department Comments: The City of Denton Landfill operates in compliance with State Law and its operational permit (MSW1590B). While many of the compliance efforts are prescriptive within permit requirements and state forms, SWR will evaluate opportunities and develop appropriate written documentation for department specific procedures.

Audit Follow-Up Finding: Risk Accepted
As reported in the original audit, Solid Waste must comply with multiple reporting requirements to maintain its operational permit. The tracking of these requirements was completed manually, and most required reporting tasks were not listed in summary reference documents. While the adopted manual processes appeared effective, additional written procedures would help retain institutional knowledge, navigate emergencies, and facilitate consistency.

Since the original audit, Solid Waste has not implemented any new standard operating procedures for environmental compliance reporting. According to staff, based on operational review, no additional standard operating procedures are needed since the Landfill operates under multiple State and Federal permits and regulations, which detail how required reporting tasks must be completed. Department management reported they are comfortable with the current tracking and documentation methods for environmental compliance reporting, indicating that they have accepted this risk. Additionally, in 2025, the Texas Commission on Environmental Quality completed two compliance evaluation investigations of the City of Denton's landfill and found no violations with applicable requirements indicating current practices are operationally acceptable.

11. **Explore ways to minimize the usage of handwritten data collections. Potentially log data directly into the corresponding report to eliminate the need to transfer handwritten data.**

    Management Response: Partially Concur
    Environmental Services & Solid Waste Department Comments: The City of Denton Landfill operates in compliance with State Law and its operation permit (MSW1590B). While many of the compliance efforts are prescriptive within permit requirements and state forms, SWR will evaluate data collection and reporting requirements to incorporate electronic opportunities, where applicable. The department has already been working on budgeting to acquire and implement a leachate monitoring system.

    Audit Follow-Up Finding: Implemented
    As reported in the original audit, site inspections were conducted by a technician who collected the necessary data in the field and then handwrite the results on a corresponding log. The handwritten data was then transferred to an electronic spreadsheet for reporting purposes.

    Since the original audit, Solid Waste began constructing a new Supervisory Control and Data Acquisition—or SCADA—system at the Landfill, which will monitor the leachate sumps and allow for live, uncorrupted data acquisition and automated pumping, reducing the amount of handwritten data collection needed.

12. **Consider implementing a compliance software program to assist in complying with environmental reporting requirements. Compliance software may also be used to minimize the need for handwritten data.**

    Management Response: Concur
    Environmental Services & Solid Waste Department Comments: SWR will research compliance software solutions and, if appropriate, recommend improvements.

    Audit Follow-Up Finding: Implemented
    The original audit found that Solid Waste generally completed environmental compliance tasks manually, and related reporting due dates were tracked on a paper calendar, increasing the risk of submitting a report late. According to staff, regulatory deadlines are now listed in an Outlook calendar.

    Additionally, Solid Waste management reported they have reviewed potential compliance software systems but have not been able to identify one that would be both financially and operationally beneficial.

Audit Project Background

The City Auditor's Office is responsible for providing: (a) an independent appraisal[2] 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

This report is intended to provide a progress update on recommendations from the Audit of Solid Waste Operations: Scale House Management issued in December 2022 and Audit of Solid Waste Operations: Safety, Training, & Reporting Compliance originally issued in January 2023. This audit project evaluated the City's internal controls over its Solid Waste operational processes.

Audit fieldwork was conducted during January and February 2026. The scope of review varied depending on the procedure being performed. The following list summarizes major procedures performed during this time:

- Reviewed documentation from the issued audit review to develop criteria including industry standards, best practices, policies, and procedures;
- Interviewed Solid Waste Department and Customer Service Division staff;

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

- Reviewed new standard operating procedures and procedures manuals related to transaction processing, credit account application process, training, and Landfill and Collections Divisions operations;
- Verified that a statistical sample of 100 edited and 100 voided transactions from October 2023 through September 2025 were processed per the Scale House Division's procedures, including having required justification;[3]
- Inspected the associated photos for 14 edited transactions to ensure they were processed per the Scale House Division's procedures;
- Examined the updated Landfill Charge Account application and Solid Waste's public website for information related to the charge account criteria;
- Observed Solid Waste's digital storage location to verify Landfill Charge Account application and training record retention practices;
- Verified that all applicable Scale House Division staff have completed required cash handling training;
- Determined if a statistical sample of 44 Collections Division employees and all 24 Landfill Division employees had completed HAZCOM, Defensive Driving, and occupational safety training;
- Calculated monthly safety meeting attendance rates for the Collections and Landfill Divisions; and
- Reviewed the Landfill SCADA system design contract.

[3] Each sample size provides with 95 percent confidence that the true population statistic is with ±10 percent of the sample estimate.

Follow-Up Review of Solid Waste Ops.: Scale House Mgmt. and Safety, Training, & Reporting Compliance

Madison Rorschach
City Auditor
City Auditor's Office
March 24, 2026

Purpose of the Follow-Up Review

- Provides a progress update on audit recommendations.

- Audit project evaluated the controls implemented to:
  - Ensure landfill customers were accurately billed;
  - Minimize Solid Waste's work-related accidents & injuries; and
  - Ensure environmental reporting requirements are met.

- Review significant improvement.

Scale House Transaction Documentation has Further Improved

- Scale House Procedures Manual implemented:
  - Requires voided and altered transaction reviews.
  - Outlines credit account application process and criteria.
  - Includes information on staff safety.
- All required staff had completed cash handling training.

Transactions without Clear Justification

Trans. Type	Original Audit		Follow-Up Review	
	Quantity	Percent	Quantity	Percent
Altered	28	64%	0	0%
Voided	22	56%	4	4%

Safety Training Completion has Significantly Increased

Safety Training Completion Rates*

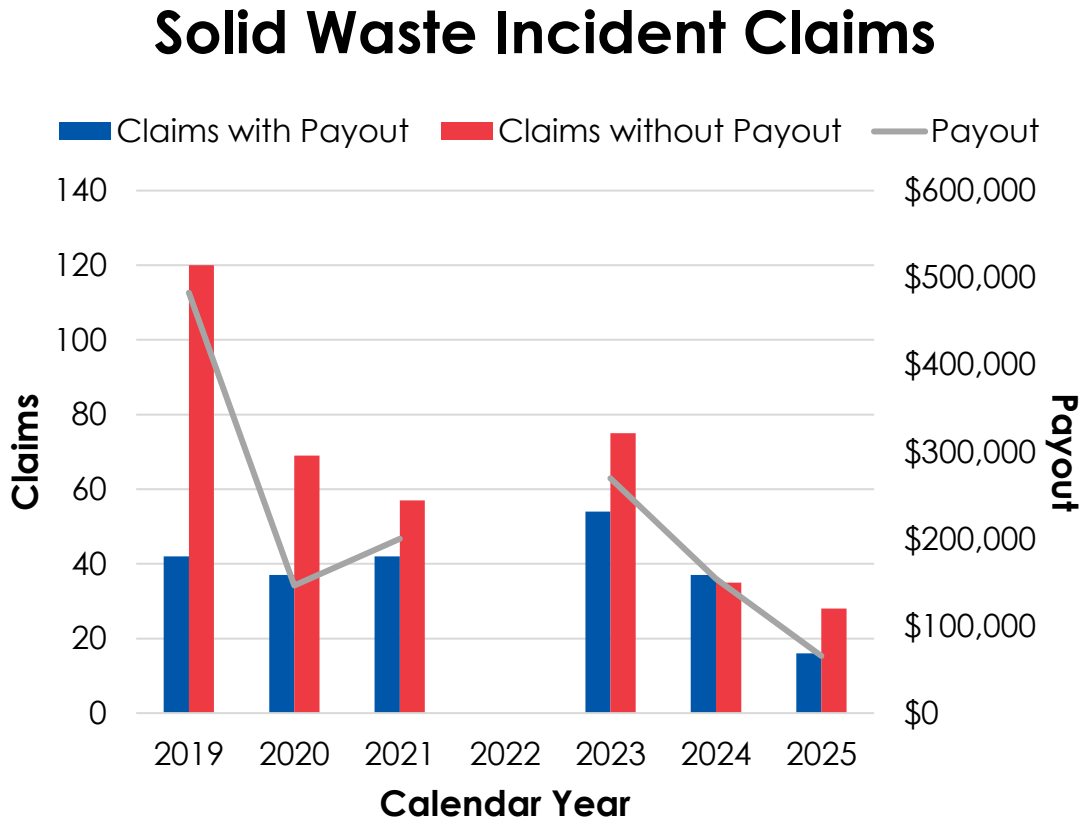
	Onboarding		Safety Mtgs.		Defensive Driving		HAZCOM	
	Original Audit	Follow-Up	Original Audit	Follow-Up	Original Audit	Follow-Up	Original Audit	Follow-Up
Landfill	65%	88%	75%	94%	82%	96%	94%	100%
Residential	NA	94%	81%	92%	55%	100%	100%	100%
Commercial	NA	70%	51%	95%	11%	100%	89%	100%
Valet	NA	83%	60%	95%	100%	100%	100%	100%
All:	NA	84%	68%	93%	52%	99%	95%	100%

- Guidance for supervisors on documenting equipment-specific training is still in development.
  - Training records have been centralized.

*Defensive driving and HAZCOM training completion rates were calculated using a sample of employees as follows: Landfill (17 of 17), Residential (22 of 36), Commercial (18 of 32), and Valet (3 of 6).

Addt'l Safety Incidents Reporting & Vehicle Safety Equipment Monitoring Guidance Implemented

- City-wide comprehensive Safety Manual implemented.
  - Solid Waste-specific Accident Documentation Checklist implemented to guide supervisors in documenting incidents.
- Collections & Landfill Division's procedure manuals implemented.
  - Information on completing pre-trip inspections included.



Required Environmental Compliance Reporting Completed Accurately & Timely

- During 2025, TCEQ found no violations of applicable requirements during two regular compliance evaluation investigations.
- New SCADA system being implemented at the landfill will reduce handwritten data.

Solid Waste Operations Follow-Up Summary:
Significant Improvement Made

Audit Area	Recommendations	Implemented	In Progress	Not Implemented
Scale House Transactions	7	100%	0%	0%
Safety Training	6	83%	17%	0%
Incident Reporting	2	100%	0%	0%
Vehicle Inspections	2	100%	0%	0%
Environmental Compliant Reporting	3	100%*	0%	0%
All:	20	95%	5%	0%

Recommendations In Progress:*

3. Provide training or clear guidance to supervisors on how to record employees' equipment training in the established method including completing all data within the training proficiency letters and training logs.

* Includes one recommendation with an "Risk Accepted" result. Detailed recommendations and implementation statuses can be seen in the full follow-up report.

Questions?

Madison Rorschach

City Auditor

City Auditor's Office

City of Denton

City Hall
215 E. McKinney Street
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AGENDA INFORMATION SHEET

DEPARTMENT: **City Auditor's Office**

CITY AUDITOR: **Madison Rorschach**

DATE: **March 24, 2026**

SUBJECT
Receive a report, hold a discussion, and give staff direction regarding Audit Project 034–Fire Prevention: Follow-Up Review.

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 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 follow-up review is intended to provide a progress update on recommendations from the Audit of Fire Prevention originally issued in September 2023. This audit evaluated the City's fire prevention activities including routine fire inspections and fire protection system testing, fire prevention education, and fire investigations. This review found an initial implementation rate of 75 percent.

RECOMMENDATION
Staff recommends Audit Project 034–Fire Prevention be closed until an informal follow-up review can be completed, likely in Fiscal Year 2026-27.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)
Sep. 26, 2023: Original Audit Presented During Work Session
Sep. 30, 2025: Fiscal Year 2025-26 Annual Internal Audit Plan Adopted

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Follow-Up Review of the Audit of Fire Prevention
Exhibit 3 - Presentation

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

Audit of Fire Prevention

Follow-Up Review

The Fire Department continues to use a risk-based approach to prevention activities, including creating community-specific fire education materials; however, inspection documentation and performance inconsistencies still exist. Additional guidance on documenting routine fire inspections and fire protection system testing has been developed, but documentation of failed fire inspection follow-ups could still be improved. New fire investigation procedures have been established, and investigation-related documentation and evidence storage practices have significantly improved.

Audit Team

City Auditor
Madison Rorschach, CIA, CGAP

Audit Staff
Jenesa Halter, MA, CFE

Table of Contents

Follow-Up at a Glance **3**

Recommendation Status Update **5**

Fire Risk Assessment Information Could be Further Utilized; Additional Inspection Guidance Needed 5

Compliance System Helps Ensure Fire Protection Systems Receive Testing; Inspector Review Process Could be Improved 9

Fire Investigations Lack Written Policies & Compliant Security Procedures; Evidence Facility Conditions Are Inadequate 11

Audit Project Background **13**

Auditing Standards 13

Management Responsibility 13

Objectives, Scope, and Methodology 13

Follow-Up at a Glance

Why we did this Follow-Up:

This report is intended to provide information on what changes have been made in response to the Audit of Fire Prevention issued in September 2023. The original audit evaluated controls of the City's fire prevention program including routine inspections, public education practices, and fire investigations.[1] This follow-up review was included on the City's Fiscal Year 2025-2026 Annual Internal Audit Plan as approved by the City Council.

What we Found:

The Fire Department has implemented several standard operating procedures and policies to better document specific Fire Prevention processes and expectations including (1) fire inspection plans, (2) documenting inspections, (3) follow-up inspections, (4) fire protection system testing reviews, and (5) investigations. However, reviews of completed inspections found some refinement is still needed. Fire Prevention has begun creating and providing targeted education to the public related to fire and life safety. Further, while the fire protection system testing reviews process has been formalized, the related vendor contract information still needs updates to include the profit-sharing specifics, and the associated reconciliation process still needs to be formalized. Finally, investigation documentation is being moved to a secure, CJIS-compliant digital storage location, and evidence has been moved to a new secure location. The status of each recommendation is summarized below:

Recommendation	Mgmt. Response	Status
1. Use building hazard risk levels to guide inspection activities and develop a process to ensure buildings are being inspected per NFPA frequency guidelines.	Concur	In-Progress
2. Develop guidance on how to create Fire Routine permits and record annual inspection results. Guidance should address how often a new permit should be created, what activities should be categorized under each inspection type, and how inspection results should be recorded. Consider how custom screens in the inspections management system can be further utilized.	Concur	Implemented
3. Create a process to ensure inspections with failed results receive follow-up until deficiencies are corrected.	Concur	In-Progress
4. Develop checklists or quick reference guidance for different types of occupancies to help ensure inspection consistency and facilitate efficient supervisory reviews. It may be most effective to develop guidance for common or higher-risk occupancies.	Concur	Implemented
5. Use fire type and location information to develop focused education programs.	Concur	Implemented
6. Consider reviewing all associated costs of fire prevention activities to ensure established fees are in alignment with cost recovery goals.	Concur	Implemented

[1] The fire code plan review process was excluded from the scope of this audit.

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

7. Develop written guidance on the fire protection system testing report review process including when to follow up on deficiencies and updating the contact information of registered business.	Concur	Implemented
8. Create a process to ensure testing reports with issues or deficiencies receive a follow-up review or inspection and that those follow-up actions are documented in the database for consistent tracking.	Concur	Implemented
9. Ensure all fees associated with the fire system testing service is clearly documented in writing and perform periodic reconciliations to ensure the fees received by the contractor coincide with the number of accepted reports.	Concur	In-Progress
10. Implement written policies and procedures for all fire investigation activities including case documentation and evidence storage, scene coordination, and requirements and responsibilities for appropriate use and review of body cameras.	Concur	Implemented
11. Provide adequate security for fire investigation case documentation that complies with CJIS requirements. Consider implementing a records management system that allows for easy tracking like the Police Department's electronic case management practices.	Partially Concur	Implemented
12. Move all physical fire investigation evidence to a secure, climate-controlled, well-ventilated, and pest free area that includes processing and temporary storage locations. Consider partnering with the Police Department to minimize the costs of complying with evidence management standards.	Concur	Implemented

Recommendation Status Update

This report summarizes the Audit of Fire Prevention recommendations, management responses, and the City Auditor's Office's follow-up findings, which describe to what extent City management has implemented the City Auditor's Office's recommendations since the publication of the original report in September 2023.

Fire Risk Assessment Information Could be Further Utilized; Additional Inspection Guidance Needed

1. **Use building hazard risk levels to guide inspection activities and develop a process to ensure buildings are being inspected per NFPA frequency guidelines.**

   Management Response: Concur
   Fire Prevention Division Comments: This recommendation is already in progress. The target hazard list for buildings in the City was distributed to fire inspectors in March 2023, with emphasis placed on ensuring all high hazard occupancies are inspected first.

   Audit Follow-Up Finding: In-Progress
   During the original audit, the Fire Prevention Division had not implemented a procedure to conduct inspections based on hazard risk levels. Safety inspections were historically scheduled based on each inspector's judgment and workload. However, an initial building hazard risk assessment, including a geographic information system—or GIS—map, was developed, and the Department had started using hazard risk scores in 2023.

   Two written procedures related to risk-based inspections were implemented in 2025. The Target Hazard Inspection procedure provides details on the usage of the GIS tool, and the creation of inspection lists every three years based on the risk score. As detailed in Table 1, the total risk score determines the inspection frequency. Since the GIS data has some inconsistencies, additional written guidance has been provided to inspectors to help ensure any buildings missing from the analysis are captured.

Table 1: Required Inspection Frequency

Risk Score[2]	Inspection Frequency
80 and Higher	Annual
40-79	Bi-Annual
39 and Lower	Triennial

[2] The risk score is calculated based on multiple factors including building occupancy type and size, as well as life, safety, and economic impacts.

A review of all fourteen high-risk occupancies found that while many properties received an inspection in both 2024 and 2025, further improvement is needed to ensure the highest-risk occupancies receive a documented inspection as required.[3] Specifically, twelve of the fourteen occupancies had a documented inspection in 2024 while eleven of the fourteen occupancies had a documented inspection in 2025. Fire Prevention staff reported that one of the occupancies was County-owned, causing some confusion over responsibility and another property had reportedly received multiple inspections, but these were not clearly documented in the City's building inspection system.

2. **Develop guidance on how to create Fire Routine permits and record annual inspection results. Guidance should address how often a new permit should be created, what activities should be categorized under each inspection type, and how inspection results should be recorded. Consider how custom screens in the inspections management system can be further utilized.**

   Management Response: Concur
   Fire Prevention Division Comments: Due to the upcoming replacement of Community Development (CD), it may not be worthwhile to invest time into creating new custom screens for fire inspections. The Fire Prevention Division will create policy and procedural documents for fire inspections.

   Audit Follow-Up Finding: Implemented
   During the original audit, the Fire Prevention Division had not developed written guidance on recording inspections in the City's building inspection system. Specifically, it was not previously clear when a new "permit" should be created, how inspection results should be documented, or what inspection type should be used for what activities. A review of guidance developed in 2025 found that specific, written instructions are now provided to staff. Furthermore, the guidance provides definitions of inspection result types and requires supervisors to review at least two random inspections per month for each inspector.

   Custom screens in the building inspection system were not implemented by the Fire Prevention Division. As reported in the Division's Management Response, due to the pending system replacement, management determined it would not be beneficial to invest time in creating new custom screens for fire inspections.

3. **Create a process to ensure inspections with failed results receive follow-up until deficiencies are corrected.**

[3] All properties with a risk score of 80 and higher as listed in the 2023 Target Hazard lists were reviewed.

Management Response: Concur
Fire Prevention Division Comments: This recommendation is already in progress. Any time an inspection is failed, fire inspectors schedule a follow up inspection in Community Development as a reminder and appointment for a reinspection. The Fire Prevention Division will also include this practice in the above-referenced procedural documents.

Audit Follow-Up Finding: In-Progress
The Fire Prevention Division implemented a Failed Inspection Procedure in November 2025 that details the documentation and timing expectations for follow-up inspections. This procedure was not formally implemented until late 2025, due to plans to implement a new building inspection system. The current building inspection system was not designed to track or manage routine fire inspections, creating technical barriers to tracking the Fire Prevention inspection process.

A statistical review of 90 failed initial fire inspections between October 2023 and December 2025 found that while follow-ups were recorded for 81 percent, 50 percent of the 90 inspections had documentation inconsistencies, limiting the ability to verify if the occupancy eventually received a passed inspection.

4. **Develop checklists or quick reference guidance for different types of occupancies to help ensure inspection consistency and facilitate efficient supervisory reviews. It may be most effective to develop guidance for common or higher-risk occupancies.**

   Management Response: Concur
   Fire Prevention Division Comments: While the Fire Prevention Division already has multiple checklists in place for various fire inspections, we can update and consolidate those checklists and guides. We will incorporate a process for supervisor reviews and include that process in the above-referenced procedural documents.

   Audit Follow-Up Finding: Implemented
   Fire Prevention Division management has implemented multiple inspection checklists and inspection guidance documents for different occupancy types since 2023. This guidance includes information for some higher-risk occupancies, including schools and places of assembly that were not readily available for inspectors during the original audit. The written guidance appears to provide detailed information and will likely help improve inspection practice consistency across different inspectors.

5. **Use fire type and location information to develop focused education programs.**

Management Response: Concur
Fire Prevention Division Comments: The Fire Prevention Division will develop a process for using local fire trends to create community education programs.

Audit Follow-Up Finding: Implemented
The Fire Prevention Division has begun providing targeted educational activities. Since August 2025, monthly public newsletters have been created that appear to target real-time concerns like holiday safety in December or winter safety during the January 2026 winter storm. In addition, many accidental fire common causes were addressed in published newsletters such as candles, kitchen practices, and heater usage, and an educational video was created to address the fire-related dangers of hoarding in 2025.

Overall, while operational fire data could be further used to inform the education program, Fire Prevention has demonstrated it is now producing targeted educational information for the public.

6. **Consider reviewing all associated costs of fire prevention activities to ensure established fees are in alignment with cost recovery goals.**

Management Response: Concur
Fire Prevention Division Comments: The Fire Prevention Division will contact the Finance Department to request a fee study for all prevention fees and make recommended changes to the Prevention fee schedule.

Audit Follow-Up Finding: Implemented
Previously, there was no specific review conducted to determine Fire Prevention fees, such as basing fees on the actual cost of providing fire prevention services. Due to budgetary constraints, the Fire Department has not conducted a formal cost analysis of fire prevention services; however, multiple Fire Department fees, including some Fire Prevention re-inspection fees, were assessed and revised for Fiscal Year 2025-26. Specifically, the second follow-up inspection fees were increased, indicating that the Fire Department is being more proactive in its cost recovery for activities that require the Fire Prevention Division to repeat its efforts.

Compliance System Helps Ensure Fire Protection Systems Receive Testing; Inspector Review Process Could be Improved

7. **Develop written guidance on the fire protection system testing report review process including when to follow up on deficiencies and updating the contact information of registered business.**

   Management Response: Concur
   Fire Prevention Division Comments: The Fire Prevention Division will create policy and procedural documents for reviewing and following up on the reports submitted to the compliance company.

   Audit Follow-Up Finding: Implemented
   During the original audit, routine reviews of submitted fire protection system testing reports were generally effective, however, there were no documented procedures to guide staff submitted reports or documenting follow-up actions.

   A written procedure was finalized in 2025 that lists inspectors' responsibilities regarding non-compliant reports, including scheduling a 'Code Check' inspection. Additionally, the procedure states that the contractor is responsible for entering up-to-date contact information for the business owner and inspectors are required to verify contact information during any follow-up inspections at that address.

8. **Create a process to ensure testing reports with issues or deficiencies receive a follow-up review or inspection and that those follow-up actions are documented in the database for consistent tracking.**

   Management Response: Concur
   Fire Prevention Division Comments: This recommendation is already in progress. Whenever a deficiency report has been submitted, a fire inspector creates an inspection to follow up on the deficiency. The Fire Prevention Division includes this process in the above-referenced policy and procedural documents.

   Audit Follow-Up Finding: Implemented
   As detailed in Recommendation 7, a written procedure has been developed that provides instructions for following up on deficient fire protection system testing reports. Specifically, once a severe deficiency is reported, a Code Check Inspection should be scheduled and assigned to an inspector. Upon inspecting the property, the inspector should enter the information into the system and conduct any follow-up inspections as needed. A review of a statistical sample of 51 addresses with a deficient report found only two addresses with a major or vital deficiency did not have a documented Code Check Inspection.

9. Ensure all fees associated with the fire system testing service is clearly documented in writing and perform periodic reconciliations to ensure the fees received by the contractor coincide with the number of accepted reports.

Management Response: Concur
Fire Prevention Division Comments: While the City already receives and reviews quarterly revenue reports from the compliance company, the Fire Prevention Division can provide quarterly upload reports to the Finance dept for reconciliation. Please note that depending on the dates the fire protection system was tested, the dates the contractors paid their fees, and the dates the fees were billed, the reconciliation may not be exact. The Fire Prevention Division will defer to the Purchasing dept and Legal for guidance on contract language.

Audit Follow-Up Finding: In-Progress
During the original audit, it was unclear if the City was receiving appropriate revenue from the compliance system vendor because the City's contract with the vendor did not state the percentage of the report submission fee that the vendor would retain.[4]

Despite renewing the City's contract with this vendor in the summer of 2025, the contract still does not include a clear price term, though it does accurately describe the profit-sharing model in use.

During this follow-up review, Fire Department management provided a 2026 pricing sheet that showed the profit-share that is currently in use, indicating that vendor is likely remitting revenue to the City per its agreement with the Fire Department.

Further, there was previously no documented reconciliation between the revenue received from the vendor and the number of reports approved and accepted. While the Fire Department implemented a quarterly reconciliation procedure in 2025, documentation of these reconciliations has not been retained.

[4] As reported in the original audit, the City charges $35 for each submitted fire protection system testing report; this fee is collected by the compliance system vendor, who then remits this revenue to the City after retaining its profit-share portion.

Fire Investigations Lack Written Policies & Compliant Security Procedures; Evidence Facility Conditions Are Inadequate

10. **Implement written policies and procedures for all fire investigation activities including case documentation and evidence storage, scene coordination, and requirements and responsibilities for appropriate use and review of body cameras.**

    Management Response: Concur
    Fire Prevention Division Comments: The Fire Prevention Division will create policy and procedural documents for case management, evidence storage, and body-worn camera.

    Audit Follow-Up Finding: Implemented
    Multiple written policies related to the investigation process were implemented in 2024, which should help improve consistent practices. The written policies include the following specifics:

    - Body Armor
    - Body Worn Cameras
        - Addresses multiple items related to cameras, including review of footage.
    - Case Documentation
        - Provides guidelines regarding retention, documentation requirements, case folders, and reviews.
    - Police & Fire Joint Operations
    - Scene Coordinator
    - Property & Evidence Handling
        - Provides guidelines regarding custody practices, logging procedures, and explosives.

    Furthermore, an onsite visit to the evidence storage location indicated that staff are following the written policy related to evidence handling and are actively working to streamline the evidence handling process.

11. **Provide adequate security for fire investigation case documentation that complies with CJIS requirements. Consider implementing a records management system that allows for easy tracking like the Police Department's electronic case management practices.**

    Management Response: Partially Concur
    Fire Prevention Division Comments: Due to the upcoming replacement of Police Department's records and case management system, it may not be worthwhile to implement that system for fire investigators. The Fire Prevention Division will work with Tech Services to explore other CJIS compliance systems for case management.

Audit Follow-Up Finding: Implemented
The original documentation retention location did not meet Criminal Justice Information System–or CJIS–standards and limited tracking of cases by staff. Fire Prevention Division and Technology Services Department staff began working to transition all items to a secure, CJIS-compliant digital storage location in February 2026. While there has been a delay due to the large amount of data involved, this project is expected to be completed by the summer of 2026.

12. **Move all physical fire investigation evidence to a secure, climate-controlled, well-ventilated, and pest free area that includes processing and temporary storage locations. Consider partnering with the Police Department to minimize the costs of complying with evidence management standards.**

Management Response: Concur
Fire Prevention Division Comments: The Fire Prevention Division will work with the Police Department to determine the feasibility of sharing evidence storage.

Audit Follow-Up Finding: Implemented
During the original audit, physical evidence from fire investigations were stored insecurely as shown in Picture 1, including the evidence storage area having multiple unsecured access points, limited surveillance, potentially inappropriate ventilation, and multiple contamination events.

The Fire Prevention Division moved all intact fire investigation evidence to a new secure location in February 2024. As shown in Picture 2, the new storage facility has greatly improved, including appropriately regulated access points, increased surveillance, appropriate ventilation, and available space for evidence processing and temporary storage.

Picture 1: Org. Evidence Room

Picture 2: New Evidence Room

Audit Project Background

The City Auditor's Office is responsible for providing: (a) an independent appraisal[5] 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 a follow-up review of the Audit of Fire Prevention, which evaluated the controls implemented to ensure the City's fire prevention fire prevention activities including; (1) routine inspections, (2) public education practices, and (3) fire investigations are effective, efficient, and in compliance with applicable regulations. This report is intended to provide a progress update on recommendations from the Audit of Fire Prevention.

Audit fieldwork was conducted during February 2026. The scope of review varied depending on the procedure being performed. The following list summarizes major procedures performed during this time:

- Reviewed documentation from the issued audit review to develop criteria including industry standards, best practices, policies, and procedures;
- Interviewed Fire Department and Technology Services staff;

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

- Reviewed new policies and standard operating procedures related to fire inspection plans and guidance, inspections management system usage, follow-up inspections, fire protection system testing reviews, and investigations;
- Determined if all high-risk occupancies, as identified in the 2023 Hazard Risk Assessment, were inspected annually;
- Reviewed a statistical sample of 90 failed initial fire inspections to assess follow-up practices;[6]
- Reviewed a statistical sample of 51 deficient fire protection system testing reports to determine if the reports were followed-up on as required by the Fire Prevention Division's standard operating procedure;[7]
- Reviewed and reviewed education materials provided to the public;
- Reviewed fire-related fee updates and the fire protection system testing vendor contract; and
- Conducted an onsite visit to the new evidence storage facility.

[6] This sample size provides with 95 percent confidence that the true population mean is within ±10 percent of the sample estimate.
[7] This sample size provides with 95 percent confidence that the true population mean is within ±10 percent of the sample estimate.

Follow-Up Review of the Audit of Fire Prevention

Madison Rorschach
City Auditor
City Auditor's Office

March 24, 2026

Purpose of the Follow-Up Review

- Provides a progress update on audit recommendations.
- Audit project evaluated the controls over the fire prevention program including routine inspections, public education, and fire investigations.
- Review found significant improvement.

Recently Implemented Inspection & Review Guidance will further ensure Consistency

- Hazard risk levels now guide routine fire and life safety inspections.
  - While most high-risk occupancies were inspected as required, four had at least one missed inspection in the last two years.
- Guidance on documenting initial and follow-up routine inspections consistently was implemented in 2025.
  - Inspection checklists for different occupancy types have been created.
  - Review of 90 failed initial inspections indicated most had a follow-up, but it was clear for only 50% that the occupancy had eventually passed inspection.
- Guidance on reviewing and following up on fire protection system reports was implemented in 2025; follow-ups are generally performed timely.
  - Documented revenue reconciliations for reporting system rev. still needed.

CITY OF DENTON

ID 26-2457

Hazard Risk Assessment Summary

Risk Level	Inspection Frequency	Buildings
High	Annually	14
Medium	Biannually	2,707
Low	Triennially	2,460

Public Education Now Reflects Local Fire Trends; Fire Prevention Fees Revised

- Local fire trends reflected in public education.
  - Monthly newsletter addresses real-time concerns.
  - Denton-specific video created.

- Fire Prevention fees revised.

Sign up for the Frontline Report Here

Fire Investigations Procedures Implemented; Evidence Moved to a New Location

- Additional guidance on performing fire investigations implemented in 2024.
- Digital investigation documentation retention will be moved to a CJIS-compliant location by summer 2026.
- Physical evidence moved to a new location.

New Fire Evidence Room

Fire Prevention Follow-Up Summary:
Significant Improvements Made

Audit Area	Recommendations	Implemented	In Progress	Not Implemented
Routine Fire & Life Safety Inspections	5	60%	40%	0%
Fire Protection System Reporting	3	67%	33%	0%
Public Education	1	100%	0%	0%
Fire Investigations	3	100%	0%	0%
All:	12	75%	25%	0%

Recommendations In Progress:*

1. Use building hazard risk levels to guide inspection activities & develop a process to ensure buildings are being inspected per NFPA frequency guidelines.
3. Create a process to ensure inspections with failed results receive follow-up until deficiencies are corrected.
9. Ensure all fees associated with the fire system testing service are clearly documented in writing and perform periodic reconciliations to ensure the fees received by the contractor coincide with the number of accepted reports.

* Detailed recommendations and implementation statuses can be seen in the full follow-up report.

Questions?

Madison Rorschach

City Auditor

City Auditor's Office

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Manager's Office

CM: Sara Hensley

DATE: March 24, 2026

SUBJECT

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

1) Denton's Newspaper of Record
   [Estimated Presentation/Discussion Time: 30 minutes]

BACKGROUND

The following items will be discussed during this work session:

1) Denton's Newspaper of Record

a. **Requestor:** Mayor Gerard Hudspeth
b. **Council Member Request:** I am asking the council to authorize staff to research all available news outlets that could serve as the city of Denton's newspaper of record. If more than one qualifies, issue an RFP for the council to evaluate which option best serves the city.
c. **Date Requested:** February 18, 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:
Kristi Fogle
Chief of Staff

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

City Council Meeting

March 24, 2026

File ID: 26-0278

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

Denton's Newspaper of Record

Requestor: Mayor Gerard Hudspeth

Council Member Request: "I am asking the council to authorize staff to research all available news outlets that could serve as the City of Denton's newspaper of record. If more than one qualifies, issue an RFP for the council to evaluate which option best serves the city."

Date Requested: February 28, 2026

Format of 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

CM: Sara Hensley

DATE: March 24, 2026

SUBJECT

Consider a nomination 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 Landon Huey was received from Mayor Pro Tem Rumohr (District 3) for a vacancy on the Airport Advisory Board. The vacancy is for a term commencing September 1, 2024 and ending August 31, 2026.

EXHIBIT

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: **Economic Development**

ACM: **Christine Taylor**

DATE: **March 24, 2026**

SUBJECT

Consider an appointment and reappointments to the Tax Increment Reinvestment Zone Number One Board (TIRZ 1) Board of Directors.

BACKGROUND

Under Ordinance No. 2010-316, which establishes the TIRZ 1 and its Board of Directors, Board membership shall be as follows:

- Two Members shall be City Council Members.
- Two Members shall be either property owners of property located within TIRZ 1 or residents whose primary residence is located within TIRZ 1.
- Two Members shall be either business owners of businesses located within TIRZ 1 or a member of the Denton Chamber of Commerce Board of Directors.
- One Member shall be a qualified voter in the City of Denton.

Three positions are currently up for appointment/reappointment as detailed in the chart below.

Members	Qualification	Current Term	Term No.
Council Member Holland	City Council Member	2025-2027	1
Council Member Beck	City Council Member	2024-2026	1
Daniel Abasolo	Qualified Voter	2024-2026	3
Tim Stoltzfus	Business Owner	2024-2026	1
Marybeth Reinke Doyle	Property Owner or Resident of Zone	2023-2025	2
Taylor Brakefield	Property Owner or Resident of Zone	2023-2025	1
Suzanne Johnson	Business Owner	2023-2025	2

At present, the three positions available for reappointment are held by Marybeth Reinke Doyle, Taylor Brakefield, and Suzanne Johnson. Member Johnson and Member Reinke Doyle have confirmed their willingness to serve another term. Member Brakefield is no longer able to continue serving on the board. Nick Miller of The Martino Group has applied to the TIRZ 1 board to fill the Property Owner seat.

New Appointments:

- Nick Miller, Property Owner
    - This would be Mr. Miller's first term.

Reappointments:

- Suzanne Johnson, Business Owner
    - This would be Ms. Johnson's third term.
- Marybeth Reinke Doyle, Property Owner
    - This would be Ms. Reinke Doyle's third term.

RECCOMENDATION

Staff recommends reappointment of Member Johnson and Reinke Doyle to the Business Owner and Property Owner seats, respectively, and appointment of Nick Miller to the Property Owner seat.

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Respectfully submitted:
Kristen Pulido
Main Street Program Manager

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: City Secretary's Office

CM: Sara Hensley

DATE: March 24, 2026

SUBJECT

Consider approval of a resolution of the City of Denton excusing the February 25, 2026, meeting absence of a Planning and Zoning Commission Member; and providing an effective date.

BACKGROUND

Section 2-83(c) of the Denton City Code mandates board, commission, or committee members who cannot attend a meeting must contact the chairperson or an appropriate staff liaison to report the absence before the start of the meeting and provide the reason. Absences can be excused by the City Secretary if the notification is received in advance of the meeting and if the absence is for the following reasons: personal or family illness, death of a family member, jury duty, service in the armed forces, testifying before the legislature, attending a seminar involving municipal matters of importance to the member's duties, or an absence necessary for the member's business or employment. All board, commission, and committee members are provided information on the attendance requirements.

Planning and Zoning Commission Member MaryAnn McDuff reported the absence on February 25, 2026 was due to required attendance and service at Rotary International 2026 Lone Star President Elect Training Seminar. (Member is a board director representing District 5790 and is also Chair of Curriculum). Denton City Code Section 2-83(c)(1)(b) provides that in the event an absence does not meet any of the above excused absence criteria, a member may submit a request to have the absence excused to the City Secretary's Office in writing no later than ten business days after the date the absence occurred, after which the City Secretary will place an item on the next available City Council agenda for consideration, in accordance with the Texas Open Meetings Act. Member MaryAnn McDuff filed the request within the timeline required. The request is being formally presented to City Council.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Resolution

Respectfully submitted:
Ingrid Rex
City Secretary

City of Denton

Board and Commission Notification of Absence Request

Planning and Zoning Commission

Absence Date: 02/25/26 **Submitted On**: 02/22/26 2:03 PM

Name:

Mary Ann McDuff

Phone:

[redacted]

Email:

[redacted]

Reason for Absence:

Service at Rotary International 2026 Lone Star President Elect Training Seminar. I am on the LSPETS Board of Directors representing District 5790 and Chair of Curriculum.

RESOLUTION NO. 26-0426

A RESOLUTION OF THE CITY OF DENTON EXCUSING THE FEBRUARY 25, 2026 MEETING ABSENCE OF A PLANNING AND ZONING COMMISSION MEMBER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Ordinance No. 19-2866, adopted January 28, 2020, outlines the attendance policy/requirements for members of certain board, commission, and committees; and

WHEREAS, at adoption, Ordinance No. 19-2866 amended Section 2-83(c)(1)(a) to provide that an absence shall be considered excused for the following reasons: personal or family illness, death of a family member, jury duty, service in the armed forces, testifying before the legislature, attending a seminar involving municipal matters of importance to the member's duties, or an absence necessary for the member's business or employment; and

WHEREAS, Section 2-83(c)(1)(b), provides "in the event an absence does not meet any of the above noted criteria for an excused absence, the member may submit a request to have the absence excused to the City Secretary's Office in writing no later than ten business days after the date the absence occurred, after which the City Secretary will then place an item on the next available city council agenda for their consideration, in accordance with the Texas Open Meetings Act."; and

WHEREAS, Planning and Zoning Commission Member MaryAnn McDuff (Member) was absent from the February 25, 2026 meeting with the purpose of the absence not meeting the criteria for excused absences; and

WHEREAS, the Member has requested City Council excuse the absence from the February 25, 2026 meeting for the purpose as stated in Exhibit 1; and,

WHEREAS, the City Secretary formally presents the Member's request for the excused absence to the City Council; NOW THEREFORE;

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The reason for Member Mary Ann McDuff's absence from the February 25, 2026 Planning and Zoning Commission meeting is sufficient to provide the absence be excused.

SECTION 2. The attendance record should reflect such absence as excused.

SECTION 3. This Resolution shall become effective immediately upon its passage and approval.

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
Gerard Hudspeth, Mayor:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, 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: **Airport**

ACM: **Frank Dixon**

DATE: **March 24, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton approving a Fourth Amendment to Airport Lease for Sheltair Aviation Denton, LLC covering property at 4849 Spartan Drive, Denton, Texas at the Denton Enterprise Airport; amending the existing airport lease; authorizing the City Manager to execute the Fourth Amendment of Airport Lease; and providing an effective date. Airport Advisory Board recommends approval (5-0).

BACKGROUND

The lease agreement with Sheltair Aviation Denton, LLC ("Lessee") is a 35-year and 4-month agreement dated and effective May 15, 1998, through March 11, 2049. The leasehold encompasses 1.48 acres and includes a 15,494 square foot building currently utilized for classroom space, aircraft storage, and aircraft maintenance.

The Lessee has requested an amendment to Section V to add vehicular parking as a permitted use on a portion of the lease where it is currently not permitted. The permitted vehicular parking will only be allowed to support the existing aeronautical uses within the lease and the parking surface must be constructed to a standard that would accommodate aircraft parking in the future. The vehicular parking use would be required to conform to any applicable Airport Minimum Operating Standards or other law or regulations.

The additional vehicular parking is designated to support the operational needs of the Lessee's subtenant, which conducts a permitted aeronautical business at the Airport. As documented in its Statement of Parking Sufficiency, the proposed parking facility will fulfill the subtenant's parking requirements and address increased capacity demands associated with their activities.

OPTIONS

1. Adopt the proposed ordinance approving the Fourth Amendment to Airport Lease as requested by Sheltair Aviation Denton, LLC.
2. Take no action at this time.

RECOMMENDATION

Airport Staff recommends approval of the Fourth Amendment to Airport Lease (**Exhibit 3**)

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Council approved the lease agreement on May 12, 1998, Ordinance 98-133
Council approved a resolution for lease assignment on October 6, 1998, Resolution 98-054

Council approved a lease assignment on July 20, 2010, Ordinance 2010-177
Council approved a third amendment on September 17, 2013, Ordinance 2013-258
Council approved a first amendment on November 19, 2013, Ordinance 2013-321
Council approved a lease assignment on November 15, 2022, Ordinance 22-2353
Airport Advisory Board recommended approval of a fourth amendment on March 11, 2026

FISCAL INFORMATION

This property lease is for 1.48-acres of land for a current annual lease rate of $30,321.02. The annual lease rate is subject to a Consumer Price Index for all urban consumers (CPI-U) increase, every year, with the next adjustment to occur on May 1, 2026.

EXHIBITS

1. Agenda Information Sheet
2. Location Map
3. Ordinance – Fourth Amendment to Airport Lease
4. Statement of Parking Sufficiency
5. LLC Information

Respectfully submitted:
Leanne Alexander, A.C.E.
Airport Analyst

Location Map

4849 Spartan Drive
Site 0 = A tract of land listed as Exhibit 3 and Attachment C in the Land Lease

Docusign Envelope ID: 31924333-764A-4493-88D1-EE9247D14EC1

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING A FOURTH AMENDMENT TO AIRPORT LEASE FOR SHELTAIR AVIATION DENTON, LLC COVERING PROPERTY AT 4849 SPARTAN DRIVE, DENTON, TEXAS AT THE DENTON ENTERPRISE AIRPORT; AMENDING THE EXISTING AIRPORT LEASE; AUTHORIZING THE CITY MANAGER TO EXECUTE THE FOURTH AMENDMENT OF AIRPORT LEASE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on May 15, 1998, the City of Denton, a Texas home-rule municipal corporation (hereinafter the "City"), entered into that certain Airport Lease Agreement (the "Lease") with Alan Ritchey, Inc. covering property located at 4849 Spartan Drive, Denton, Texas, as more fully described in the Lease (the "Property"), at the Denton Enterprise Airport ("Airport"), which Lease was approved by the City pursuant to Ordinance No. 98-133; and

WHEREAS, Resolution No. 98-054 assigned the Lease from Alan Ritchey, Inc. to Robby Ritchey; and

WHEREAS, Ordinance No. 2010-177 assigned the Lease from Robby Ritchey to Alan Ritchey, Inc.; and

WHEREAS, Ordinance No. 2013-258 assigned the Lease from Alan Ritchey, Inc. to Nebrig Properties L.P. and amended section III. "Term", Section V. A. "Rights and Obligations of lessee", Section VIII. "Ownership of Improvements", Section XI. "Assignment of Lease" and Section XV.D. "Miscellaneous Provisions"; and

WHEREAS, Ordinance No. 2013-321 assigned the Lease from Nebrig Properties L.P. to Sykes-Vaughan Investments, LLC and amended section III. "Term", Section IV. D., "Other Payments to Lessor", Section V.A. "Rights and Obligations of Lessee" and XV. D. "Notice"; and

WHEREAS, Ordinance No. 22-2353 assigned the Lease from Sykes-Vaughan Investments, LLC to Sheltair Aviation Denton, LLC and amended section I.B. "Conditions of Agreement", Section V.F. "Environmental Laws", Section IX "Leasehold Mortgage Provisions" and XV.D. "Notice"; and

WHEREAS, Lessee has requested certain changes to the Lease to permit vehicular parking in areas where it is not currently permitted in order to serve the vehicular parking needs of the permitted aeronautical businesses occupying the leasehold; and

WHEREAS, the Lease requires the written consent of the City for the proposed amendment to be effective, and Lessee has requested the City give such consent; and

WHEREAS, at the March 11, 2026, meeting of the Airport Advisory Board, the Board recommended that the City approve the Second Amendment of Airport Lease for the Property by a vote of 5 to 0; and

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WHEREAS, the City Council deems it in the public interest to enter into a fourth amendment of Airport Lease giving consent to the amendment contemplated above; 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 amendment of Airport Lease for the Property referenced herein and incorporated hereby is hereby approved and made a part of this ordinance for all purposes.

SECTION 3. The City Manager, or their designee, is hereby authorized to execute the approved amendment of Airport Lease.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Romohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

Docusign Envelope ID: 31924333-764A-4493-88D1-EE9247D14EC1

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: DocuSigned by: Marcella Lunn
4B070831B4AA438...

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FOURTH AMENDMENT TO AIRPORT LEASE AGREEMENT

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS
COUNTY OF DENTON §

This Fourth Amendment to Airport Lease Agreement ("Amendment") is effective as of the ___ day of _____, 2026 (the "Fourth Amendment Effective Date"), by and between the City of Denton, a Texas home-rule municipal corporation ("Lessor"), and Sheltair Aviation Denton, LLC, a foreign limited liability company, successor-in-interest to Alan Ritchey, Inc., Robby Ritchey, Alan Ritchey, Inc., Nebrig Properties L.P., and Sykes-Vaughan Investments, LLC ("Lessee"), and amends that certain Airport Lease Agreement, effective as of May 15, 1998, by and between Lessor and Lessee (the "Lease"), Ordinance No. 98-133.

WITNESSETH:

WHEREAS, the Lessor and Lessee mutually agree to modify Section V.A of the Lease to include an additional permitted use of the property described in Exhibit 3 on Attachment A of the Base Lease; and

WHEREAS, Resolution No. 98-054 assigned the Lease from Alan Ritchey, Inc. to Robby Ritchey; and

WHEREAS, Ordinance No. 2010-177 assigned the Lease from Robby Ritchey to Alan Ritchey, Inc.; and

WHEREAS, Ordinance No. 2013-258 assigned the Lease from Alan Ritchey, Inc. to Nebrig Properties L.P. and amended section III. "Term", Section V.A. "Rights and Obligations of Lessee", Section VIII.C "Ownership of Improvements", Section XI. "Assignment of Lease" and Section XV.D. "Miscellaneous Provisions"; and

WHEREAS, Ordinance No. 2013-321 assigned the Lease from Nebrig Properties L.P. to Sykes-Vaughan Investments, LLC and amended section III. "Term", Section IV. D., "Other Payments to Lessor", Section V.A. "Rights and Obligations of Lessee" and XV. D. "Notice"; and

WHEREAS, Ordinance No. 22-2353 assigned the Lease from Sykes-Vaughan Investments, LLC to Sheltair Aviation Denton, LLC and amended section I.B. "Conditions of Agreement", Section V.F. "Environmental Laws", Section IX "Leasehold Mortgage Provisions" and XV.D. "Notice"; and

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained in this Amendment, the parties hereto agree as follows:

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Section 1. Section V.A of the Lease is hereby amended to include, in addition to the other uses authorized by the Base Lease, as amended:

Vehicular Parking: Vehicular parking shall be allowed on the Leased Premises to support other authorized uses under this Section taking placed on the Leased Premises. Lessee agrees that vehicular parking will be allowed once the lot titled "Exhibit 3" on Attachment A to the Base Lease is constructed to the same standards as the lot titled "Exhibit 2" on Attachment A to the Base Lease and any applicable Airport Minimum Operating Standards or other law or regulations.

Section 2. Capitalized terms not defined in this Amendment shall have the meaning ascribed to them in the Lease, as amended.

Section 3. Except as amended by this Amendment, the provisions of the Lease and any previous amendments shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Fourth Amendment Effective Date.

BY LESSOR:
CITY OF DENTON,
a Texas home-rule municipal corporation

_____
SARA HENSLEY
CITY MANAGER

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:
BY: Marcella Lunn
4B070831B4AA438...

Leaseholder:
Sheltair Aviation Denton, LLC

Signed by:
By: Lisa Holland
CFFD0602DCDD451...
Lisa Holland, President

Docusign Envelope ID: 31924333-764A-4493-88D1-EE9247D14EC1

BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

Signed by:
Ryan Adams
76544D73C36F499...
Signature

Director of Airport
Title

Denton Enterprise Airport
Department

Date Signed: 1/29/2026

Docusign Envelope ID: 5E1D316F-C350-4718-B04E-3F56C7C8770D

Denton Enterprise Airport
5000 Airport Rd., Denton, TX 76207 • (940) 349-7736

March 9, 2026

Mike Sykes
U.S. Aviation Academy
4850 Spartan Drive
Denton, Texas 76201

RE: U.S. Aviation Statement of Parking Sufficiency

Dear Mr. Sykes:

On April 15, 2025, representatives from U.S. Aviation Academy ("USAG") and Denton Enterprise Airport ("City") discussed vehicular parking alternatives to serve U.S. Aviation's increased parking demand.

During this meeting, several parking location opportunities were presented to USAG by the City:

- Site 5
- Site 7B
- Site 0 (a developable site located on an existing leasehold)

Both parties came to a conceptual agreement on conditions for the development of each site as represented in the attached set of deal points. The deal points were confirmed by both parties via email on April 15, 2025.

USAG ultimately determined not to pursue development of Sites 5 and 7B, but elected to proceed with Site 0. As a condition of the lease of Site 0 under the deal points, USAG would acknowledge that "its existing parking [to include Site 0] sufficiently satisfies its need based on its existing occupancy. USAG will not seek additional parking on other separately developable sites to serve its current occupancy."

The Statement of Parking Sufficiency (below), when signed by both parties, will reflect this agreement and be recorded with the Lease Amendment permitting the vehicular parking use on Site 0.

Thank you for your partnership with Denton Enterprise Airport, and I wish you future success as an Airport business and tenant.

Sincerely,
Ryan Adams
Director of Airport

Docusign Envelope ID: 5E1D316F-C350-4718-B04E-3F56C7C8770D

Statement of Parking Sufficiency

Both parties acknowledge that with the construction of a vehicular parking facility on the aforementioned Site 0 and subject to its terms and conditions, listed as Exhibit 3 and Attachment C in the ground lease agreement, the existing vehicular parking available to U.S. Aviation Academy and its subsidiaries sufficiently satisfies its parking demand, based on its occupancy on the Airport as of March 23, 2026 ("current occupancy").

U.S. Aviation and its subsidiaries will not seek additional parking on other separately developable airport property to serve its current occupancy unless there is a material increase in current occupancy.

DocuSigned by:
J. Michael Sykes
279DCD70F873462...

3/9/2026

Mike Sykes
CEO
U.S. Aviation Academy

Date

Signed by:
Ryan Adams
76544D73C36F499...

3/9/2026

Ryan Adams
Airport Director
Denton Enterprise Airport

Date

BUSINESS ORGANIZATIONS INQUIRY - VIEW ENTITY

Filing Number:	804791550	**Entity Type:**	Foreign Limited Liability Company (LLC)
Original Date of Filing:	November 1, 2022	**Entity Status:**	In existence
Formation Date:	N/A		
Tax ID:	32087002708	**FEIN:**	883969325

Name: Sheltair Aviation Denton, LLC
Address: 4860 NE 12TH AVENUE
FORT LAUDERDALE, FL 33334 USA
Fictitious Name: N/A
Jurisdiction: FL, USA
Foreign Formation Date: August 23, 2022

REGISTERED AGENT | FILING HISTORY | NAMES | MANAGEMENT | ASSUMED NAMES | ASSOCIATED ENTITIES | INITIAL ADDRESS

Last Update	Name	Title	Address
November 1, 2022	Lisa Holland	Manager	[redacted]

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Water Utilities

ACM: Cassey Ogden

DATE: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas; adding an Article XIII entitled Cross-Connection Control and Backflow Prevention to Chapter 26 of the City of Denton Code of Ordinances; providing for a replacement program to control cross-connections and prevent backflow; regulating the protection of the city's potable water supply; providing backflow prevention assembly and installation requirements; providing a maintenance and testing program for backflow prevention assemblies; repealing Ordinance No. 97-369; providing a penalty up to $2000 for each violation of this ordinance; providing a severability clause; providing a savings clause; providing a repealer clause; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The Cross-Connection Control and Backflow Prevention Program safeguards the City of Denton public drinking water system from backflow events.

Backflow events occur when water flows in the opposite direction of normal flow, potentially crossing from a water customer's private plumbing system back into the public water distribution system. Cross Connections are any actual or potential connections between a drinking water system and a non-drinking water source. If a Cross Connection is not properly protected, contaminated water can enter the public water supply during a backflow event.

Staff has updated the existing ordinance to reflect current regulatory requirements, industry best practices, and general program updates.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance

Respectfully submitted:
Stephen Gay, at 940-349-8086
General Manager
Water Utilities and Street Operations

For information concerning this acquisition, contact: Michael Hunter, 940-349-7256.

Legal point of contact: Christopher Mullins at 940-349-8114.

ORDINANCE NO._____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS; ADDING AN ARTICLE XIII ENTITLED CROSS-CONNECTION CONTROL AND BACKFLOW PREVENTION TO CHAPTER 26 OF THE CITY OF DENTON CODE OF ORDINANCES; PROVIDING FOR A REPLACEMENT PROGRAM TO CONTROL CROSS-CONNECTIONS AND PREVENT BACKFLOW; REGULATING THE PROTECTION OF THE CITY'S POTABLE WATER SUPPLY; PROVIDING BACKFLOW PREVENTION ASSEMBLY AND INSTALLATION REQUIREMENTS; PROVIDING A MAINTENANCE AND TESTING PROGRAM FOR BACKFLOW PREVENTION ASSEMBLIES; REPEALING ORDINANCE NO. 97-369; PROVIDING A PENALTY UP TO $2000 FOR EACH VIOLATION OF THIS ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to Chapter 341 of the Texas Health & Safety Code, the Texas Commission on Environmental Quality ("TCEQ") has developed rules and regulations that govern drinking water quality and reporting requirements for public water systems; and

WHEREAS, TCEQ's rules and regulations require the protection of the public water system from contaminants introduced by backflow through water service connections; and

WHEREAS, the City of Denton approved Ordinance No. 97-369 on December 16, 1997, initially establishing regulations for backflow prevention; and

WHEREAS, the City Council finds that the most effective way of protecting the public water system from contaminants caused by backflow is to have a cross-connection control program of uniform regulations governing the installation, testing, maintenance, and inspection of backflow prevention assemblies that applies to all properties and provides for the registration of backflow prevention assembly testers; and

WHEREAS, the City of Denton deems it necessary and in the interest of public health, safety, and welfare to replace its current comprehensive cross-connection control and backflow prevention ordinance; and

WHEREAS, the primary objective of this Ordinance is to protect the potable water supply by isolating potential contaminants or pollutants within internal distribution systems or private water systems that could otherwise backflow into the public water system; and

WHEREAS, the comprehensive cross-connection control and backflow prevention program established by this Ordinance ("Program) is intended to eliminate and control all cross-connections, whether actual or potential, between on-site potable water systems and any non-potable water systems, plumbing fixtures, or industrial piping systems; and

WHEREAS, the Program will mandate specific installation and maintenance standards for all backflow prevention assemblies to ensure their proper functionality; and

WHEREAS, to proactively prevent backflow incidents and potential contamination of the potable water supply, the Program will require inspections to verify the integrity and effectiveness of backflow prevention assemblies; and

WHEREAS, the Program will (1) establish the requirements and standards for individuals seeking to become a registered City of Denton backflow prevention assembly tester, including the criteria for obtaining and maintaining the registration, and (2) establish a method for the suspension or revocation of a registration; and

WHEREAS, this Ordinance will provide City staff with the authority to use enforcement procedures to ensure compliance with the Program; and

WHEREAS, the City Council hereby finds and determines that such cross-connection control and backflow prevention regulations are necessary and will protect public health, safety, and welfare; and

WHEREAS, the City Council hereby finds that Ordinance No. 97-369 should be repealed and replaced by adopting Code of the City of Denton, Texas, Chapter 26, Article XIII "Cross-Connection Control And Backflow Prevention".

NOW THEREFORE, THE CITY 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. Ordinance No. 97-369 is hereby repealed in its entirety.

SECTION 3. The Code of Ordinances of the City of Denton, Texas is hereby amended to add Chapter 26, Article XIII entitled "Cross-Connection Control and Backflow Prevention", attached hereto as Exhibit "A" and incorporated herein as if fully set forth herein.

SECTION 4. Any person, firm, or corporation found to be violating any provision of this ordinance shall, upon conviction, be found guilty of a Class "C" misdemeanor and fined a sum not to exceed two thousand dollars ($2,000) for each violation in accordance Sec. 26-347. Every day a violation occurs or continues shall constitute a separate offense.

SECTION 5. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable, and if any phrase, clause, sentence, or section of this Ordinance shall be declared unconstitutional or invalid by any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any other

remaining phrase, clause, sentence, paragraph, or section of this ordinance.

SECTION 6. The repeal of any ordinance or part of ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the City of Denton under any section or provisions at the time of passage of this Ordinance.

SECTION 7. All ordinances, or parts thereof, and provisions of the Code of the City of Denton, Texas, codified or uncodified, in direct conflict with the provisions of this Ordinance are hereby repealed, and all other provisions of the Code of the City of Denton, codified or uncodified, not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 8. The City Secretary is hereby directed to record and publish the above regulations in the City's Code of Ordinances.

SECTION 9. Pursuant to Section 2.09(c) of the Charter for the City of Denton, 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, the official newspaper of the City of Denton, Texas, within ten (10) days of the date of its passage.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____

GERARD HUDSPETH, MAYOR

ATTEST:

INGRID REX, CITY SECRETARY

BY:_____

APPROVED AS TO LEGAL FORM:

MACK REINWAND, CITY ATTORNEY

BY:Christopher Mullins

EXHIBIT "A"

Subpart A - CODE OF ORDINANCES

Chapter 26 - UTILITIES

ARTICLE XIII. - CROSS-CONNECTION CONTROL AND BACKFLOW PREVENTION

DIVISION 1. - GENERALLY.

Sec. 26-314. - Article designation.

This Article XIII is hereby designated and shall be known and referred to as the "Cross-Connection Control and Backflow Prevention" article of the Code of the City of Denton, Texas, Chapter 26 or as the "Cross-Connection Control and Backflow Prevention Ordinance" and shall be referred to herein as the "Article."

Sec. 26-315. - Purpose.

There is hereby established a Cross-Connection Control and Backflow Prevention Program intended to promote the public health, safety, and welfare by and through regulations designed to:

(a) Protect the public Potable Water Supply of the City of Denton from the possibility of contamination or pollution by isolating within Private Water Systems, Contaminants and Pollutants that could Backflow into the Public Water System;

(b) Promote the elimination or control of Cross-Connections, whether actual or potential, between on-site Potable Water Supplies and Non-Potable Water Supplies, plumbing fixtures, and industrial piping system(s);

(c) Provide for the maintenance of a continuing program of Cross-Connection control that will systematically and effectively prevent Contamination or Pollution in the Public Water System;

(d) Establish requirements and responsibilities for Backflow Prevention Assembly Testers;

(e) Comply with 30 TEX. ADMIN. CODE Chapters 290 (Public Drinking Water) and 344 (Landscape Irrigation); and

(f) Establish enforcement measures necessary to achieve compliance with the requirements of this Article.

Sec. 26-316. - Cost of compliance.

(a) The entire cost of complying with this Article shall be the responsibility of Users.

(b) Users are responsible for all enforcement costs under this Article.

Sec. 26-317. - Administration.

This Article shall apply to any Person, firm, or corporation who is a User of the City of Denton Public Water System. Except as otherwise provided in this Article, officials named in the definition of Regulatory Authority in Sec. 26-318 shall administer, implement, and enforce the provisions of this Article, as set forth

herein.

Sec. 26-318. - Definitions.

The following words, terms, and phrases, when used in this Article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

Advanced Metering Infrastructure or *AMI* means a metering system that enables the automated, remote collection of utility consumption data. This system utilizes a network that is capable of automatically transmitting meter readings to the utility over a communication network, eliminating the need for a utility employee to physically visit the meter to obtain a reading.

Air Gap or *AG* means a physical separation between the free-flowing discharge end of a Potable Water Supply pipe or appurtenance and an open or non-pressure receiving vessel, plumbing fixture, or other device. An approved air-gap separation shall:

(1) be at least twice the diameter of the supply pipe measured vertically above the overflow rim of the vessel, plumbing fixture, or other device;

(2) be in no case less than one (1) inch; and

(3) comply with the 30 TEX. ADMIN. CODE § 290.44 and the Plumbing Code.

Applicable Laws means the ordinances, codes, and regulations of the City of Denton, as well as the rules and regulations of the Commission and any other state or federal laws governing Cross-Connection control or Backflow prevention.

Approved Backflow Prevention Assembly means a Backflow Prevention Assembly that is a DC, DCDA, DCDA-II, RP, RPDA-II, SVB, or PVB and complies with this Article, the Plumbing Code, and 30 TEX. ADMIN. CODE § 290.44. In the case of a conflict between this Article, state laws or rules, or the Plumbing Code, the more restrictive standard shall apply.

Atmospheric Vacuum Breaker Backflow Prevention Assembly or *AVB* means a Backflow Prevention Assembly containing an air inlet valve, a check seat, and air inlet port(s). In no circumstances are AVBs Approved Backflow Prevention Assemblies in the City of Denton.

Auxiliary Water Supply means any supply of water other than water from the City of Denton's Public Water System.

Backflow means an undesirable reversal of flow of water or a mixture of water and other liquids, gases, or other substances, from any source or sources, into the distribution pipes of the Potable Water Supply.

Backflow Prevention Assembly or *Backflow Assembly* means a mechanical plumbing device that, when properly installed and maintained, prevents Backflow from a Private Water System into the Public Water System. Backflow prevention is necessary to stop potentially Contaminated or Polluted water from entering the public water supply due to either a Backpressure or Backsiphonage event.

Backflow Prevention Assembly Tester or *Tester* means a Person who (i) holds a Backflow Prevention Assembly Tester License issued by the Commission and (ii) is registered to test Backflow Prevention Assemblies in the City of Denton on any domestic, commercial, industrial, or irrigation line.

Backflow Protection means protection against Backflow provided in accordance with this Article, 30

TEX. ADMIN. CODE § 290.44, and the Plumbing Code. In the case of a conflict between this Article, state laws or rules, or the Plumbing Code, the more restrictive standard shall apply.

Backpressure means any elevation of pressure in downstream piping (For example, and without limitation, by pump, elevation of piping, steam pressure, or air pressure) above the supply pressure at the point of consideration that would cause or tend to cause a reversal of the normal direction of flow.

Backsiphonage means the flow of water or a mixture of water and other liquids, mixtures, or substances into the distribution pipes of the Public Water System from any source other than its intended source caused by a sudden reduction of pressure in the Public Water System.

Building Official means the official, or their designee, charged with the administration and enforcement of Chapter 17 of the Code of the City of Denton, Texas.

City means the City of Denton, Texas.

Commission means the Texas Commission on Environmental Quality ("TCEQ") or its successor agency.

Containment means a method of Backflow prevention that requires the installation of a Backflow Prevention Assembly at the Service Connection.

Contaminant means any substance, whether organic, inorganic, radiological, or biological, that could degrade the quality of water in the Public Water System's distribution system and may endanger public health and safety.

Cross-Connection means any actual or potential connection or structural arrangement between the PWS and any other source or system through which it is possible to introduce to the PWS any used water, industrial fluid, gas, or substance other than Potable Water Supply. The term "*Cross-Connection*" includes, but is not limited to, bypass arrangements, jumper connections, removable sections, swivel or change-over devices, and any other temporary or permanent devices.

(1) The term "*Direct Cross-Connection*" means a Cross-Connection that is subject to both Backsiphonage and Backpressure.

(2) The term "*Indirect Cross-Connection*" means a Cross-Connection that is subject to Backsiphonage only.

Cross-Connection Control Assembly means an assembly:

(1) Placed upon any connection, physical or otherwise, between the PWS and any plumbing fixture, tank, receptacle, equipment, or device; and

(2) Designed to prevent Contamination in any part of the PWS.

Customer Service Inspection or *Cross-Connection Control Inspection* or *CSI* means an examination of the Private Water System by a Commission licensed Customer Service Inspector for the purpose of providing or denying water service. The inspection is limited to the identification and prevention of Cross-Connections, potential Contaminant hazards, and illegal lead materials.

Degree of Hazard means either a Health Hazard or a Non-Health Hazard derived from an assessment of materials or substances that may come in contact with the PWS as the result of a Cross-Connection.

(1) *Health Hazard* means a Cross-Connection, or any other situation, involving a Contaminant.

(2) *Non-Health Hazard* means a Cross-Connection, or any other situation, involving a Pollutant.

Director means the General Manager of Water Utilities and Street Operations for the City or their designees charged with the administration and enforcement of this Article.

Domestic Use means any use of water suitable for human consumption, sanitation, bathing, cooking, or other ordinary household purposes or for purposes normally associated with residential, commercial, or institutional establishments such as offices, schools, hospitals, and churches, where the water does not become part of a manufacturing or industrial process.

Double Check Backflow Prevention Assembly or *Double Check Assembly* or *Double Check* or *DC* means an assembly that consists of two (2) independently acting and approved check valves and two (2) tightly closing, resilient, and seated shutoff valves attached at each end of the assembly, fitted with properly located resilient seated test cocks. This assembly is only approved for use against Non-Health Hazards.

Double Check Detector Backflow Prevention Assembly or *Double Check Detector* or *DCDA* means an assembly composed of a line-size approved double check assembly with a bypass containing a water meter and an approved double check valve assembly. The meter shall register accurately for all rates of flow including, without limitation, low rates of flow up to 2 gallons per minute. This assembly is only approved for use against Non-Health Hazards.

Double Check Detector Backflow Prevention Assembly-Type II or *DCDA-II* means an assembly composed of a line-size approved double check assembly with a bypass around the second check containing a specific water meter and an approved double check valve assembly. The meter shall register accurately for all rates of flow including, without limitation, low rates of flow up to 2 gallons per minute. This assembly is only approved for use against Non-Health Hazards.

Fire Department Connection or *FDC* means a fitting providing a point of connection for a fire department apparatus to supplement the water supply for standpipes, fire sprinkler systems, or other fire suppression systems within a Premises. This connection typically includes one or more hose inlets with caps and a method of connection to the fire suppression system piping.

Fire Line Tester means a Tester who:

(1) is a full-time employee of an underground fire line contractor licensed by the Texas Department of Insurance; and

(2) Meets the requirements for Testers provided in this Article.

Hydrant means a City of Denton-owned device connected to the Potable Water Supply, consisting of an upright pipe from the Public Water System with a valve and one or more outlets. Its purpose is to provide a point of access for drawing water for uses authorized and regulated by the City.

Hydrant Meter or *Stationary Construction Hydrant Meter* means a fixture (i) owned, maintained, and installed by the City of Denton; (ii) composed of a meter and RP combination; and (iii) required at any connection to a Hydrant.

Mobile Unit means any operation that may have the potential to introduce Contaminants into a Potable Water Supply from a mobile source. These operations include, but are not limited to, carpet-cleaning vehicles,

water-hauling vehicles, street-cleaning vehicles, liquid-waste vehicles, power-wash operations, and pest-control vehicles.

New Construction means:

(1) Construction of any new building or structure; or

(2) Construction that:

a. Alters the plumbing of an existing building or structure;

b. Requires an upsized meter or service line;

c. Requires a permit under the International Codes adopted by the City and provided in the Code of the City of Denton, Texas; and

d. Is associated with a pending permit application filed with the Building Safety Department after April 7, 2026.

Non-Potable Water Supply means any water that does not meet the definition of "*Potable Water Supply."*

Non-Residential Use means any water use not included in the term "*Residential Use*", as defined in this Article.

Person means any individual, firm, partnership, joint venture, association, club, fraternal organization, joint stock company, corporation, cooperative, estate, trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

Plumbing Code or *PC* means the International Plumbing Code adopted in the Code of the City of Denton Texas, Chapter 28, Article VII, as amended.

Point-of-Use Isolation or *Internal Protection* means the appropriate Backflow Protection within the Private Water System at the point where an actual or potential Cross-Connection exists.

Pollutant means an impairment of water quality that does not create a hazard to public health but does adversely and unreasonably affect the aesthetic qualities of such water for Domestic Use.

Potable Water Supply means any water supply that is suitable for human consumption and meets the definition of Drinking water in 30 TEX. ADMIN. CODE § 290.38(25).

Premises means all or any portion of any property, real or personal, to which water is provided including, without limitation, all improvements, mobile structures, buildings, Private Water Systems, or other structures. This term also includes, but is not limited to, residential, commercial, industrial, and institutional Premises.

P*ressure Vacuum Breaker Backflow Prevention Assembly* or *Pressure Vacuum Breaker* or *PVB* means an assembly that provides protection against Backsiphonage but does not provide adequate protection against Backpressure Backflow. The assembly is a combination of a single check valve with an AVB and can be used with downstream resilient seated shutoff valves. In addition, the assembly has suction and discharge gate valves and resilient seated test cocks that allow the full testing of the assembly. This assembly is only approved for protection against Backsiphonage.

Private Water System means a water system, or any portion thereof, not owned or operated by the City

of Denton. For the purposes of this Article, a Private Water System begins downstream of the Service Connection.

Public Water System or *PWS* means the City of Denton's publicly owned water system and the Potable Water Supply contained therein. This term includes all services, reservoirs, facilities, lines, and equipment associated with the production, treatment, storage, or conveyance of water for public consumption.

Reclaimed Water means wastewater collected and treated at a wastewater treatment plant to a quality that meets or exceeds the requirements of 30 TEX. ADMIN. CODE CH. 210, as amended, and the City of Denton's authorization pursuant to that chapter. Reclaimed Water is not a Potable Water Supply.

Reclaimed Water System means the City of Denton's publicly owned Reclaimed Water System and the Reclaimed Water contained therein. This term includes all services, reservoirs, facilities, lines, and equipment associated with the production, treatment, storage, or conveyance of Reclaimed Water for non-potable use.

Reduced Pressure Backflow Prevention Assembly or *RP* means an assembly containing two (2) independently acting, approved check valves together with a hydraulically operated, mechanically independent pressure differential relief valve located between the check valves and below the first check valve. The assembly shall include properly located, resilient, and seated test cocks and tightly closing, resilient, and seated shutoff valves at each end of the assembly.

Reduced Pressure Principal Detector Assembly Type II or *RPDA-II* means a specially designed assembly composed of a line-size approved reduced pressure principal assembly with a bypass around the second check containing a specific water meter and an approved check valve.

Reduced Pressure Principle Detector Backflow Prevention Assembly or *Reduced Pressure Zone Detector Assembly or RPZDA* means a specifically designed assembly composed of a line-size approved, reduced pressure principal assembly with a bypass containing a specific water meter and an approved reduced pressure principal backflow prevention assembly.

Regulatory Authority means any of the following City officials: (i) the General Manager of Water Utilities and Street Operations, or their designated representative, (ii) the City of Denton Building Official, or their designated representative, (iii) the City of Denton Fire Marshal, or their designated representative, or (iv) the City Manager appointed Department Ordinance Administrator, or their designee charged with the administration and enforcement of this Article. City positions included in this definition include any individual holding any successor position of equal authority.

Representative of the Water System means a City employee who possesses a Commission-issued Customer Service Inspection License and is designated by the Director to perform Cross-Connection control duties including, but not limited to, Cross-Connection Control Inspections.

Residential Use means water use by any Person occupying a single-family dwelling or duplex. This term also includes housing or apartments where individual units are each on a separate meter or, in cases where two (2) units are served by one (1) meter, the units are full-time dwellings.

Service Connection means the point of connection between the Public Water System's distribution system and a Private Water System, typically at the water meter or property line, where the City of Denton relinquishes direct control over the water and means of conveyance.

Spill Resistant Vacuum Breaker Backsiphonage Prevention Assembly or *SVB* means an assembly containing an independently operating, internally loaded check valve and an independently operating, loaded

air inlet valve located on the discharge side of the check valve.

Test Report Form means the standard form adopted and utilized by the Director for the purpose of demonstrating a Backflow Prevention Assembly's compliance with this Article. This form is the only document deemed valid for recording and submitting official test results under this Article.

Thermal Expansion means heated water that does not have the space to expand.

Used Water means water supplied by the PWS after it has passed through the Service Connection and is no longer under the PWS's control.

User means any Person who is an owner, tenant, or lessee of a Premises receiving water service from the Public Water System. The term "*User*" may also include any agent of an owner, tenant, or lessee who is responsible for Backflow Prevention on a Premises receiving water service from the Public Water System.

If a word or term is not defined in this Article, unless the context clearly indicates otherwise, it shall have the definition provided in the current edition of the Manual of Cross-Connection Control published by the Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California. A copy of the Manual of Cross-Connection Control shall be kept on file in the Office of the City Secretary. All definitions that are singular also include the plural form of the term being defined. Named City positions include any applicable successor position.

Sec. 26-319. - Conflicts between this Article and other ordinances or codes.

The provisions in this Article are cumulative of all City ordinances. If any other ordinances or codes conflict with this Article, the more restrictive provision shall apply.

DIVISION 2. - BACKFLOW PREVENTION ASSEMBLY REQUIREMENTS

Sec. 26-320. - Backflow prevention assembly requirements.

(a) A member of the Regulatory Authority shall determine the type and location of the Backflow Prevention Assembly to be installed on any connection to the PWS.

(b) Use of an Approved Backflow Prevention Assembly solely at the Service Connection does not satisfy the Backflow Protection requirements found in the PC or this Article.

(c) An Approved Backflow Prevention Assembly shall be required at the Service Connection for the purpose of Containment in any of the following circumstances:

1. When the nature and extent of any activity at a Premises, the materials used in connection with any activity at a Premises, or the materials stored at the Premises may introduce Contaminants into the PWS;
2. When internal Cross-Connections are present and not correctable;
3. When intricate plumbing arrangements are present that make it impractical to ascertain whether Cross-Connections exist;
4. When a Premises has a repeated history of Cross-Connections being established or re-established;
5. When entry to a Premises is unduly restricted so that inspections for Cross-Connections cannot be made with sufficient frequency to ensure that Cross-Connections do not exist;

6. When materials are being used such that if Backflow or Backsiphonage occurs, a Health Hazard could result;
7. When an appropriate Cross-Connection survey report form is not on file with the Director;
8. When a fire sprinkler system is connected to the PWS;
9. When there is Non-Residential New Construction;
10. On all New Construction involving Premises owned by any state, federal, or foreign government or agency;
11. When the end use of a Non-Residential Premises cannot be determined or could change;
12. When a Point-of-Use Isolation assembly has not been tested or repaired as required by this Article;
13. When any member of the Regulatory Authority determines that additions or alterations have been made to the Private Water System without the proper permits required by the Plumbing Code;
14. When any Premises have a booster pump, elevated storage tank, or total height exceeding eighty (80) feet;
15. When a Premises is connected to the Reclaimed Water System;
16. When a Premises is supplied water by the City and has an Auxiliary Water Supply;
17. On all New Construction when a Premises is supplied water by the City and is located outside the City's corporate boundary; or
18. When any circumstance exists that, in the opinion of the Director, may result in Contamination.

(d) An Approved Backflow Prevention Assembly shall be required for the purpose of Point-of-Use Isolation in any of the following circumstances:

1. When a Premises has any Cross-Connection(s);
2. When a Contaminant or Pollutant could make its way into the PWS;
3. When there is a Used Water return system; or
4. When installation of an Approved Backflow Prevention Assembly is deemed necessary by any member of the Regulatory Authority to protect the PWS from actual or potential Contamination.

(e) An existing Backflow Assembly must be replaced with an Approved Backflow Prevention Assembly when:

1. A Health Hazard exists; or
2. The Director determines that replacement is necessary to protect the PWS from Contamination or Pollution.

(f) When a Premises is required to have Backflow Prevention Assemblies, but water cannot be turned off during the testing of such assemblies, the Premises shall be equipped with dual Backflow Prevention Assemblies of the same type so that testing, repair, and maintenance can be performed.

(g) A User commits an offense if the User fails to install and maintain Backflow Prevention Assemblies on a Premises as required by this Article.

(h) A User commits an offense if Backflow from the Premises enters the PWS.

(i) Backflow Prevention Assemblies may be exempted from portions of Sec. 26-332 of this Article if such

Backflow Assemblies:

1. Do not comply with the requirements of this Article;
2. Were installed prior to the effective date of this Article;
3. Complied with the Code of the City of Denton, Texas and state and federal law for the purposes described herein at the time of their installation;
4. Have been properly maintained;
5. Will satisfactorily protect the Public Water System, as determined by the Director; and
6. Meet the current minimum requirements of state law and the Commission, as amended.

(j) An existing Backflow Prevention Assembly must be replaced with a new Approved Backflow Prevention Assembly meeting the requirements of this Article when the Backflow Prevention Assembly:

1. Is moved from its last documented location;
2. Requires more than minimum maintenance; or
3. Requires maintenance that, in the opinion of the Director, constitutes a Health Hazard.

Sec. 26-321. - Installation requirements.

(a) Backflow Prevention Assemblies shall be installed in accordance with the following requirements:

1. Backflow Prevention Assemblies shall be installed in accordance with the Plumbing Code, Commission rules, this Article, and all other applicable federal, state, and local laws;
2. Backflow Prevention Assembly installers shall obtain the required plumbing permits prior to installation of any Backflow Prevention Assembly;
3. Backflow Prevention Assembly installers shall have all Backflow Prevention Assemblies tested and inspected in accordance with Applicable Laws;
4. All Backflow Prevention Assemblies shall be protected from freezing and other severe weather conditions on a year-round basis;
5. All Backflow Prevention Assemblies shall be of a type and model approved by (i) the Building Official during construction, renovation, or alteration of any buildings or structures regulated under Chapter 17 of the Code of the City of Denton, Texas or (ii) the Director in all other situations, and
6. Any installation orientation not approved by the manufacturer of the Backflow Prevention Assembly is prohibited.

(b) When the Director requires an Approved Backflow Prevention Assembly to be installed at the Service Connection of both Potable and Reclaimed Water supplies, such installation of the assembly shall be immediately behind the meter on the customer's side of the meter. If this is not possible, the assembly must be as close as possible to the meter and installed before any branch in the line and on private property located just inside the boundary between the City right-of-way and the Premises.

(c) Backflow Prevention Assemblies that are larger than four (4) inches and are installed more than four (4) feet above floor level shall be equipped with a rigid and permanently installed scaffolding acceptable to the Director.

(d) Bypass lines are prohibited. Pipe fittings that could be used for connecting a bypass line shall not be installed.

(e) Premises that require Backflow Prevention Assemblies and where an uninterrupted, continuous water supply is critical shall be provided with two (2) Approved Backflow Prevention Assemblies. The Approved Backflow Prevention Assemblies must be installed in parallel to facilitate testing, maintenance, and repair. The Approved Backflow Prevention Assemblies must be sized so that either assembly can individually provide the maximum flow required.

(f) The Director shall be notified when installation of a Backflow Prevention Assembly is complete. All Backflow Prevention Assemblies shall be inspected and tested pursuant to this Article. All tests shall be submitted online through the City's approved website or as directed by the Director.

(g) A User commits an offense if the User:

1. Installs, or arranges for the installation of, a Backflow Prevention Assembly in violation of this Article;
2. Fails to notify the Director of the installation of a Backflow Prevention Assembly;
3. Fails to inspect or test, or cause the inspection or testing of, any Backflow Prevention Assembly in accordance with this Article; or
4. Fails to submit a Test Report Form in compliance with this Article.

Sec. 26-322. - Right-Of-Way encroachment.

(a) Except as provided in this section, no Person shall install or maintain a Backflow Prevention Assembly within any City right-of-way.

(b) A Backflow Prevention Assembly may be installed upon or within any City right-of-way after all permits, approvals, and inspections to perform work in the right-of-way are obtained as required by applicable City ordinances, codes, and regulations;

(c) The City may order a Person who owns any Premises utilizing a Backflow Assembly that encroaches upon any City right-of-way to relocate the Backflow Assembly at the Person's sole expense. The City will require relocation of a Backflow Assembly under this section when it is necessary for the City's:

1. Reconstruction, widening, or straightening of streets;
2. Placement or installation of traffic signals, traffic signs, or streetlights; or
3. Construction of any other City public improvement project.

(d) A Person commits an offense if the Person fails to obey a written order from the City to relocate a Backflow Assembly under subsection (c) of this section.

(e) A Person commits an offense if the Person installs or maintains a Backflow Assembly in violation of this section.

(f) A Backflow Assembly installed or maintained in a City right-of-way in violation of this section, or an order issued pursuant to this section, is hereby declared to be a nuisance.

Sec. 26-323. - Multiple connections.

Any Premises requiring multiple connections to the PWS for adequacy of supply or fire protection shall have an Approved Backflow Prevention Assembly installed on each Service Connection. The type of Backflow Assembly required for each Service Connection will be based on the Degree of Hazard determined by the Director. Backflow Assemblies installed under this section may only be used if they protect the PWS from Contamination and Pollution.

Sec. 26-324. - Residential connections.

If the Director determines that any Premises receiving water for Residential Use has a Cross-Connection, the Premises shall be equipped with an Approved Backflow Prevention Assembly installed in accordance with this Article.

Sec. 26-325. - Connection of mobile units.

(a) Connection of a Mobile Unit to the PWS is prohibited unless the connection is made with a City of Denton issued Stationary Construction Hydrant Meter containing a Reduced Pressure Backflow Prevention Assembly.

(b) A Person commits an offense if the Person operates or causes to be operated a Mobile Unit in violation of this section.

Sec. 26-326. - Fire protection systems.

(a) Backflow Protection for fire sprinkler systems shall be an approved DCDA, DCDA-II, RPDA, RPDA-II, or AG. When an AG is used, the Director reserves the right to require installation of a meter upstream of the Backflow Assembly.

(b) An RPDA, RPDA-II, or AG must be installed when any substance other than water from the PWS could be introduced into a sprinkler system.

(c) The Director reserves the right to require the installation of an AMI adapter on the meter of any DCDA, DCDA-II, RPDA, or RPDA-II.

(d) Vaults or above ground enclosures are required for installation of Backflow Assemblies on fire suppression systems. All Backflow valves and vaults used on fire suppression systems must be located at the Service Connection.

(e) Upon installation of a Backflow Prevention Assembly, a Fire Line Tester shall complete a Test Report Form, submit the completed form to the Director, and leave a copy of the completed form on site as required by this Article.

(f) The Director must be notified when a fire line is retrofitted.

(g) All fire line equipment including, without limitation, piping and valves must be installed by a state licensed fire sprinkler system contractor. Only Fire Line Testers may test and repair assemblies on fire lines.

(h) All Fire Department Connections shall be plumbed to connect directly to a fire suppression system at a point situated downstream of the Backflow Prevention Assembly required under this section.

Sec. 26-327. - Stationary Construction Hydrant Meter protection.

(a) All Persons engaging in the use of a Stationary Construction Hydrant Meter must comply with the conditions of this Article.

(b) Only Stationary Construction Hydrant Meters and Backflow Prevention Assemblies that have been issued by City staff may be used to connect to a Hydrant.

Sec. 26-328. - Lawn irrigation systems.

(a) All lawn irrigation systems require an installation permit issued by the City Building Safety Department prior to installation and must be installed in compliance with the Plumbing Code and the Code of

Ordinances of the City of Denton, Texas.

(b) Interconnection of Potable Water Supply with an Auxiliary Water Source is prohibited.

(c) The following Backflow Assemblies are required when a Premises has separate connections to both the City's Reclaimed Water System and the PWS:

1. A DC must be installed (i) immediately past the City's meter(s) used for Reclaimed Water and (ii) just outside the right-of-way before any branch connections; and
2. An RP must be installed (i) immediately past the City's meter(s) used for Potable Water Supply and (ii) just outside the right-of-way before any branch connections.

Sec. 26-329. - Thermal expansion.

Users must eliminate the possibility of Thermal Expansion that may cause damage to a Private Water System when a closed system is created by the installation of a Backflow Assembly.

Sec. 26-330. - Pressure loss.

The City is not responsible for any reduction in water pressure caused by the installation of a Backflow Assembly.

Sec. 26-331. - Testing of assemblies.

(a) The Director may, at their discretion, require inspection, testing, or both of any Backflow Prevention Assembly when any of the following circumstances apply:

1. Immediately after installation of a Backflow Prevention Assembly;
2. Whenever a Backflow Prevention Assembly is moved;
3. On all New Construction involving Non-Residential Premises:
    a. A minimum of once (1) per year for all Backflow Prevention Assemblies listed on the University of Southern California's Foundation for Cross-Connection Control and Hydraulic Research (USC-FCCCHR) List of Approved Assemblies; or
    b. A minimum of twice (2) per year for all Backflow Prevention Assemblies that are *not* listed on the University of Southern California's Foundation for Cross-Connection Control and Hydraulic Research (USC-FCCCHR) List of Approved Assemblies;
4. Prior to re-occupancy when any Premises have been vacated and unoccupied for one (1) year;
5. Immediately after repair of a Backflow Prevention Assembly;
6. Immediately after replacement of a Backflow Prevention Assembly;
7. When the Director determines Backflow Prevention Assembly testing is necessary to protect the PWS from Contamination or Pollution; or
8. After any deficiency or violation of this Article including, but not limited to, the following:
    a. Falsification of a Test Report Form;
    b. Incorrect, blank, or incomplete information fields on a Test Report Form; or
    c. When a Person who does not meet the requirements of Sec. 26-334 tests a Backflow Assembly.

(b) If a test under Sec. 26-331(a) is required, the Director may supervise the test to confirm compliance with

this Article. Failure to allow supervision under this section will result in revocation of the Tester's registration.

(c) Users shall notify the Director of a failed Backflow Prevention Assembly test within three (3) days of receiving the results. The notification must provide dates for retesting and any repairs.

(d) Upon receipt of a notification under Sec. 26-331(c), the Director shall determine whether the Backflow Assembly must be replaced and whether water service will be discontinued until an Approved Backflow Prevention Assembly is installed. Users must replace the Backflow Assembly if the Director determines replacement is necessary to protect the PWS from Contamination or Pollution. Replacement of the Backflow Assembly must be completed by the deadline provided by the Director.

(e) All Backflow Prevention Assembly testing not involving a fire protection system must be performed by a Tester, as defined in this Article.

(f) All Backflow Prevention Assembly testing involving a fire protection system must be performed by a Fire Line Tester, as defined in this Article.

(g) Users must have all Backflow Prevention Assemblies tested in accordance with this Article.

(h) Premises with installed Backflow Prevention Assemblies that are not registered with the City shall come into compliance with this Article within sixty (60) days of notification from the Director.

(i) Notwithstanding the sixty (60) days provided in Sec. 26-331(h), if the Director finds that a Health Hazard exists, the Director shall determine the appropriate time for compliance with this Article.

(j) All Backflow Prevention Assembly test results shall be submitted online through the City's approved website or as directed by the Director.

(k) A Person commits an offense if the Person owns or controls any Premises and fails to install any Backflow Prevention Assembly required by this Article.

(l) A Person commits an offense if the Person owns or controls any Premises and fails to test any required Backflow Prevention Assembly in accordance with this Article.

(m) The City shall not be liable for damage to a Backflow Prevention Assembly that occurs during testing.

Sec. 26-332. - Installation standards and type of assembly required.

(a) Backflow Prevention Assemblies shall be installed in accordance with the following requirements:

1. Backflow Prevention Assemblies shall be installed in accordance with all Applicable Laws;
2. Backflow Prevention Assembly installers shall obtain the required plumbing permits prior to installation;
3. No part of an RP shall be submerged in water or installed in a location subject to flooding;
4. If a Fire DC is installed below grade, non-ferrous plugs shall be maintained in the test ports at all times and adequate drainage shall be provided;
5. All Backflow Prevention Assemblies shall be protected from freezing and other severe weather conditions;
6. All vertical Backflow Assembly installations must be approved in writing by the Director prior to installation;
7. If a Backflow Assembly is installed 4 feet or higher above the floor, it shall be equipped with a rigidly and permanently installed platform with fixed access. This installation shall also meet all applicable requirements set forth in the Occupational Safety and Health Act (29 U.S.C. Ch. 15) and State of Texas occupational safety and health laws; and

8. Backflow Prevention Assemblies may only be installed in vaults that are kept reasonably free of silt and debris and contain a floor drain for proper drainage.

(b) Variances from the requirements in Sec. 26-332(a) require written approval from the Director and will be evaluated on a case-by-case basis.

(c) The type of Backflow Prevention Assembly required by the Regulatory Authority shall be commensurate with the Degree of Hazard that exists on the Premises. The minimum types of Backflow Prevention Assemblies required to protect the Public Water System are set forth in Table 1 and Table 2 below; however, the User may choose a higher level of Backflow Protection than required by the City.

Table 1 – Point-of-Use Isolation

Health Hazard Installations	**Type of Approved Backflow Prevention Assembly Required**
Aspirators	RP, PVB, or SVB
Autoclave	RP
Autopsy and mortuary equipment	RP, PVB, or SVB
Bedpan washers	RP, PVB, or SVB
Carbonated Drink Machines	RP-Stainless Steel Assembly and all downstream piping shall be non-corrosive when in contact with CO2 gas
Chemical Dispensers	AG, RP, PVB, or SVB
Connection to industrial fluid systems	RP
Connection to plating tanks	RP
Connection to salt-water cooling systems	RP
Connection to sewer pipe	AG
Cooling towers with chemical additives	RP or AG
Cuspidors	RP, PVB, or SVB
Domestic space heating boiler	RP
Dye vats or machines	RP
Fire-fighting system (toxic liquid foam concentrates)	RP

Flexible shower heads	AVB, RP, PVB, or SVB
Heating equipment commercial	RP
Heating equipment domestic	RP
Hose bibs (untestable)	AVB or HBVB
Irrigation systems on properties with OSSFs	RP
Commercial dishwashers	RP
Disposals or grinders with water connections	RP
Lab bench equipment	RP, PVB, or SVB
Ornamental fountains	RP, PVB, or SVB
Pitcher, cup, or glass washers	AG or RP
Swimming pools - Public	RP
Swimming pools - Private	RP
Sewage pump	AG
Sewage ejectors	AG
Shampoo basins	RP, PVB, or SVB
Specimen tanks	RP, PVB, or SVB
Steam generators	RP
Steam tables	RP, PVB, or SVB
Sterilizers	RP
Tank vats or other vessels containing toxic substances	RP
Trap Primers	AG
Vending machines	RP, PVB, or SVB
Water Filters—Commercial	RP

Water Filters—Residential R/O or Whole home	RP
Water Softeners	RP
Watering troughs	AG, PVB, or SVB

Note: Situations not covered in Table 1 will be evaluated on a case-by-case basis, and the required Backflow Prevention Assembly shall be determined by the Director.

Note: Commercial in-line filters currently protected with DCs may continue to be served by current Backflow Protection until the assembly is no longer repairable in-line, at which time it must be upgraded to an RP.

Table 2 – Containment

Type of Hazard	**Minimum Type of Approved Backflow Prevention Assembly Required on a Domestic Service Line**
Fire protection systems utilizing chemicals or additives	RPDA
Non-Residential and Residential fire sprinkler systems without chemicals or additives (new installations or remodels of existing systems only)	DCDA or RPDA
Commercial landscape irrigation systems	RP or PVB
Commercial landscape irrigation systems with chemical additives	RP
Private Water System associated with Domestic Use systems on all new non-residential construction	RP
Stationary Construction Fire Hydrant Meters	RP
Service Connections where any Person or governmental entity is purchasing Potable Water Supply for the purpose of resale or distribution	RP or AG at each service connection
New Construction on Premises owned by any state, federal, or foreign government or agency	RP or RPDA
New Construction on Premises that are outside the City of Denton Corporate Boundaries	RP or RPDA

Animal Watering Sites	AG, RP, PVB, or SVB. However, PVB and SVB are not approved for use in situations where Backpressure exists.
Premises with Auxiliary Water Supply	RP or RPDA

Sec. 26-333. - Requirements for removal, discontinuation, relocation, repair, or replacement of a Backflow Prevention Assembly.

(a) Prior written approval must be obtained from the Director before a Backflow Prevention Assembly may be removed or relocated.

(b) Use of a Backflow Prevention Assembly may be discontinued or a Backflow Prevention Assembly may be removed from service if the User:

1. Demonstrates that a Cross-Connection no longer exists and is not likely to be created in the future; and
2. Receives prior written approval from the Director.

(c) A Backflow Prevention Assembly may be relocated if the User:

1. Demonstrates that the relocation will satisfy the requirements of this Article; and
2. Receives prior written approval from the Director.

(d) A Backflow Prevention Assembly may be removed for repair subject to the following requirements:

1. The Tester must notify the Director before the Backflow Prevention Assembly is removed for repair;
2. A test conducted in accordance with this Article must be completed following repair of the Backflow Prevention Assembly; and
3. Repair of the Backflow Prevention Assembly must be completed within a time period prescribed by the Director.

(e) A Backflow Prevention Assembly may be removed and replaced subject to the following requirements:

1. All replacement Backflow Prevention Assemblies must be approved by the Director and must be commensurate with the Degree of Hazard involved;
2. The Tester must notify the Director before the Backflow Prevention Assembly is removed; and
3. Replacement of the Backflow Prevention Assembly must be completed within the time period prescribed by the Director.

(f) Water service may be suspended by the Director when a Backflow Prevention Assembly is removed.

Sec. 26-334. - Registration requirements for Backflow Prevention Assembly Testers.

(a) To operate as a Backflow Prevention Assembly Tester on Backflow Assemblies supplied water by the PWS, a Person licensed by the Commission must annually:

1. Register with the Director; and
2. Pay a Backflow Prevention Assembly Tester registration fee and any other applicable fees, as revised and approved by the Denton City Council from time to time.

(b) An applicant filing for registration with the City must:

1. Identify all test gauges the applicant will use to test Backflow Prevention Assemblies and provide a copy of the annual gauge calibration sheet(s);
2. Recognize the importance of performing the Backflow Prevention Assembly testing in a safe and responsible manner to prevent damage, injury, or loss to individuals or the environment;
3. Recognize that Backflow Prevention Assembly testing, including materials and equipment, could impact the City;
4. Assume responsibility for implementing and monitoring all Environment, Health, and Safety (EHS) precautions and programs related to Backflow Prevention Assembly testing, including work specific required safety training (i.e., "Confined Space Training");
5. Comply with all applicable standards and regulations pertaining to safety, health, and the environment including, but limited to, those found in 29 C.F.R. Part 1926 (the OSHA construction standard), 29 C.F.R. Part 1910 (the OSHA general industry standard), and all federal, state, local, and municipal laws and guidelines relating to Backflow Prevention Assembly testing;
6. Provide a copy of the applicant's valid driver's license;
7. Provide a copy of the applicant's Backflow Prevention Assembly Tester license issued by the Commission;
8. Meet the insurance requirements provided in Sec. 26-334(c);
9. Successfully complete a training program established by the City regarding its standards and procedures for Backflow Prevention Assembly testing and achieve a minimum score of seventy (70) percent on a subsequent assessment; and
10. Provide any other documentation requested by the Director.

(c) Applicants filing for registration must meet the following insurance requirements:

1. Obtain and keep in full force and effect commercial general liability and automobile liability insurance written by an insurance company that:
    a. Is approved by the State of Texas;
    b. Is acceptable to the City; and
    c. Is rated A- or better, with a financial size of Class VI or higher, by A. M. Best or has an equivalent rating from another insurance rating service approved by the City;
2. The insurance required by this subsection must be issued in the standard form approved by the Texas Department of Insurance and all provisions of the policy must be acceptable to the City;
3. The insured provisions of the policy required by this subsection must name the City and its officers and employees as additional insurers, and the coverage provisions must provide coverage for any loss or damage that may arise to any person or property caused by the negligent acts of the Tester;
4. The commercial general liability insurance required by this subsection must be provided with combined single limits of liability for bodily injury and property damage of not less than five hundred thousand dollars ($500,000.00) for each occurrence; and
5. The automobile liability insurance required by this subsection must provide combined single limits of liability for bodily injury and property damage of not less than five hundred thousand dollars ($500,000.00) for each occurrence and $100,000 per accident for property damage or

$500,000, if combined.

(d) A registration shall remain in effect for a period of one (1) year, provided that:

1. The Tester maintains every license, registration, and authorization required by the Commission;
2. The Tester maintains eligibility for registration in accordance with this Article;
3. The Tester pays the registration fee and any other applicable fees required under this Article;
4. The Tester maintains all insurance required by the City; and
5. The Tester's registration is not revoked by the Director pursuant to the process outlined in this Article.

Sec. 26-335. - Revocation of a Tester's registration and offenses.

(a) The Director may revoke a registration if the Director determines the Tester:

1. Submitted a false, incomplete, illegible, or inaccurate Test Report Form;
2. Used inaccurate gauges;
3. Used improper testing procedures;
4. Is not in compliance with registration requirements;
5. Has not maintained all insurance required by the City;
6. Failed on three or more occasions in a calendar year to return completed Test Report Forms to the Director within the time period required by this Article; or
7. Violated any other requirement or provision of this Article.

(b) A Tester whose registration is revoked may appeal by following the process in Sec. 26-348.

(c) The Director will maintain a current list of Testers.

(d) A Person commits an offense if they test a Backflow Prevention Assembly located anywhere water is provided by the PWS without being registered with the City in accordance with this Article.

Sec. 26-336. - Backflow Prevention Assembly Tester responsibilities.

(a) A Backflow Prevention Assembly Tester shall:

1. Maintain testing equipment in proper working condition and calibration;
2. Perform competent and accurate certifications on every Backflow Prevention Assembly tested;
3. Record all Backflow Prevention Assembly detector meter readings on a Test Report Form;
4. Report passing test results to the Director within ten (10) days of testing;
5. Report failing test results to the Director as soon as practicable, but no later than three (3) days after testing;
6. Provide a copy of any completed Test Report Form to each User associated with the Backflow Prevention Assembly that was tested; and
7. Maintain all testing and repair records for a minimum of three (3) years.

(b) A Backflow Prevention Assembly Tester shall not:

1. Change the design or operation characteristics of a Backflow Prevention Assembly including, without limitation, by installing non-manufacturer approved parts; or

2. Commingle Backflow test gauges used on a Reclaimed Water System or other water system containing Non-Potable Water Supply with test gauges used in connection with a Potable Water Supply.

(c) To ensure Backflow Prevention Assembly tests are properly conducted, at least one (1) but no more than five (5) Testers will be randomly selected each month to be observed by the Director. The Tester(s) will be notified by certified mail and email that they will be observed. When a Tester has been chosen for random observation, they shall have thirty (30) days from the date of the notification to schedule and complete an approved observation with the Director. Failure to schedule an observation will result in the Tester's registration being revoked. A Tester's registration may be reinstated if the observation is completed and approved by the Director.

Sec. 26-337. - Customer Service Inspections.

(a) A Customer Service Inspection must be completed by the Regulatory Authority prior to providing water service when any of the following circumstances apply:

1. For newly constructed Premises;
2. After any material improvement or alteration of existing Premises;
3. Following any alteration or addition to the plumbing of any Premises, as deemed necessary by the Director; or
4. When the Director deems it necessary to protect the PWS from Contamination or Pollution.

(b) Water service shall not be supplied until a Customer Service Inspection required under subsection (a) of this section is completed and all plumbing complies with this Article and all applicable provisions of the Code of the City of Denton, Texas.

(c) The Director, in their sole discretion, may require a Customer Service Inspection of any Premises. The CSI may be conducted by the Director:

1. When there is reasonable cause to believe a risk to the Public Water System exists; or
2. To confirm the absence of risk to the Public Water System after a substantial period since the last inspection.

(d) Users shall report any CSI findings to the Director and eliminate Cross-Connections discovered during a Customer Service Inspection.

(e) The Building Official shall submit copies of all original Customer Service Inspection certificates to the Director. The Director shall retain these files for a period of ten (10) years.

Sec. 26-338. - Access to Premises.

(a) Users shall permit the Director to enter their Premises for the purpose of:

1. Inspecting pipes and fixtures;
2. Inspecting the manner in which water is used; and
3. Determining compliance with this Article.

(b) The Director's right of entry under this Article is a condition of water service.

(c) Upon request by any member of the Regulatory Authority, and as a condition of water service, any User who receives or seeks to receive water service must promptly remove, at their sole expense, any security barrier or other obstacle that could impede access by the Regulatory Authority to the User's Premises for the purposes stated in subsection (a) of this section.

(d) A Person receiving water service from the City commits an offense if the Person:

1. Fails to remove a barrier or obstacle to access to a Premises by any member of the Regulatory Authority for purposes authorized under this Article; or
2. Unreasonably delays access to a Premises by any member of the Regulatory Authority for purposes authorized under this Article.

(e) Any member of the Regulatory Authority may apply to the municipal court or any other court of competent jurisdiction for a search warrant if:

1. A Person denies the Regulatory Authority access to any Premises connected to the PWS;
2. A Person denies the Regulatory Authority access to any Public or Private Water System connected to the PWS; or
3. The Regulatory Authority has probable cause to believe there is:
    a. A violation of this Article or any enforcement order of the City;
    b. A need to conduct a Cross-Connection Control Inspection to protect public health and safety; or
    c. Any other threat to public health and safety.

Sec. 26-339. - Wholesale customers.

Any customer that has a contract for any type of wholesale water service with the City shall have an active and ongoing Backflow and Cross-Connection control program approved by the Director. The City reserves the right to require an RP or AG at an interconnect, especially if the customer's Backflow and Cross-Connection Control program is not proven, after a thorough review by the Director, to be at least as stringent as the requirements of this Article.

DIVISION 3. - ENFORCEMENT; SUSPENSION OF WATER SERVICE

Sec. 26-340. - Enforcement.

(a) Every member of the Regulatory Authority shall have the authority and responsibility to enforce the provisions of this Article.

(b) Compliance with this Article is a condition of water service.

(c) Water service by the City to any Premises is prohibited unless all Backflow Prevention Assemblies required by this Article:

1. Are installed in accordance with this Article;
2. Pass all testing required by the Article; and
3. Are in operational condition.

(d) The Building Official shall not approve a certificate of occupancy until all Backflow Prevention Assemblies have been tested and are operational.

Sec. 26-341. - Emergency suspension of water service.

(a) The Director may, without prior notice, suspend water service to any Premises when such suspension is necessary to stop actual or threatened Backflow and:

1. The Backflow presents or may present an imminent and substantial danger to the environment,

persons, or public health and safety; or

2. The Backflow presents or may present an imminent and substantial danger to the PWS.

(b) As soon as practicable after the suspension of water service, the Director shall:

1. Notify the User of the suspension in-person or by certified mail, return receipt requested; and

2. Order the User to eliminate the Cross-Connection associated with the suspension.

(c) If a Person fails to comply with an order issued under subsection (b) of this section, the Director may take such steps as the Director deems necessary to prevent or minimize damage to the PWS and to protect public health and safety.

(d) The Director shall not reinstate suspended water service until:

1. The User presents proof, satisfactory to the Director, that the Backflow and its cause(s) are eliminated;

2. The User reimburses the City for all costs incurred in responding to the Backflow or threatened Backflow; and

3. The User pays the City for all costs the City will incur to reinstate service to the Premises.

(e) A User whose water service has been suspended may appeal the suspension in accordance with Section 26-348 of this Article.

(f) A Person commits an offense if the Person uses any wrongful means to reinstate water service suspended pursuant to this Article.

(g) The remedies provided by this section are in addition to any other remedies set forth in this Article and the Code of the City of Denton, Texas. Exercise of these remedies shall not be a bar against, nor a prerequisite for, taking any other action against a violator.

Sec. 26-342. - Suspension of water service.

(a) The Director may suspend water service provided to a Premises when a User:

1. Refuses to provide the Director with reasonable access to the Premises for the purpose of a Customer Service Inspection;

2. Hinders or denies the Director's access to Backflow Prevention Assemblies;

3. Fails to install, maintain, or test any Backflow Prevention Assemblies in accordance with this Article;

4. Fails to install, maintain, or operate piping and plumbing systems in accordance with the PC; or

5. Fails to adhere to any other requirements of this Article.

(b) The Director will notify the User in writing that water service will be suspended three (3) days before the suspension takes place.

(c) Suspension of water service by the Director shall not be a bar to, nor a prerequisite for, taking any other action against any Person who violates any provision or requirement of this Article.

(d) The Director shall not reinstate suspended water service until:

1. The User presents proof, satisfactory to the Director, that the Premises is in compliance with this Article; and

2. The User pays the City for all costs the City incurs in its efforts to reinstate water service.

(e) A Person commits an offense if the Person uses any wrongful means to reinstate water service suspended pursuant to this Article.

(f) The remedies provided by this section are in addition to any other remedies set forth in this Article and the Code of the City of Denton, Texas. Exercise of these remedies shall not be a bar against, nor a prerequisite for, taking any other action against a violator.

Sec. 26-343. - Nuisance.

Cross-Connections or any Contaminants associated with Backflow entering, or threatening to enter, the PWS from any Premises are hereby declared to be a public nuisance.

DIVISION 4. - BACKFLOW FEES AND CHARGES

Sec. 26-344. – Testing fees and non-compliance fee.

(a) A testing fee approved by the City Council shall be paid to the City for each Backflow Prevention Assembly tested. The testing fee shall be paid when the Tester submits a Test Report Form to the Director.

(b) A retest fee approved by the City Council shall be paid to the City for each Backflow Prevention Assembly that needs to be retested. The retest fee shall be paid when the Tester submits a Test Report Form to the Director.

(c) A User who fails to test any Backflow Prevention Assembly within 15 days of the test due date will be subject to a non-compliance fee. The non-compliance fee shall be in an amount established by the City Council and will be included in the bill for utility services associated with the Premises. The non-compliance fee will be applied monthly for each applicable Backflow Assembly until testing is completed and a Test Report Form is submitted in accordance with this Article.

Sec. 26-345. - Backflow tester registration fee.

A Person registering with the City as a Tester must pay an annual registration fee to cover administration costs associated with registration. The fee is not refundable and shall be in an amount established by City Council.

DIVISION 5. – VARIANCES; PENALTY FOR VIOLATIONS; AND OTHER REMEDIES

Sec. 26-346. - Variances

(a) Variances from the requirements of this Article may be authorized by the Director in writing, if the Director determines, in their sole discretion, that the requested variance:

1. Does not create, or have the potential to create, a Health Hazard; and
2. Does not violate any applicable state or federal laws, rules, or regulations.

Sec. 26-347. - Penalty for violations and other remedies.

(a) A Person who violates any provision of this Article is guilty of a misdemeanor. Each day a violation continues shall be considered a separate offense.

(b) If the definition of an offense under this Article does not prescribe a culpable mental state, then a culpable mental state is not required, and the offense is one of strict liability. A strict liability offense shall be

punishable by a fine not to exceed Five Hundred Dollars and No Cents ($500.00). Although not required, if a culpable mental state is in fact alleged in the charge of the offense, such offense shall be punishable by a fine not to exceed Two Thousand Dollars and No Cents ($2,000.00).

(c) If the definition of an offense under this Article prescribes a culpable mental state, then a culpable mental state is required, and the offense shall be punishable by a fine not to exceed Two Thousand Dollars and No Cents ($2,000.00).

(d) All penalties in this Article are in addition to and cumulative of any other remedies that may be available to the City at law and in equity, including, without limitation, injunctive relief.

Sec. 26-348. - Appeals.

(a) A Person may appeal a final decision of the Director by submitting a written request for appeal to the City of Denton City Manager within seven (7) business days of an adverse decision or action. The request for appeal must specify the grounds for appeal and contain all relevant information related to the appellee's request.

(b) The City Manager shall, within ten business (10) days after the request for appeal is submitted, consider all the items listed in subsection (c) of this section and either sustain or reverse the decision. The decision of the City of Denton's City Manager is final.

(c) In considering an appeal, the City Manager shall consider the following:

1. The information provided in the request for appeal by the appellee;
2. Relevant facts, information, and applicable statutes, codes, rules, and policies, as presented by the Director; and
3. The requirements and intent of the applicable provision(s) of this Article.

City of Denton

City Hall
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Denton, Texas
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AGENDA INFORMATION SHEET

DEPARTMENT: Water Utilities

CM/DCM/ACM: Cassey Ogden

DATE: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton ratifying and approving a settlement agreement between McCart St, LLC and the City of Denton, Texas concerning petitions for streamlined expedited release (Public Utility Commission of Texas Docket Nos. 58460 and 58462); directing the city manager or designee and the city's attorneys to effectuate as necessary and appropriate the terms of the settlement agreement; and declaring an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

BACKGROUND

The Public Utility Commission of Texas ("PUC") regulates Certificates of Convenience and Necessity ("CCNs") through the Texas Water Code. CCNs give certificate holders the right and obligation to provide continuous and adequate retail water or sewer service over a specified geographic area. The City of Denton holds a Water CCN (CCN No. 10195) and a Sewer CCN (CCN No. 20072) granted by the PUC.

The Texas Water Code allows for Streamlined Expedited Release from a CCN. Utilizing the Streamlined Expedited Release, certain landowners owning tracts of twenty-five acres or more may file a petition with the PUC for release of their property from a City's CCN, provided the landowner meets specific requirements. Once a petition for a Streamlined Expedited Release Petition is administratively complete, the tracts are released within sixty days, and there is no opportunity for a hearing. The tracts of land released from the City's CCN are no longer required to be served by the City, nor does the City maintain authority to serve in that area.

Intervening in petitions for Streamlined Expedited Release enables the City to seek compensation pursuant to the appraisal processes and procedures provided by PUC rules and the Texas Water Code. Intervening supports the City's efforts to protect and maintain the integrity of the City's water and sewer CCNs; the City's long-range water, sewer, drainage, and street planning; and the City's development standards within the City's Extraterritorial Jurisdiction.

During the appraisal process, the parties may mutually agree to hire an appraiser or hire their own. If the parties hire their own respective appraisers, they must do so at their own expense. The parties each also pay half the cost of an appraiser appointed by the PUC. The PUC appraiser determines compensation based on the appraisal(s) received by the parties. The Texas Water Code requires the use of the following factors when determining just and adequate compensation:

1. The amount of the retail public utility's debt allocable for service to the area in question;
2. The value of the service facilities of the retail public utility located within the area in question;
3. The amount of any expenditures for planning, design, or construction of service facilities that are allocable to service to the area in question;
4. The amount of the retail public utility's contractual obligations allocable to the area in question;
5. Any demonstrated impairment of service or increase of cost to consumers of the retail public utility remaining after the decertification;
6. The impact on future revenues lost from existing customers;
7. Necessary and reasonable legal expenses and professional fees; and
8. Other relevant factors.

On July 28, 2025, McCart St, LLC ("McCart") filed two petitions for Streamlined Expedited Release with the PUC (Docket Nos. 58460 and 58462) seeking to release two properties with a total of approximately ninety-five and six-tenths (95.6) acres of land from the City's CCNs.

The City owns and operates a sanitary sewer line immediately east of the McCart St, LLC property, which would serve the property described in PUC Docket No. 58462. The City planned for water and sewer service to the area in its 2023 Wastewater Master Plan and its 2024 Water Master Plan.

On October 21, 2025, the City Council authorized the City Manager or their designee to intervene in petitions for Streamlined Expedited Release filed by McCart St, LLC with the Public Utility Commission of Texas and any other streamlined expedited release petitions related thereto or involving nearby properties, which the City has done.

Docket No 58460 has not progressed through the release process. There have been multiple rulings that the petition is administratively incomplete, although McCart has been attempting to cure the issue.

In Docket No. 58462, however, the petition for expedited release was granted on January 12, 2026, by the PUC Administrative Law Judge.

On February 20, 2026, McCart's attorney reached out to the City's outside counsel to make a settlement offer for both properties.

Denton staff and McCart discussed settlement options and executed the Settlement Agreement pursuant to City Council direction

RECOMMENDATION

Staff recommends approval of an ordinance ratifying and approving a settlement agreement between McCart St, LLC and the city of Denton, Texas concerning petitions for streamlined expedited release (Public Utility Commission of Texas Docket Nos. 58460 and 58462); directing the City Manager or designee and the City's Attorneys to effectuate as necessary and appropriate the terms of the settlement agreement; and declaring an effective date.

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PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Sep. 30, 2025: Council Closed Session Discussion

Oct. 18, 2025: Council approved City Manager to intervene in petitions for streamlined expedited release (Public Utility Commission of Texas Docket Nos. 58460 and 58462) filed by McCart St, LLC

with the Public Utility Commission of Texas and any other streamlined expedited release petitions related thereto or involving nearby properties; authorizing the City Manager to take those actions necessary to effectuate the intent and purposes of this ordinance; and providing an effective date.

Mar. 3, 2026: Council Closed Session Discussion

EXHIBITS
Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Stephen Gay, at 940-349-8086
General Manager
Water Utilities and Street Operations

For information concerning this acquisition, contact: Denis Qualls, 940-349-8783.

Legal point of contact: Christopher Mullins at 940-349-8114.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON RATIFYING AND APPROVING A SETTLEMENT AGREEMENT BETWEEN MCCART ST, LLC AND THE CITY OF DENTON, TEXAS CONCERNING PETITIONS FOR STREAMLINED EXPEDITED RELEASE (PUBLIC UTILITY COMMISSION OF TEXAS DOCKET NOS. 58460 AND 58462); DIRECTING THE CITY MANAGER OR DESIGNEE AND THE CITY'S ATTORNEYS TO EFFECTUATE AS NECESSARY AND APPROPRIATE THE TERMS OF THE SETTLEMENT AGREEMENT; AND DECLARING AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council hereby ratifies and approves the settlement of litigation styled "Petition of McCart St, LLC to Amend City of Denton's Water And Sewer Certificates Of Convenience and Necessity in Denton County By Streamlined Expedited Release", Public Utility Commission of Texas Docket Nos. 58460 and 58462, under the terms set forth in the Settlement Agreement in Exhibit "A" attached hereto and incorporated herein for all purposes.

SECTION 2. The City Manager or designee and the City's Attorneys are hereby authorized to act on the City's behalf in approving and executing any and all additional documents necessary or appropriate to effectuate the terms of the settlement, and to take any other actions necessary to finalize the settlement.

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 _____. This Ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Christopher Mullins

EXHIBIT “A”

Settlement Agreement

Docusign Envelope ID: 645D6CB0-40F7-443E-931D-DC3E18F9B6C2

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is entered to be effective on the date of the last signatory to this Agreement, (the "Effective Date") between McCart St, LLC ("McCart"), and the City of Denton, Texas ("Denton"). McCart and Denton collectively are referred to herein as "Parties."

R E C I T A L S

WHEREAS, McCart filed two petitions to Amend Denton's Water Certificate of Convenience and Necessity ("CCN") No. 10195 and Sewer CCN No. 20072 by Streamlined Expedited Release ("Petitions") with the Public Utility Commission of Texas ("PUC") (Docket Nos. 58460 and 58462); and

WHEREAS, the procedures for amending a CCN in the manner filed and contemplated by McCart require the PUC to evaluate and, if appropriate, require McCart to pay Denton compensation for the removal of land from Denton's CCNs; and

WHEREAS, McCart and Denton desire to resolve the compensation issue in Docket Nos. 58460 and 58462 amicably and without the need for litigation or unnecessary administrative processes; and

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the benefits to be received by the Parties, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

AGREEMENT

I.
MCCART'S OBLIGATIONS/AGREEMENTS

1.01 Within 30 days of the Effective Date, McCart will pay Denton [redacted] to settle claims for compensation in PUC Docket Nos. 58460 and 58462. A check for such amount shall be made payable to the City of Denton and shall be delivered to the following address:

City of Denton
Attn: City Attorney's Office
215 E. McKinney St.
Denton, TX 76201

1.02 McCart understands and agrees that Denton is under no obligation to provide water or sewer service, directly or indirectly, to the land decertified by PUC Docket Nos. 58460 and 58462, now or at any time in the future.

1.03 McCart will work in good faith with Denton to effectuate the purpose of this Agreement and will execute any documents and file any documents with the PUC needed to effectuate the purpose of this Agreement.

1.04 McCart will take the lead in drafting the documents presumed necessary to file with the PUC to effectuate the purpose of this Agreement, but will confer with Denton's attorney prior to

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making any joint or agreed filings and will not make any joint or agreed filings without Denton's written concurrence.

1.05 McCart will be responsible for its own attorney fees and expenses associated with this Agreement and all matters related to Docket Nos. 58460 and 58462.

II.
DENTON'S OBLIGATIONS/AGREEMENTS

2.01 Denton will consent to the removal of land identified in PUC Docket Nos. 58460 and 58462 from Denton's water and sewer CCNs.

2.02 Except as specified by this Agreement, Denton will not seek compensation for the removal of land identified in PUC Docket Nos. 58460 and 58462 from Denton's water and sewer CCNs.

2.03 Denton will work in good faith with McCart to effectuate the purpose of this Agreement and will execute any documents and file any documents with the PUC needed to effectuate the purpose of this Agreement.

2.04 Although McCart will have the primary responsibility for drafting documents needed for filing with the PUC, Denton will have its attorneys cooperate in the review of such documents and, where appropriate, cooperate in the filing of such documents as agreed or joint filings.

2.05 Denton will be responsible for its own attorney fees associated with this Agreement and all matters related to Docket Nos. 58460 and 58462.

III.
SETTLEMENT

3.01 **Settlement of Claims**. The Parties recognize and acknowledge that the funds specified herein are paid to settle claims for compensation of the removal of land identified in PUC Docket Nos. 58460 and 58462 from Denton's water and sewer CCNs only. They are not to be relied upon as setting any precedent for the valuation of decertification. Should docket numbers need to be changed for any reason, the Parties will proceed through any newly-assigned PUC Docket No. to release the land that is currently identified in PUC Docket Nos. 58460 and 58462.

IV.
REMEDIES

4.01 **Remedies.** If any Party fails to comply with its obligations under this Agreement or fails to correct any default after a 30-day notice and opportunity to cure, the other Party or Parties may exercise any remedy authorized at law or in equity, including filing suit in a court of competent jurisdiction to seek any available remedy, including by way of example only, injunctive relief, specific performance and/or monetary damages.

4.02 **Equitable Remedies.** It is not intended hereby to specify (and this Agreement will not be considered as specifying) an exclusive remedy for any default, but all remedies existing at law or in equity may be availed of by any party hereto and will be cumulative of the remedies provided herein. Recognizing however, that the failure in the performance of the Parties' obligations

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hereunder could not be adequately compensated in money damages alone, the Parties agree, in the event of any default on its part, that the other parties will have available to them equitable remedies, including specific performance, in addition to any other legal or equitable remedies which may also be available.

V.
GENERAL PROVISIONS

5.01 **Good Faith**. The Parties agree to cooperate with each other and act in good faith in the performance of this Agreement.

5.02 **Provision of Further Documents**. The Parties will execute and deliver such other and further requested legal documents or instruments as are reasonably necessary to effectuate the purposes and intent of this Agreement.

5.03 **Severability**. Except as specifically set forth in this Agreement, the provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstances is ever held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances will not be affected thereby and this Agreement will be construed as if such invalid or unconstitutional portion had never been contained herein.

5.04 **Entire Agreement**. This Agreement, including all Exhibits attached hereto, which are expressly made a part hereof by reference for all purposes, constitutes the entire agreement between the Parties relative to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements, representations, covenants or warranties, whether oral or in writing, respecting the subject matter hereof.

5.05 **Amendment**. No amendment of this Agreement is effective unless and until it is duly approved by each party and reduced to a writing signed by the Authorized Representatives of all of the Parties.

5.06 **Governing Law and Venue**. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Texas without regard to conflict of laws and all disputes arising under or relating to this letter agreement shall be brought and resolved solely and exclusively in a state or federal court of competent jurisdiction located in Denton County, Texas.

5.07 **Counterparts**. This Agreement may be executed in counterparts.

5.08 **Representations/Warranties.** Each Party represents and warrants that the signatory below who has signed for that Party has the power and authority to enter into this Agreement on its behalf and that each Party has the authority to execute this Agreement.

5.09 **Confidentiality.** The Parties agree that the settlement amount in Section 1.01 is confidential and will not be disclosed to any individual or entity without the express written consent of the disclosing party, except to the extent that such disclosure may be required by the

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Texas Public Information Act or by Order of a Judicial Officer. The Parties further agree that this Agreement shall be filed confidentially at the Public Utility Commission of Texas in Docket Nos. 58462 and 58460.

Executed in multiple counterparts, each to be considered an original, to be effective upon execution by all Parties:

(Signatures on following page)

Docusign Envelope ID: 645D6CB0-40F7-443E-931D-DC3E18F9B6C2

MCCART ST, LLC,
A DELAWARE LIMITED LIABILITY COMPANY

By: William J. Savage
Name: William J. Savage
Its Chief Executive Officer

Date signed: 03-17-2026

CITY OF DENTON
A Texas Municipal Corporation

By: DocuSigned by: Sara Hensley 5236DB296270423...
SARA HENSLEY, CITY MANAGER

Date signed: 3/18/2026

ATTEST:
INGRID REX, CITY SECRETARY

By: Signed by: Ingrid Rex F116805422D0464...

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

Signed by: Stephen D. Gay FEB48BB9726E4A9...
Signature
General Manager
Title
Water Utilities and Street Operations
Department

Date Signed: 3/18/2026

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: Christopher Mullino

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

DCM: Cassey Ogden

DATE: March 24, 2026

SUBJECT:

Consider adoption of an ordinance of the City of Denton, Texas, amending Chapter 28, Article XI ("Irrigation Systems") of the Code of the City of Denton, Texas to align with state regulations, clarify irrigator obligations, and revise enforcement provisions; establishing the minimum standards for installation of irrigation systems within the corporate limits and extraterritorial jurisdiction of the City of Denton, Texas; providing a penalty up to $2,000 for each violation of this ordinance; providing a severability clause; providing a savings clause; providing a repealer clause; and providing an effective date.

BACKGROUND:

The purpose of this ordinance is to align with the 2020 TCEQ updates to Chapter 344 of Title 30 of the Texas Administrative Code, remove backflow prevention requirements to be located in the backflow ordinance under Chapter 26, Article XIII of the Code of the City of Denton.

The updates include:

- Removal of the definition of "installer" since TCEQ removed this license type.
- Updated definitions for consistency with TCEQ definitions.
- Updated language to match TCEQ requirements.
- Removed backflow methods and specifications to be located in the backflow ordinance, by repealing sections 28-444 & 28-445.
- Updated requirements of plans, since plans are electrically submitted.
- Provide more clarity for installation of irrigation systems, inspections, and maintenance per TCEQ updates.
- Update the Water Conservation section to adhere to Sections 26-233 and 26-234 of the Code of the City of Denton, Texas and the City of Denton Water Conservation and Drought Contingency Plan.

OPTIONS:

1. Approve
2. Approve with conditions
3. Deny
4. Postpone the item

RECOMMENDATION:

Staff recommends approval to align our ordinance with TCEQ rules for irrigation and the new backflow ordinance.

DEVELOPER ENGAGEMENT DISCLOSURES:
No developer contact disclosures have been provided to staff from members of this body as of the issuance of this report.

EXHIBITS:
Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance
Exhibit 3 - Redline comparison

Respectfully submitted:

Amber Rodgers
Building Official

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS, AMENDING CHAPTER 28, ARTICLE XI ("IRRIGATION SYSTEMS") OF THE CODE OF THE CITY OF DENTON, TEXAS TO ALIGN WITH STATE REGULATIONS, CLARIFY IRRIGATOR OBLIGATIONS, AND REVISE ENFORCEMENT PROVISIONS; ESTABLISHING THE MINIMUM STANDARDS FOR INSTALLATION OF IRRIGATION SYSTEMS WITHIN THE CORPORATE LIMITS AND EXTRATERRITORIAL JURISDICTION OF THE CITY OF DENTON, TEXAS; PROVIDING A PENALTY UP TO $2,000 FOR EACH VIOLATION OF THIS ORDINANCE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A REPEALER CLAUSE; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, Chapter 551 of the Texas Local Government Code states that municipalities with a population of 20,000 or more must by ordinance require an installer of an irrigation system to (1) hold a valid irrigator's license issued by the Texas Commission on Environmental Quality ("TCEQ") and (2) obtain a permit prior to installation of an irrigation system within the municipality's city limits or extraterritorial jurisdiction; and

WHEREAS, the Texas Occupations Code provides exemptions from state licensing requirements in certain circumstances, for example, when homeowners install their own irrigation system; and

WHEREAS, Chapter 551 of the Texas Local Government Code further provides that an irrigation system ordinance must include minimum standards and specifications for designing, installing, and operating irrigation systems in accordance with state law and TCEQ rules; and

WHEREAS, Chapter 551 of the Texas Local Government Code allows licensed irrigation system inspectors and licensed plumbing inspectors to enforce municipal irrigation system ordinances; and

WHEREAS, the TCEQ rules governing landscape irrigation can be found in Chapter 344 of Title 30 of the Texas Administrative Code; and

WHEREAS, the City Council has determined that Chapter 28, Article XI of the Code of the City of Denton, Texas, regulating irrigation systems, needs certain amendments to protect public health, safety, and welfare; to promote water conservation; and to protect the environment; and

WHEREAS, properly installed irrigation systems conserve water and improve the overall quality of life for the citizens of Denton, Texas; and

WHEREAS, the provisions herein are necessary to promote and protect the health, safety, and welfare of the public by creating an urban environment that is protective of the City's water supply and provides an enhanced quality of life for the citizens of the City of Denton, Texas.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS:

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. Chapter 28, Article XI ("IRRIGATION SYSTEMS") of the Code of the City of Denton, Texas is hereby amended to read as provided in Exhibit "A", attached hereto and incorporated for all purposes.

SECTION 3. Any person, firm, or corporation found to be violating any provision of this ordinance shall, upon conviction, be found guilty of a Class "C" misdemeanor and fined a sum not to exceed two thousand dollars ($2,000) for each violation. Every day a violation occurs or continues shall constitute a separate offense.

SECTION 4. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this ordinance are severable, and if any phrase, clause, sentence, or section of this ordinance shall be declared unconstitutional or invalid by any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any other remaining phrase, clause, sentence, paragraph, or section of this ordinance.

SECTION 5. The repeal of any ordinance or part of ordinances effectuated by the enactment of this ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the City of Denton under any section or provisions at the time of passage of this ordinance.

SECTION 6. Except as expressly amended herein, the provisions of Chapter 28, Article XI ("IRRIGATION SYSTEMS") of the Code of the City of Denton, Texas shall remain in full force and effect.

SECTION 7. All provisions of the Code of the City of Denton, Texas codified or uncodified, in direct conflict with the provisions of this ordinance are hereby repealed, and all other provisions of the Code of the City of Denton, Texas, codified or uncodified, not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 8. The City Secretary is hereby directed to record and publish the regulations in Exhibit "A" in the City's Code of Ordinances.

SECTION 9. Pursuant to Section 2.09(c) of the Charter for the City of Denton, 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, the official newspaper of the City of Denton, Texas, within ten (10) days of the date of its passage.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____

GERARD HUDSPETH, MAYOR

ATTEST:

INGRID REX, CITY SECRETARY

BY:_____

APPROVED AS TO LEGAL FORM:

MACK REINWAND, CITY ATTORNEY

BY: Christopher Mullino

EXHIBIT "A"

Sec. 28-441. - Definitions.

The following words and terms, when used in this article, have the following meanings, unless the context clearly indicates otherwise.

Backflow means an undesirable reversal of flow of water or a mixture of water and other liquids, gases, or other substances, from any source or sources, into distribution pipes containing Potable Water supply.

Backflow Prevention Assembly means a mechanical plumbing device that, when properly installed and maintained, prevents Backflow from a private water system into the Public Water System. Backflow prevention is necessary to stop potentially contaminated or polluted water from entering the public water supply due to either a backpressure or backsiphonage event.

City means the City of Denton, Texas.

Completion of Irrigation System Installation means when the Landscape Irrigation System has been installed, all standards under this Article XI and state law have been met, all tests have been performed, and the Irrigator is satisfied that the Landscape Irrigation System is operating correctly.

Consulting means the act of providing advice, guidance, review, or recommendations related to Landscape Irrigation Systems.

Cross-Connection means any actual or potential connection or structural arrangement between the PWS and any other source or system through which it is possible to introduce to the PWS any used water, industrial fluid, gas, or substance other than Potable Water. The term "Cross-Connection" includes, but is not limited to, bypass arrangements, jumper connections, removable sections, swivel or change-over devices, and any other temporary or permanent devices.

Design means the act of determining the various elements of a Landscape Irrigation System. The term includes, but is not limited to, collecting site specific information, defining the scope of the project, defining plant watering needs, selecting and laying out Emission Devices, locating system components, conducting Hydraulics calculations, identifying any local regulatory requirements, and scheduling irrigation work at a site.

Design Pressure means the pressure needed for an Emission Device to operate correctly and with the Head-To-Head Spacing required under this Article XI. Design Pressure is the sum of the minimum operating pressure of an Emission Device and the total of all pressure losses accumulated from the Emission Device to the water source.

Emission Device means any device that is contained within an Irrigation System and used to apply water. Common Emission Devices in an Irrigation System include, but are not limited to, spray sprinkler heads, rotary sprinkler heads, and drip irrigation emitters.

Head-To-Head Spacing means the spacing of Emission Devices such that the distance between them is within the manufacturer's published radius range and the water spray reaches from Emission Device to Emission Device. Deviation from the manufacturer's published radius range shall not be more than ten (10) percent.

Hydraulics means the science of dynamic and Static Water and the mathematical computation of determining pressure losses and pressure requirements of an Irrigation System.

Impervious Surface means a surface that has been compacted or covered with a layer of material so that it is highly resistant to infiltration by water.

Irrigation Inspector means (a) a water district operator, governmental entity, or licensed Irrigation Inspector who inspects Irrigation Systems and performs other enforcement duties for a municipality or water district and who is licensed under Title 30, Chapter 30 of the Texas Administrative Code or (b) a licensed plumbing inspector.

Irrigation Plan means a scaled drawing of a new Irrigation System submitted in accordance with this Article XI prior to installation of the Landscape Irrigation System. An Irrigation Plan shall (i) meet all the requirements in 30 TEX. ADMIN. CODE §§ 344.60 - 344.65 (relating to Water Conservation; Minimum Standards for the Design of the Irrigation Plan; Minimum Design and Installation Requirements; Completion of Irrigation System Installation; Maintenance, Alteration, Repair, or Service of Irrigation Systems; and Reclaimed Water) and (ii) be provided as an as-built drawing to the owner or owner's representative upon completion of the Irrigation System.

Irrigation Services means any activities involving an Irrigation System including, without limitation, selling, designing, installing, maintaining, altering, repairing, servicing, permitting, Consulting services, or connecting an Irrigation System to a water supply.

Irrigation System means a system permanently installed on a site and composed of an assembly of component parts for the controlled distribution and conservation of water to irrigate, reduce dust, and control erosion in any type of landscape in any location. This term does not include a system that is used on or by an Agricultural Operation, as defined by TEX. AGRIC. CODE § 251.002.

Irrigation Technician means a Person who works under the Supervision of an Irrigator licensed under 30 TEX. ADMIN CODE § 30.120(b) to perform Irrigation Services, including the connection of an Irrigation System to a private or public, raw or Potable, Water supply system or any other water supply, and who is required to be licensed under Title 30, Chapter 30 of the Texas Administrative Code.

Irrigation Zone means a subdivision of an Irrigation System with a Matched Precipitation Rate based on plant type (such as turf, shrubs, or trees), microclimate (such as sun/shade ratio), topographic features (such as slope), soil type (such as sand, loam, clay, or a combination of any type), and hydrological control.

Irrigator means a Person who performs Irrigation Services and/or engages in the Supervision of the installation of an Irrigation System, including the connection of such system to a private or public, raw or Potable, Water supply system or any water supply, and who is licensed under Title 30, Chapter 30 of the Texas Administrative Code or exempted from licensing requirements by the same.

Landscape Irrigation means the science of applying the necessary amount of water to promote or sustain healthy growth of plant material or turf.

License means an occupational license that:

(a) is required by Chapter 1903 of the Texas Occupations Code, is issued by TCEQ under Title 30, Chapter 30 of the Texas Administrative Code, and authorizes an individual to engage in an activity covered by this Article XI; or

(b) is required by Chapter 1301 of the Texas Occupations Code and governed by Title 22, Chapter 365 of the Texas Administrative Code.

Licensed Irrigator means an Irrigator who possesses a License.

Mainline means a pipe within an Irrigation System that delivers water from the water source to the individual Zone Valves.

Maintenance, Alteration, Repair, or Service means any activity that involves opening to the atmosphere the irrigation Mainline at any point prior to the discharge side of any Irrigation Zone control valve. This includes, but is not limited to, repairing or connecting into a main supply pipe, replacing a zone control valve, or repairing a zone control valve in a manner that opens the system to the atmosphere.

Maintenance Checklist means a document made available to the Irrigation System's owner or owner's representative that contains information regarding the operation and maintenance of the Irrigation System including, but not limited to, checking and repairing the Irrigation System, setting the automatic controller, checking the rain or moisture sensor, cleaning filters, pruning grass and plants away from irrigation emitters, using and operating the Irrigation System, the precipitation rates of each Irrigation Zone within the system, any Water Conservation measures currently in effect from the water purveyor, the name of the water purveyor, a suggested seasonal or monthly watering schedule based on current evapotranspiration data for the geographic region, and the minimum water requirements for the plant material in each zone based on the soil type and plant material where the system is installed.

Master Valve means a remote control valve located after the Backflow Prevention Assembly that controls the flow of water to the Irrigation System Mainline.

Matched Precipitation Rate means the condition in which all sprinkler heads within an Irrigation Zone apply water at the same rate.

Person means any individual, firm, partnership, joint venture, association, club, fraternal organization, joint stock company, corporation, cooperative, estate, trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

Plumbing Code or IPC means the International Plumbing Code adopted in the Code of the City of Denton Texas, Chapter 28, Article VII, as amended.

Potable Water means water that is suitable for human consumption and meets the definition of Drinking water in 30 TEX. ADMIN. CODE § 290.38(25).

Public Water System or *System* or *PWS* means the City of Denton's publicly owned water system and the Potable Water supply contained therein. This term includes all services, reservoirs, facilities, lines, and equipment associated with the production, treatment, storage, or conveyance of water for public consumption.

PVC means polyvinyl chloride.

Reclaimed Water means wastewater collected and treated at a wastewater treatment plant to a quality that meets or exceeds the requirements of 30 TEX. ADMIN. CODE CH. 210, as amended, and the City of Denton's authorization pursuant to that chapter. Reclaimed Water is not Potable Water.

Records means Irrigation Plans, contracts, warranty information, invoices, copies of permits, and all other documents that relate to Irrigation Services.

Static Water means water that is not moving.

Supervision means on-the-job oversight and direction by a Licensed Irrigator who is fulfilling their professional responsibility to the client and/or employer in compliance with local and state requirements. Supervision may also be performed by an Irrigation Technician who is working under the direction of an Irrigator licensed under 30 TEX. ADMIN CODE § 30.120(b) to perform Irrigation Services. Irrigators that do not possess a license shall not engage in Supervision.

Supervisor means a Person who engages in Supervision in accordance with this Article XI.

TCEQ means the Texas Commission on Environmental Quality or its successor agency with jurisdiction over matters covered by this Article XI.

Water Conservation means the Design, installation, service, and operation of an Irrigation System in a manner that prevents the waste of water, promotes the most efficient use of water, and applies the least amount of water that is required to maintain healthy individual plant material or turf, reduce dust, and control erosion.

Zone Flow means a measurement, in gallons per minute or gallons per hour, of the actual flow of water through a Zone Valve, calculated by individually opening each Zone Valve and obtaining a valid reading after the pressure has stabilized. For Design purposes, the Zone Flow is the total flow of all nozzles in the zone at a specific pressure.

Zone Valve means an automatic valve that controls a single zone of a Landscape Irrigation System.

If a word or term related to the regulation of Backflow or Cross-Connections is not defined in this Article XI, unless the context clearly indicates otherwise, it shall have the definition provided in the Code of the City of Denton, Texas, Chapter 26, Article XIII, as amended. All definitions that are singular also include the plural form of the term being defined. Named City positions include any applicable successor position.

Sec. 28-442. - Valid License required.

Any Person who connects an Irrigation System to a water supply must hold a valid License.

Exemptions:

A property owner is not required to hold a valid License if they are performing irrigation work in a building or on a premise owned or occupied by the person as the person's home. A home or property owner who installs an Irrigation System pursuant to an exemption must meet the standards contained in Title 30, Chapter 344, of the Texas Administrative Code regarding spacing, water pressure, spraying water over Impervious Surfaces, rain or moisture shut-off devices or other technology, Backflow prevention, and isolation valves. The City may, at any point, adopt more stringent requirements for exempt home or property owners who install their own Irrigation Systems. Other exemptions to the licensing requirements of this Article XI are in TEX. OCC. CODE § 1903.002(b)(2) and (c). A Person who is exempt from the licensing requirements of this Article XI shall comply with the rules and standards established by this Article XI and any other applicable provisions of the Code of the City of Denton, Texas, unless otherwise exempted.

Sec. 28-443. - Permit required.

Any Person installing an Irrigation System within the territorial limits or extraterritorial jurisdiction of the City must obtain a permit from the City Building Safety Department. All Irrigation Plans approved for a permit must comply with the requirements of Chapter 28 of the Code of the City of Denton, Texas and all other applicable provisions of the Code of the City of Denton, Texas.

Exemptions:

(1) An Irrigation System that is part of an On-site sewage disposal system, as defined by TEX. HEALTH & SAFETY CODE § 366.002;

(2) An Irrigation System used on or by an Agricultural Operation, as defined by TEX. AGRIC. CODE § 251.002; or

(3) An Irrigation System connected to a groundwater well used by the property owner for domestic use.

Sec. 28-444. - Backflow prevention methods and devices.

Any Irrigation System that is connected to the PWS or any Potable Water supply must be connected through a Backflow Prevention Assembly and comply with all the requirements of the Code of the City of Denton, Texas, Chapter 26, Article XIII, as amended.

Sec. 28-445. - Water Conservation.

All Irrigation Systems shall be designed, installed, maintained, altered, repaired, serviced, and operated in a manner that promotes Water Conservation and adheres to Sections 26-233 and 26-234 of the Code of the City of Denton, Texas and the City of Denton Water Conservation and Drought Contingency Plan, as amended, including, without limitation, those portions of the City of Denton Water Conservation and Drought Contingency Plan relating to Denton's mandatory twice-weekly irrigation schedule and Landscape Management Ordinance.

Sec. 28-446. - Irrigation Plan Design: minimum standards.

(a) All Irrigation Plans must be prepared by an Irrigator licensed under 30 TEX. ADMIN CODE § 30.120(b). An Irrigator shall prepare or arrange for the preparation of an Irrigation Plan for each site where a new Irrigation System will be installed. The Irrigator shall present the plan with a permit application to the City Building Safety Department for review. During the installation of the Irrigation System, variances from the original Irrigation Plan may be authorized by the Irrigator if the variances do not:

(1) Diminish the operational integrity of the Irrigation System;

(2) Violate any requirements of this Article XI; or

(3) Go unnoted in red on the Irrigation Plan.

(b) The Irrigation Plan must include complete coverage of the area to be irrigated. If an Irrigation System does not provide complete coverage of the area to be irrigated, it must be noted in the Irrigation Plan.

(c) All Irrigation Plans submitted for review by the City Building Safety Department must be legible and include the following information:

(1) The seal and signature of the Irrigator licensed under 30 TEX. ADMIN CODE § 30.120(b) and the date sealed;

(2) Physical features (For example, and without limitation, property lines, trees, streets, sidewalks, driveways, fences, flower bed lines, buildings, and boundaries of the areas to be watered);

(3) A North arrow;

(4) The scale used and a legend showing the symbols used in the Irrigation Plan and an accurate description of what each symbol represents;

(5) The Zone Flow measurement for each zone which includes the zone/controller station number and the Zone Valve size;

(6) The location and type of every controller and sensor (For example, and without limitation, rain, moisture, wind, flow, and freeze);

(7) The Design Pressure; and

(8) The location, type, and size of each:.

a. Water source (For example, and without limitation, each municipal water meter or Reclaimed Water source);

b. Backflow Prevention Assembly;

c. Emission Device, including, but not limited to, spray heads, rotary sprinkler heads, quick-couplers, bubblers, drip, and micro-sprays;

d. Valve, including, but not limited to, Zone Valves, Master Valves, and isolation valves;

e. Pressure regulation component (For example, and without limitation, pressure regulation valves and pressure regulating emitters); and

f. Main line and lateral piping.

Sec. 28-447. - Design and installation: Minimum requirements.

(a) No irrigation Design or installation shall require the use of any component, including the water meter, in a way that exceeds the manufacturer's published performance limitations for the component.

(b) Spacing.

(1) The maximum spacing between Emission Devices must not exceed the manufacturer's published radius or spacing of the Emission Devices. The proper

radius or spacing is determined by referring to the manufacturer's published specifications for a specific Emission Device at a specific operating pressure.

(2) Irrigation Systems shall not utilize above-ground spray Emission Devices in landscapes that are (i) less than forty-eight (48) inches not including the Impervious Surfaces in either length or width or (ii) that have sidewalks, driveways, or streets on two or more sides.

(3) If pop-up sprays or rotary sprinkler heads are used in an Irrigation System, the sprinkler heads must direct flow away from adjacent surfaces and shall not be installed closer than four (4) inches from a hardscape (For example, and without limitation, a building foundation, fence, concrete, asphalt, pavers, or stones set with mortar). Narrow paved walkways, jogging paths, golf cart paths, or other small areas located in cemeteries, parks, golf courses, or other public areas are exempted from this subsection (b)(3) if runoff from the Irrigation System drains into a landscaped area.

(c) Emission Devices must be installed to operate between the minimum and the maximum sprinkler head pressure as published by the manufacturer for the nozzle and head spacing used. Methods to achieve the water pressure requirements include, but are not limited to, flow control valves, a pressure regulator, or pressure compensating spray heads.

(d) Irrigation Systems shall have separate zones based on plant type, microclimate factors (such as shade), topographic features (such as slope or elevation), type of soil, and the hydrological requirements of plant types.

(e) All Emission Devices in a zone should irrigate at the same precipitation rate An Irrigator must determine the appropriate length of time to run an Irrigation System based on head selection and spacing. The Irrigator must also consider the soil's infiltration rate to make sure the Irrigation System is operating efficiently to conserve water.

(f) Water may not be sprayed over Impervious Surfaces including, but not limited to, concrete, asphalt, brick, wood, stones set with mortar, walls, fences, sidewalks, and streets.

(g) If a Master Valve is provided, it must be installed on the discharge side of the Backflow Prevention Assembly.

(h) All new Irrigation Systems that are installed using PVC pipe and fittings shall be installed in accordance with the IPC.

(i) All new automatically controlled Irrigation Systems must include sensors or other technology designed to inhibit or interrupt operation of the Irrigation System during periods of moisture or rainfall. Rain or moisture shut-off technology must be installed

according to the manufacturer's published recommendations. Repairs to existing automatic Irrigation Systems that require replacement of an existing controller must include a sensor or other technology designed to inhibit or interrupt operation of the Irrigation System during periods of moisture or rainfall.

(j) All new Irrigation Systems must include an isolation valve between the water meter and the Backflow Prevention Assembly.

(k) Piping.

(1) Piping in all Irrigation Systems must be installed according to the manufacturer's published specifications for depth of pipe coverage. If the manufacturer has not published specifications, the pipe must be buried at least six inches deep and it must be covered with six (6) inches of select backfill between its top and the natural grade of the topsoil.

(2) Mounding with select backfill may be employed if the area being irrigated is rock but, if mounding is used, that fact must be noted on the Irrigation Plan and any safety issues must be addressed with the owner.

(3) If utilities, manmade structures, or roots create an unavoidable obstacle that makes the six-inch depth coverage requirement impractical, the piping shall be installed to provide a minimum of two (2) inches of select backfill between the top of the pipe and the natural grade of the topsoil.

(4) All trenches and holes created during installation of an Irrigation System must be backfilled and compacted to the original grade.

(5) The velocity of water through PVC pipe in an Irrigation System may not exceed five feet per second.

(l) The wiring used to connect an automatic controller to any electrical components must be listed by Underwriters Laboratories as acceptable for burial. The wiring connected to an Irrigation System must be sized according to the manufacturer's recommendations. Electrical splices that may be exposed to moisture must be waterproofed as certified by the wire-splice manufacturer. Underground electrical wire used in an Irrigation System must be buried with at least six inches of select backfill.

(m) Connections to an Irrigation System for drinking or domestic use (For example, and without limitation, filling a swimming pool or decorative fountain) are prohibited. If a hose bib (an outdoor water faucet that has hose threads on the spout) is connected to an Irrigation System for the purpose of providing supplemental water to an area, the hose bib must be installed using a quick coupler key on a quick coupler installed in a covered, purple valve box. The hose bib and any hoses connected to it must be labeled

"non-potable, not safe for drinking." An isolation valve must be installed upstream of a quick coupler connecting a hose bib to an Irrigation System.

(n) Either a Licensed Irrigator or an Irrigation Technician must be on-site during the installation of an Irrigation System, unless the Irrigation System is being installed by a Person exempted under Sec. 28-442 of the Code of the City of Denton, Texas.

(o) All Irrigation Systems must be designed, installed, and operated in a manner that promotes Water Conservation.

Sec. 28-448. - Completion of Irrigation System Installation by a Licensed Irrigator and Final Walkthrough.

(a) An Irrigation System is complete when the Irrigation System has been installed, minimum standards for the Irrigation System under this Article XI have been met, and all Irrigation System tests have been performed without failure. When the Irrigation System is complete and it operates correctly, the Licensed Irrigator, or Irrigation Technician, who served as Supervisor on-site must conduct a final walkthrough to show the owner or owner's representative how to operate the Irrigation System correctly to maintain a healthy landscape and conserve water. The owner or owner's representative must receive the following documents during the final walkthrough:

(1) The manufacturer's manual for any automatic controllers;

(2) A seasonal watering schedule;

(3) A list of Irrigation System components that require maintenance and the recommended frequency of service;

(4) The Irrigation Plan showing the actual installation of the Irrigation System; and

(5) A Maintenance Checklist, containing:

a. The signature of the Irrigation System owner or the owner's representative;

b. The Irrigator's seal, signature, and the date; and

c. The statement, "This Irrigation System has been installed in accordance with all applicable state and local laws, ordinances, rules, regulations, and orders. I have tested the System and determined that it has been installed according to the Irrigation Plan and is properly adjusted for the most efficient application of water at this time."

(b) When the Irrigation System is complete and it operates correctly, the Licensed Irrigator or Irrigation Technician, who served as Supervisor on-site must affix a permanent sticker, printed with waterproof ink, that contains the Licensed Irrigator or Irrigation Technician's name, License number, company name, telephone number, and the dates of the warranty period to each automatic controller installed by the Irrigator or Irrigation

Technician. If the Irrigation System is manual, the sticker shall be affixed to the original Maintenance Checklist.

(c) The Licensed Irrigator must give the original Maintenance Checklist to the owner or owner's representative and maintain a copy of the Maintenance Checklist.

(d) If the owner or owner's representative refuses or is unable to attend the final walkthrough in subsection (a) or refuses or is unable to sign the Maintenance Checklist, the Licensed Irrigator or Irrigation Technician must send the Irrigation System owner or owner's representative the following documents:

(1) The automatic controller manual;

(2) A seasonal watering schedule;

(3) A list of components requiring maintenance and the recommended frequency of service;

(4) The Irrigation Plan; and

(5) The Maintenance Checklist, as defined in this Article XI and described in subsection (a)(5).

The Licensed Irrigator or Irrigation Technician must record in the permit file with the City's Building Safety Division that the owner or owner's representative cannot or would not participate in the final walkthrough or sign the Maintenance Checklist and make note of the date and time they declined or refused to participate in the final walkthrough or sign the Maintenance Checklist on the owner or owner's representative's signature line. The Licensed Irrigator or Irrigation Technician must also record the method of delivery (For example, mail, left at site, etc.) of the documents to the owner or the owner's representative.

Sec. 28-449. - Inspections.

(a) For residential systems, the Irrigator shall schedule a Backflow Prevention Assembly inspection and irrigation final inspection with the Building Safety Division.

(b) For commercial Systems, the Licensed Irrigator shall schedule an irrigation underground inspection, Backflow Prevention Assembly inspection, and irrigation final inspection with the Building Safety Division. An irrigation underground inspection shall take place after the installation of the underground irrigation lines and devices, but before any trenches are backfilled. A Backflow Preventions Assembly inspection shall take place after the Backflow Prevention Assembly is installed and tested.

(c) The irrigation final inspection shall include, but not be limited to, the freeze sensor and the rain sensor, with each mounted on permanent structure but not a fence. The Irrigator shall demonstrate each zone of the Irrigation System for the Irrigation Inspector.

Sec. 28-450. - Maintenance, Alteration, Repair, or Service of Irrigation Systems.

(a) All trenches and holes created during the Maintenance, Alteration, Repair, or Service of an Irrigation System must be backfilled and returned to the original grade with suitable soil free of any objects that could damage the plumbing of the Irrigation System. The backfill must be compacted such that a depression does not develop.

(b) If the Maintenance, Alteration, Repair, or Service of an Irrigation System involves excavation at the water meter or at a point upstream of the Backflow Prevention Assembly, an isolation valve must be installed if one is not already installed.

(c) If an Irrigation System is connected to a Potable Water supply and the main line of the Irrigation System must be opened to the atmosphere at any point prior to the discharge side of the Irrigation Zone control valve, then the Irrigation System must be connected using a Backflow Prevention Assembly installed and approved in accordance with state law and the requirements of the Code of the City of Denton, Texas, Chapter 26, Article XIII.

(d) If an existing controller is replaced, a rain or moisture sensor or other technology designed to interrupt System operation during periods of rain or moisture must be installed.

(e) The Irrigator must identify in writing to the Irrigation System's owner or owner's representative the materials furnished in the maintenance of the Irrigation System.

(f) All Maintenance, Alteration, Repair, or Service of an Irrigation System must comply with the Design and installation requirements provided in this Article XI.

(g) All Maintenance, Alteration, Repair, or Service must promote Water Conservation.

(h) The Irrigator is responsible for all work that the Irrigator performed during the Maintenance, Alteration, Repair, or Service of an irrigation system during the warranty period. The Irrigator or business owner is not responsible for the professional negligence of any other Irrigator who subsequently conducts any irrigation service on the same irrigation system

(i) Colored PVC pipe primer solvent must be used on all pipes and fittings used in the Maintenance, Alteration, Repair, or Service of an Irrigation System in accordance with the IPC.

Sec. 28-451. - Reclaimed Water.

Reclaimed Water may be utilized in Landscape Irrigation Systems if:

(a) There is no direct contact with edible crops, unless the crop is pasteurized before consumption;

(b) The Irrigation System does not spray water across property lines that do not belong to the Irrigation System's owner;

(c) The Irrigation System is installed using purple components;

(d) The domestic Potable Water line is connected using a Backflow Prevention Assembly, in accordance with state law and the Code of the City of Denton, Texas, Chapter 26, Article XIII; and

(e) A minimum of an eight-inch by eight-inch sign, in English and Spanish, is prominently posted on/in the area that is being irrigated, that reads, "RECLAIMED WATER - DO NOT DRINK" and "AGUA DE RECUPERACIÓN - NO BEBER".

Sec. 28-452. - Advertisement requirements for Licensed Irrigators.

(a) A Licensed Irrigator's License number in the form of "LI_____" must be displayed on:

(1) All vehicles used in the installation, Maintenance, Alteration, Repair, or Service of Irrigation Systems;

(2) Trailers that advertise Irrigation Services;

(3) All forms of advertisement for Irrigation Services, regardless of the type of media, including, without limitation, business cards and estimates; and

(4) All Contracts, proposals, bids, and invoices.

(b) All vehicles and trailers must display the License number required in subsection (a) in a contrasting color and in block letters at least two inches high. License numbers must be visible on both outward sides of a vehicle. Magnetic signs are acceptable.

(c) In addition to the License number required in subsection (a), all forms of advertisement for Irrigation Services, regardless of the type of media, including, without limitation, business cards and estimates must display the Licensed Irrigator's name.

(d) At the location of the permanent structure where the irrigation business is primarily conducted and irrigation records are kept, the name, mailing address, and telephone number of the TCEQ must be prominently displayed on a legible sign in plain view for the purpose of addressing complaints.

Sec. 28-453. - Duties and responsibilities of City Irrigation Inspectors.

An Irrigation Inspector employed by the City shall enforce this Article XI and shall be responsible for:

(a) Verifying that the appropriate permits have been obtained for an Irrigation System;

(b) Verifying that the Irrigator or Irrigation Technician, as applicable, are Licensed;

(c) Inspecting the Irrigation System;

(d) Determining that the Irrigation System complies with the requirements of this Article XI and applicable state laws and regulations;

(e) Determining that the appropriate Backflow Prevention Assembly was installed, tested, and the test results were provided to the City;

(f) Investigating complaints related to the installation, Maintenance, Alteration, Repairs, or Service of an Irrigation System and the advertisement of Irrigation Services; and

(g) Maintaining Records according to Article XI and applicable state laws and regulations.

Sec. 28-454. - Items not covered by this article.

Any matter involving Irrigation Systems not covered by the Code of the City of Denton, Texas and required by law shall be governed by the Texas Occupations Code, the Texas Water Code, Title 30 of the Texas Administrative Code, and any other applicable state statute or rule.

Sec. 28-455. - Fees.

Prior to the issuance of any permit required by this Article XI, a fee established by the City Council and on file in the office of the City Secretary shall accompany the application for such permit, payable to the City, for the issuance of the permit and any inspections to be made.

Sec. 28-456. - Enforcement.

(a) The City shall have the power to administer and enforce the provisions of this Article XI as may be required by governing law. Any Person who shall violate a provision of this Article XI is subject to suit for injunctive relief as well as prosecution for criminal violations. Any violation of this Article XI is declared to be a nuisance.

(b) A Person who violates any provision of this Article XI commits an offense and is guilty of a class C misdemeanor. Each day a violation continues shall be considered a separate offense.

(c) If the definition of an offense under this Article XI does not prescribe a culpable mental state, then a culpable mental state is not required, and the offense is one of strict liability. A strict liability offense shall be punishable by a fine not to exceed Five Hundred Dollars and No Cents ($500.00). Although not required, if a culpable mental state is in fact alleged in the charge of the offense, such offense shall be punishable by a fine not to exceed Two Thousand Dollars and No Cents ($2,000.00).

(d) If the definition of an offense under this Article XI prescribes a culpable mental state, then a culpable mental state is required and the offense shall be punishable by a fine not to exceed Two Thousand Dollars and No Cents ($2,000.00).

(e) All penalties in this Article XI are in addition to and cumulative of any other remedies that may be available to the City at law and in equity, including, without limitation, injunctive relief.

Sec. 28-441. - Definitions.

The following words and terms, when used in this ~~ordinance~~article, have the following meanings, unless the context clearly indicates otherwise.

~~Air gap means a complete physical separation between the free flowing discharge end of a potable water supply pipeline and an open or non-pressure receiving vessel.~~

~~Atmospheric Vacuum Breaker means an assembly containing an air inlet valve, a check seat, and an air inlet port. The flow of water into the body causes the air inlet valve to close the air inlet port. When the flow of water stops the air inlet valve falls and forms a check against back-siphonage. At the same time it opens the air inlet port allowing air to enter and satisfy the vacuum. Also known as an Atmospheric Vacuum Breaker Back-Siphonage Prevention Assembly.~~

~~Backflow prevention means the mechanical prevention of reverse flow, or back siphonage, of nonpotable water from an irrigation system into the potable water source.~~

~~Backflow prevention assembly means any assembly used to prevent backflow into a potable water system. The type of assembly used is based on the existing or potential degree of health hazard and backflow condition.~~

Backflow means an undesirable reversal of flow of water or a mixture of water and other liquids, gases, or other substances, from any source or sources, into distribution pipes containing Potable Water supply.

Backflow Prevention Assembly means a mechanical plumbing device that, when properly installed and maintained, prevents Backflow from a private water system into the Public Water System. Backflow prevention is necessary to stop potentially contaminated or polluted water from entering the public water supply due to either a backpressure or backsiphonage event.

City means the City of Denton, Texas.

Completion of Irrigation System Installation means when the Landscape Irrigation System has been installed, all ~~minimum~~ standards under this Article XI and state law have been met, all tests have been performed, and the Irrigator is satisfied that the ~~system~~Landscape Irrigation System is operating correctly.

Consulting means the act of providing advice, guidance, review, or recommendations related to ~~landscape irrigation systems.~~Landscape Irrigation Systems.

Cross-Connection means ~~an~~any actual or potential connection or structural arrangement between ~~a potable water~~the PWS and any other source ~~and an irrigation~~ or system ~~that may contain contaminates or pollutants or any source of water that has been treated~~through which it is possible to ~~a lesser degree in the treatment process.~~introduce to the PWS any used water, industrial fluid, gas, or substance other than Potable Water. The term "Cross-Connection" includes, but is not

limited to, bypass arrangements, jumper connections, removable sections, swivel or change-over devices, and any other temporary or permanent devices.

Design means the act of determining the various elements of a ~~landscape irrigation system that will include~~Landscape Irrigation System. The term includes, but is not ~~be~~ limited to, ~~elements such as~~ collecting site specific information, defining the scope of the project, defining plant watering needs, selecting and laying out Emission Devices, locating system components, conducting Hydraulics calculations, identifying any local regulatory requirements, ~~or~~and scheduling irrigation work at a site. ~~Completion of the various components will result in an irrigation plan.~~

Design Pressure means the pressure ~~that is required~~ needed for an Emission Device to operate ~~properly.~~correctly and with the Head-To-Head Spacing required under this Article XI. Design Pressure is ~~calculated by adding~~ the sum of the minimum operating pressure ~~necessary at~~of an Emission Device and the total of all pressure losses accumulated from the Emission Device to the water source.

~~Double Check Valve means an assembly that is composed of two independently acting, approved check valves, including tightly closed resilient seated shutoff valves attached at each end of the assembly and fitted with properly located resilient seated test cocks. Also known as a Double Check Valve Backflow Prevention Assembly.~~

Emission Device means any device that is contained within an Irrigation System and ~~that is~~ used to apply water. Common Emission Devices in an Irrigation System include, but are not limited to, spray ~~and~~ sprinkler heads, rotary sprinkler heads, and drip irrigation emitters.

~~Employed means engaged or hired to provide consulting services or perform any activity relating to the sale, design, installation, maintenance, alteration, repair, or service to irrigation systems. A person is employed if that person is in an employer-employee relationship as defined by Internal Revenue Code, 26 United States Code Service, 53212(d) based on the behavioral control, financial control, and the type of relationship involved in performing employment related tasks.~~

Head-To-Head Spacing means the spacing ~~means~~ of Emission Devices such that the ~~spacing of spray or rotary heads equal to~~distance between them is within the manufacturer's published radius ~~of the head.~~

~~Health hazard means a cross-connection or potential cross-connection with an irrigation system that involves any substance that may, if introduced into~~range and the water spray reaches from Emission Device to Emission Device. Deviation from the ~~potable water supply, cause death or illness, spread disease, or have a high probability of causing such effects.~~manufacturer's published radius range shall not be more than ten (10) percent.

Hydraulics means the science of dynamic and Static Water and the mathematical computation of determining pressure losses and pressure requirements of an Irrigation System.

Impervious Surface means a surface that has been compacted or covered with a layer of material so that it is highly resistant to infiltration by water.

Irrigation Inspector means ~~a licensed plumbing inspector,~~ (a) a water district operator, ~~other~~ governmental entity, or ~~irrigation inspector~~licensed Irrigation Inspector who inspects Irrigation Systems and performs other enforcement duties for a municipality or water district ~~as an employee or as a contractor.~~

~~Installer means a person who actually connects an irrigation system to a private or public raw or potable water supply system or any water supply,~~and who is licensed ~~according to~~under Title 30, Chapter 30 of the Texas Administrative Code~~, Chapter 30 (relating to Occupational Licenses and Registrations).~~ or (b) a licensed plumbing inspector.

~~Irrigation inspector means a person who inspects irrigation systems and performs other enforcement duties for a municipality or water district as an employee or as a contractor and is required to be licensed under Title 30, Texas Administrative Code, Chapter 30 (relating to Occupational Licenses and Registrations).~~

Irrigation Plan means a scaled drawing of a ~~landscape irrigation system which lists required information, the scope of the project, and represents the changes made in the~~ new Irrigation System submitted in accordance with this Article XI prior to installation of the ~~irrigation system.~~Landscape Irrigation System. An Irrigation Plan shall (i) meet all the requirements in 30 TEX. ADMIN. CODE §§ 344.60 - 344.65 (relating to Water Conservation; Minimum Standards for the Design of the Irrigation ~~services~~Plan; Minimum Design and Installation Requirements; Completion of Irrigation System Installation; Maintenance, Alteration, Repair, or Service of Irrigation Systems; and Reclaimed Water) and (ii) be provided as an as-built drawing to the owner or owner's representative upon completion of the Irrigation System.

Irrigation Services means any activities involving an Irrigation System including, without limitation, selling, designing, installing, maintaining, altering, repairing, servicing, permitting, ~~providing consulting~~Consulting services ~~regarding~~, or connecting an ~~irrigation system~~Irrigation System to a water supply.

Irrigation System means a system ~~means an assembly of component parts that is~~ permanently installed on a site and composed of an assembly of component parts for the controlled distribution and conservation of water to irrigate ~~any type of landscape vegetation in any location, and/or to,~~ reduce dust ~~or~~, and control erosion~~.~~ in any type of landscape in any location. This term does not include a system that is used on or by an Agricultural Operation, as defined by ~~Texas Agricultural Code, 5251~~TEX. AGRIC. CODE § 251.002.

Irrigation Technician means a Person who works under the ~~supervision of a licensed irrigator to install, maintain, alter, repair, service or supervise installation of an irrigation system~~Supervision of an Irrigator licensed under 30 TEX. ADMIN CODE § 30.120(b) to perform Irrigation Services, including the connection of ~~such system in or~~an Irrigation System to a private or public, raw or ~~potable water~~Potable, Water supply system or any other water supply, and who is required to be

licensed under Title 30, Chapter 30 of the Texas Administrative Code~~, Chapter 30 (relating to Occupational Licenses and Registrations).~~.

Irrigation Zone means a subdivision of an Irrigation System with a Matched Precipitation Rate based on plant ~~material~~ type (such as turf, shrubs, or trees), microclimate ~~factors~~ (such as sun/shade ratio), topographic features (such as slope~~) and~~), soil ~~conditions~~type (such as sand, loam, clay, or a combination~~) or for~~ of any type), and hydrological control.

Irrigator means a Person who ~~sells, designs, offers consultations regarding, installs, maintains, alters, repairs, services~~ performs Irrigation Services and/or ~~supervises~~engages in the Supervision of the installation of an Irrigation System, including the connection of such system to a private or public, raw or Potable, Water supply system or any water supply, and who is ~~required to be~~ licensed under Title 30, Chapter 30 of the Texas Administrative Code~~, Chapter 30.~~

~~Irrigator in Charge means the irrigator responsible for all irrigation work performed~~ or exempted from licensing requirements by ~~an exempt business owner, including, but not limited to obtaining permits, developing design plans, supervising the work of other irrigators or irrigation technicians, and installing, selling, maintaining, altering, repairing, or servicing a landscape irrigation system.~~the same.

Landscape Irrigation means the science of applying the necessary amount of water to promote or sustain healthy growth of plant material or turf.

License means an occupational license that~~.~~:

(a) is required by Chapter 1903 of the Texas Occupations Code, is issued by ~~the Texas Commission on Environmental Quality~~TCEQ under Title 30, Chapter 30 of the Texas Administrative Code, ~~Chapter 30 to~~ and authorizes an individual ~~that authorizes the individual~~ to engage in an activity ~~that is~~ covered by this Article XI; or

(b) is required by Chapter 1301 of the Texas Occupations Code and governed by Title ~~30,~~ 22, Chapter 365 of the Texas Administrative Code~~, Chapter 30.~~.

Licensed Irrigator means an Irrigator who possesses a License.

Mainline means a pipe within an ~~irrigation system~~ Irrigation System that delivers water from the water source to the individual ~~zone valves.~~Zone Valves.

~~Maintenance checklist means a document made available to the irrigation system's~~*Maintenance, Alteration, Repair, or Service* means any activity that involves opening to the atmosphere the irrigation Mainline at any point prior to the discharge side of any Irrigation Zone control valve. This includes, but is not limited to, repairing or connecting into a main supply pipe, replacing a zone control valve, or repairing a zone control valve in a manner that opens the system to the atmosphere.

Maintenance Checklist means a document made available to the Irrigation System's owner or owner's representative that contains information regarding the operation and maintenance of the

Irrigation System including, but not limited to, checking and repairing the Irrigation System, setting the automatic controller, checking the rain or moisture sensor, cleaning filters, pruning grass and plants away from irrigation emitters, using and operating the Irrigation System, the precipitation rates of each Irrigation Zone within the system, any Water Conservation measures currently in effect from the water purveyor, the name of the water purveyor, a suggested seasonal or monthly watering schedule based on current evapotranspiration data for the geographic region, and the minimum water requirements for the plant material in each zone based on the soil type and plant material where the system is installed.

~~Major maintenance, alteration, repair, or service means any activity that involves opening to the atmosphere the irrigation main line at any point prior to the discharge side of any irrigation zone control valve. This includes, but is not limited to, repairing or connecting into a main supply pipe, replacing a zone control valve, or repairing a zone control valve in a manner that opens the system to the atmosphere.~~

Master Valve means a remote control valve located after the Backflow Prevention Assembly that controls the flow of water to the Irrigation System Mainline.

Matched Precipitation Rate means the condition in which all sprinkler heads within an Irrigation Zone apply water at the same rate.

~~New installation means an irrigation system installed at a location where one did not previously exist.~~

~~Pass-through contract means a written contract between a contractor or builder and a licensed irrigator or exempt business owner to perform part or all of the irrigation services relating to an irrigation system.~~

~~Pervious surface means a surface that is existing or covered with a layer of material so that it will admit the passage, entrance, or infiltration by water.~~

Person means any individual, firm, partnership, joint venture, association, club, fraternal organization, joint stock company, corporation, cooperative, estate, trust, receiver, trustee, syndicate, or any other group or combination acting as a unit.

Plumbing Code or IPC means the International Plumbing Code adopted in the Code of the City of Denton Texas, Chapter 28, Article VII, as amended.

Potable Water means water that is suitable for human consumption~~.~~ and meets the definition of Drinking water in 30 TEX. ADMIN. CODE § 290.38(25).

~~Pressure Vacuum Breaker means an assembly containing an independently operating internally loaded check valve and an independently operating loaded air inlet valve located on the discharge side of the check valve. Also known as a Pressure Vacuum Breaker Backsiphonage Prevention Assembly.~~

~~Reclaimed water~~ *Public Water System* or *System* or *PWS* means the City of Denton's publicly owned water system and the Potable Water supply contained therein. This term includes all services, reservoirs, facilities, lines, and equipment associated with the production, treatment, storage, or conveyance of water for public consumption.

PVC means ~~domestic or municipal~~polyvinyl chloride.

Reclaimed Water means wastewater ~~which has been~~collected and treated at a wastewater treatment plant to a quality ~~suitable for beneficial use, such as landscape irrigation.~~that meets or exceeds the requirements of 30 TEX. ADMIN. CODE CH. 210, as amended, and the City of Denton's authorization pursuant to that chapter. Reclaimed Water is not Potable Water.

Records ~~of landscape irrigation activities means the irrigation plans~~means Irrigation Plans, contracts, warranty information, invoices, copies of permits, and all other documents that relate to ~~the installation, maintenance, alteration, repair, or service of a landscape inigation system.~~Irrigation Services.

~~Reduced Pressure Principle Backflow Prevention Assembly means an assembly containing two independently acting approved check valves together with a hydraulically operating mechanically independent pressure differential relief valve located between the two check valves and below the first check valve.~~

Static ~~water pressure~~*Water* means ~~the pressure of~~ water ~~when it~~that is not moving.

Supervision means ~~the~~ on-the-job oversight and direction by a Licensed Irrigator who is fulfilling ~~his or her~~their professional responsibility to the client and/or employer in compliance with local ~~or~~and state requirements. ~~Also a licensed installer working under the direction of a licensed irrigator or beginning January 1, 2009, an irrigation technician~~Supervision may also be performed by an Irrigation Technician who is working under the direction of ~~a licensed irrigator to install, maintain, alter, repair or service an irrigation system.~~an Irrigator licensed under 30 TEX. ADMIN CODE § 30.120(b) to perform Irrigation Services. Irrigators that do not possess a license shall not engage in Supervision.

~~Water conservation means the design~~*Supervisor* means a Person who engages in Supervision in accordance with this Article XI.

TCEQ means the Texas Commission on Environmental Quality or its successor agency with jurisdiction over matters covered by this Article XI.

Water Conservation means the Design, installation, service, and operation of an Irrigation System in a manner that prevents the waste of water, promotes the most efficient use of water, and applies the least amount of water that is required to maintain healthy individual plant material or turf, reduce dust, and control erosion.

Zone Flow means a measurement, in gallons per minute or gallons per hour, of the actual flow of water through a Zone Valve, calculated by individually opening each Zone Valve and obtaining a

valid reading after the pressure has stabilized. For Design purposes, the Zone Flow is the total flow of all nozzles in the zone at a specific pressure.

Zone Valve means an automatic valve that controls a single zone of a Landscape Irrigation System.

If a word or term related to the regulation of Backflow or Cross-Connections is not defined in this Article XI, unless the context clearly indicates otherwise, it shall have the definition provided in the Code of the City of Denton, Texas, Chapter 26, Article XIII, as amended. All definitions that are singular also include the plural form of the term being defined. Named City positions include any applicable successor position.

Sec. 28-442. - Valid License required.

~~Any person who connects an irrigation system to the water supply within the City or the City's extraterritorial jurisdiction, commonly referred to as the ETJ, must hold a valid license, as defined by Title 30, Texas Administrative Code, Chapter 30 and required by Chapter 1903 of the Texas Occupations Code, or as defined by Chapter 365, Title 22 of the Texas Adminisfrative Code and required by Chapter 1301 of the Texas Occupations Code.~~

Any Person who connects an Irrigation System to a water supply must hold a valid License.

Exemptions:

A property owner is not required to ~~be licensed in accordance with Texas Occupations Code, Title 12, §1903.002(c)(1)~~hold a valid License if ~~he or she is~~they are performing irrigation work in a building or on a ~~premises~~premise owned or occupied by the person as the person's home. A home or property owner who installs an ~~irrigation system~~Irrigation System pursuant to an exemption must meet the standards contained in Title 30, Chapter 344, of the Texas Administrative Code~~, Chapter 344~~ regarding spacing, water pressure, spraying water over Impervious Surfaces, rain or moisture shut-off devices or other technology, Backflow prevention, and isolation valves. The City may, at any point, adopt more stringent requirements for ~~a~~exempt home or property ~~owner~~owners who ~~installs an irrigation system. See Texas Occupations Code S 1903.002 for other~~ install their own Irrigation Systems. Other exemptions to the licensing ~~requirement.~~requirements of this Article XI are in TEX. OCC. CODE § 1903.002(b)(2) and (c). A Person who is exempt from the licensing requirements of this Article XI shall comply with the rules and standards established by this Article XI and any other applicable provisions of the Code of the City of Denton, Texas, unless otherwise exempted.

Sec. 28-443. - Permit required.

Any Person installing an Irrigation System within the territorial limits or extraterritorial jurisdiction of the City ~~is required to~~must obtain a permit from the City Building Safety Department. ~~Any plan~~All Irrigation Plans approved for a permit must ~~be in compliance~~comply with the requirements of ~~this chapter.~~Chapter 28 of the Code of the City of Denton, Texas and all other applicable provisions of the Code of the City of Denton, Texas.

Exemptions:

(1) An Irrigation System that is part of an ~~on~~On-site sewage disposal system, as defined by ~~Section 355~~TEX. HEALTH & SAFETY CODE § 366.002~~, Health and safety code; or~~;

~~(1)~~ An Irrigation System used on or by an Agricultural Operation, as defined by ~~Section~~

(2) TEX. AGRIC. CODE § 251.002~~, Agriculture Code~~; or

~~(2)~~(3) An Irrigation System connected to a groundwater well used by the property owner for domestic use.

Sec. 28-444. - Backflow prevention methods and devices.

~~(a) Any irrigation system that is connected to the potable water supply must be connected through a backflow prevention method approved by the Texas Commission on Environmental Quality (TCEQ). The backflow prevention device must be approved by the American Society of Sanitary Engineers; or the Foundation for Cross-Connection Control and Hydraulic Research, University of Southern California; or the International Plumbing Code; or any other laboratory that has equivalent capabilities for both the laboratory and field evaluation of backflow prevention assemblies. The backflow prevention device must be installed in accordance with the laboratory approval standards or if the approval does not include specific installation information, the manufacturer's current published recommendations.~~

~~(b) If conditions that present a health hazard exist, one of the following methods must be used to prevent backflow;~~

~~(1) An air gap may be used if:~~

~~(A) there is an unobstructed physical separation; and~~

~~(B) the distance from the lowest point of the water supply outlet to the flood rim of the fixture or assembly into which the outlet discharges is at least one inch or twice the diameter of the water supply outlet, whichever is greater.~~

~~(3) Reduced pressure principle backflow prevention assemblies may be used if:~~

~~(A) the device is installed at a minimum of 12 inches above ground in a location that will ensure that the assembly will not be submerged; and~~

~~(B) drainage is provided for any water that may be discharged through the assembly relief valve.~~

~~(4) Pressure vacuum breakers may be used if:~~

~~(A) no back-pressure condition will occur; and~~

~~(B) the device is installed at a minimum of 12 inches above any downstream piping and the highest downstream opening. Pop-up sprinklers are measured from the retracted position from the top of the sprinkler.~~

~~(C) Backflow prevention devices used in applications designated as health hazards must be tested upon installation and annually thereafter.~~

~~(D) If an existing irrigation system without a backflow prevention assembly requires major maintenance, alteration, repair, or service, the system must be connected to the potable water supply through an approved, properly installed backflow prevention method before any major maintenance, alteration, repair, or service is performed.~~

~~(E) If an irrigation system is connected to a potable water supply through a pressure vacuum breaker, or reduced pressure principle backflow assembly and includes an automatic master valve on the system, the automatic master valve must be installed on the discharge side of the backflow prevention assembly.~~

~~(F) The irrigator shall ensure the backflow prevention device is tested by a~~

~~licensed Backflow Prevention Assembly Tester prior to being placed in service and the test results provided to the local water purveyor and the irrigation system's owner or owner's representative within ten business days of testing of the backflow prevention device.~~

Any Irrigation System that is connected to the PWS or any Potable Water supply must be connected through a Backflow Prevention Assembly and comply with all the requirements of the Code of the City of Denton, Texas, Chapter 26, Article XIII, as amended.

~~**Sec.** 28445. Specific Conditions and Cross-Connection Control.~~

~~(a) Before any chemical is added to an irrigation system connected to the potable water supply, the irrigation system must be connected through a reduced pressure principle backflow prevention assembly or air gap.~~

~~(b) Connection of any additional water source to an irrigation system that is connected to the potable water supply can only be done if the irrigation system is connected to the potable water supply through a reduced-pressure principle backflow prevention assembly or an air gap.~~

~~(c) Irrigation system components with chemical additives induced by aspiration, injection, or emission system connected to any potable water supply must be connected through a reduced pressure principle backflow device.~~

~~(d) If an irrigation system is designed or installed on a property that is served by an onsite sewage facility, as defined in Title 30, Texas Administrative Code, Chapter 285, then:~~

~~(1) all irrigation piping and valves must meet the separation distances from the On-Site Sewage Facilities system as required for a private water line in Title 30, Texas Administrative Code, Section 285.91 (10);~~

~~(2) any connections using a private or public potable water source that is not the city's potable water system must be connected to the water source through a reduced pressure principle backflow prevention assembly as defined in Title 30, Texas Administrative Code, Section 344.50; and~~

~~(3) any water from the irrigation system that is applied to the surface of the area utilized by the On-Site Sewage Facility system must be controlled on a separate irrigation zone or zones so as to allow complete control of any irrigation to that area so that there will not be excess water that would prevent the On-Site Sewage Facilities system from operating effectively.~~

Sec. 28-~~446.~~445. - Water Conservation.

All Irrigation Systems shall be designed, installed, maintained, altered, repaired, serviced, and operated in a manner that ~~will promote water conservation as defined in the Definitions section of this ordinance.~~promotes Water Conservation and adheres to Sections 26-233 and 26234 of the Code of the City of Denton, Texas and the City of Denton Water Conservation and Drought Contingency Plan, as amended, including, without limitation, those portions of the City of Denton Water Conservation and Drought Contingency Plan relating to Denton's mandatory twice-weekly irrigation schedule and Landscape Management Ordinance.

Sec. 28-~~447.~~446. - Irrigation Plan Design: minimum standards.

(a) All Irrigation Plans must be prepared by an Irrigator licensed under 30 TEX. ADMIN CODE § 30.120(b). An Irrigator shall prepare ~~an irrigation plan~~or arrange for the preparation of an Irrigation Plan for each site where a new ~~irrigation system~~Irrigation System will be installed. The Irrigator shall present the plan with ~~an~~a permit application ~~for permit~~ to the City Building Safety Department for ~~a plan~~ review ~~and a permit. A paper copy of the city approved irrigation plan must be on the job site at all times during the installation of the irrigation system. A drawing showing the actual installation of the system is due to each irrigation system owner after all new irrigation system installations.~~. During the installation of the ~~irrigation system~~Irrigation System, variances from the original ~~plan~~Irrigation Plan may be authorized by the ~~licensed irrigator~~Irrigator if the ~~variance from the plan does~~variances do not:

(1) Diminish the operational integrity of the Irrigation System;

(2) Violate any requirements of this ~~ordinance; and~~Article XI; or

(3) ~~go~~Go unnoted in red on the Irrigation Plan.

(b) The Irrigation Plan must include complete coverage of the area to be irrigated. If an Irrigation System does not provide complete coverage of the area to be irrigated, it must be noted ~~on~~in the Irrigation Plan.

~~(a)~~(c) All ~~irrigation plans used~~Irrigation Plans submitted for ~~construction~~review by the City Building Safety Department must be ~~drawn to scale. The plan must~~ legible and include~~, at a minimum,~~ the following information:

(1) ~~(I) the irrigator's~~ The seal~~,~~ and signature~~,~~ of the Irrigator licensed under 30 TEX. ADMIN CODE § 30.120(b) and the date ~~of signing;~~sealed;

(2) ~~all major physical~~Physical features (For example, and ~~the~~ without limitation, property lines, trees, streets, sidewalks, driveways, fences, flower bed lines, buildings, and boundaries of the areas to be watered~~;~~);

(3) A North arrow;

~~(4) a legend;~~

(4) ~~the zone flow~~The scale used and a legend showing the symbols used in the Irrigation Plan and an accurate description of what each symbol represents;

(5) The Zone Flow measurement for each zone~~;~~ which includes the zone/controller station number and the Zone Valve size;

~~(6)~~ The location and type of ~~each:~~

~~(A)~~ every controller~~;~~ and

~~(B)~~(6) sensor (~~for~~For example, ~~but not limited to~~and without limitation, rain, moisture, wind, flow, ~~or~~and freeze);

(7) ~~(7)~~The Design Pressure; and

(8) The location, type, and size of each~~:~~:.

a. Water source~~, such as, but not limited to a~~ (For example, and without limitation, each municipal water meter ~~and point(s) of connection;~~or Reclaimed Water source);

~~(A) backflow prevention device;~~

b. ~~water emission device~~Backflow Prevention Assembly;

~~(B)~~c. Emission Device, including, but not limited to, spray heads, rotary sprinkler heads, quick-couplers, bubblers, drip, ~~or~~and micro-sprays;

~~(C)~~d. ~~valve~~Valve, including, but not limited to, ~~zone valves, master valves~~Zone Valves, Master Valves, and isolation valves;

~~(D)~~e. Pressure regulation component (For example, and without limitation, pressure regulation ~~component; and~~valves and pressure regulating emitters); and

~~(E)~~f. ~~main~~Main line and lateral piping.

~~(8) the scale used; and~~

~~(9) the design pressure.~~

Sec. 28-~~448.~~447. - Design and ~~Installation~~installation: Minimum ~~Requirements.~~requirements.

(a) No irrigation ~~design~~Design or installation shall require the use of any component, including the water meter, in a way ~~which~~that exceeds the manufacturer's published performance limitations for the component.

(b) Spacing.

~~(1)~~(1) The maximum spacing between ~~emission devices~~Emission Devices must not exceed the manufacturer's published radius or spacing of the ~~device(s).~~Emission Devices. The proper radius or spacing is determined by referring to the manufacturer's published specifications for a specific ~~emission device~~Emission Device at a specific operating pressure.

(2) ~~New irrigation systems~~Irrigation Systems shall not utilize above-ground spray ~~emission devices~~Emission Devices in landscapes that are (i) less than forty-eight (48) inches not including the ~~impervious surfaces~~ Impervious Surfaces in either length or width ~~and which contain impervious pedestrian~~ or ~~vehicular traffic surfaces along~~(ii) that have sidewalks, driveways, or streets on two or more ~~perimeters.~~ sides.

~~(2)~~ If pop-up sprays or rotary sprinkler heads are used in ~~a new irrigation system~~an Irrigation System, the sprinkler heads must direct flow away from ~~any~~ adjacent ~~surface~~surfaces and shall not be installed closer than four (4) inches from a hardscape~~, such as, but not limited to~~ (For example, and without limitation, a building foundation, fence, concrete, asphalt, pavers, or stones set with mortar~~.~~

(3)). Narrow paved walkways, jogging paths, golf cart paths, or other small areas located in cemeteries, parks, golf courses, or other public areas ~~may be~~are exempted

from this ~~requirement~~subsection (b)(3) if ~~the~~ runoff from the Irrigation System drains into a landscaped area.

~~(a)~~(c) ~~Water pressure.~~ Emission Devices must be installed to operate ~~at~~between the minimum and ~~not above~~ the maximum sprinkler head pressure as published by the manufacturer for the nozzle and head spacing ~~that is~~ used. Methods to achieve the water pressure requirements include, but are not limited to, flow control valves, a pressure regulator, or pressure compensating spray heads.

~~(c) Piping in irrigation systems must be designed and installed so that the flow of water in the pipe will not exceed a veloCity of five feet per second for polyvinyl chloride (PVC) pipe.~~

(d) Irrigation ~~Zones. Irrigation systems~~Systems shall have separate zones based on plant ~~material~~ type, microclimate factors~~,~~ (such as shade), topographic features~~,~~ (such as slope or elevation), type of soil ~~conditions~~, and the hydrological requirements~~.~~ of plant types.

~~(e) Matched precipitation rate. Zones must be designed and installed so that all of the emission devices~~All Emission Devices in ~~that~~a zone ~~in•igate~~should irrigate at the same precipitation rate~~.~~

(e) An Irrigator must determine the appropriate length of time to run an Irrigation ~~systems shall not spray~~System based on head selection and spacing. The Irrigator must also consider the soil's infiltration rate to make sure the Irrigation System is operating efficiently to conserve water.

(f) Water may not be sprayed over ~~surfaces made of~~ Impervious Surfaces including, but not limited to, concrete, asphalt, brick, wood, stones set with mortar, ~~or any other impervious material, such as, but not limited to,~~ walls, fences, sidewalks, and streets~~, etc.~~.

(g) If a Master ~~valve. When~~Valve is provided, ~~a master valve shall~~it must be installed on the discharge side of the ~~backflow prevention device on all new installations.~~Backflow Prevention Assembly.

(h) ~~PVC pipe primer solvent.~~ All new ~~irrigation systems~~Irrigation Systems that are installed using PVC pipe and fittings shall be ~~primed with a colored primer prior to applying the PVC cement~~ installed in accordance with the ~~International Plumbing Code (Section 605).~~IPC.

(i) ~~Rain or moisture shut-off devices or other technology.~~ All new automatically controlled ~~irrigation systems~~Irrigation Systems must include sensors or other technology designed to inhibit or interrupt operation of the ~~irrigation system~~Irrigation System during periods of moisture or rainfall. Rain or moisture shut-off technology must be installed according to the manufacturer's published recommendations. Repairs to existing automatic ~~irrigation systems~~Irrigation Systems that require replacement of an existing

controller must include a sensor or other technology designed to inhibit or interrupt operation of the ~~irrigation system~~Irrigation System during periods of moisture or rainfall.

(j) ~~Isolation valve.~~ All new ~~irrigation systems~~Irrigation Systems must include an isolation valve between the water meter and the ~~backflow prevention device.~~Backflow Prevention Assembly.

(k) Piping. ~~Depth coverage of piping.~~

Piping in all Irrigation Systems must be installed according to the manufacturer's published specifications for depth of pipe coverage ~~of piping.~~

~~(1)~~(1) . If the manufacturer has not published specifications ~~for depth coverage of piping~~, the ~~piping~~pipe must be ~~installed to provide minimum depth coverage of~~buried at least six inches deep and it must be covered with six (6) inches of select backfill~~,~~ between ~~the~~its top ~~of the pipe~~ and the natural grade of the topsoil. ~~All portions of the irrigation system that fail to meet this standard must be noted on the irrigation plan. If the area being irrigated has rock at a depth of six inches or less, select backfill may be mounded over the pipe. Mounding must be noted on the irrigation plan and discussed with the irrigation system owner or owner's representative to address any safety issues.~~

(2) ~~If a utility, man-made structure~~Mounding with select backfill may be employed if the area being irrigated is rock but, if mounding is used, that fact must be noted on the Irrigation Plan and any safety issues must be addressed with the owner.

~~(2)~~(3) If utilities, manmade structures, or roots create an unavoidable obstacle~~,~~ ~~which~~ that makes the six-inch depth coverage requirement impractical, the piping shall be installed to provide a minimum of two (2) inches of select backfill between the top of the pipe and the natural grade of the topsoil.

~~(3)~~(4) All trenches and holes created during installation of an ~~irrigation system~~Irrigation System must be backfilled and compacted to the original grade.

~~(k) Wiring irrigation systems.~~

(5) ~~Underground electrical~~ The velocity of water through PVC pipe in an Irrigation System may not exceed five feet per second.

~~(1)~~ The wiring used to connect an automatic controller to any electrical ~~component of the irrigation system~~ components must be listed by Underwriters Laboratories as acceptable for burial ~~underground.~~

~~(2) Electrical~~. The wiring ~~that connects any electrical components of an irrigation , system~~connected to an Irrigation System must be sized according to the ~~manufacturer's recommendation.~~

~~(3)~~ manufacturer's recommendations. Electrical ~~wire~~ splices ~~which~~that may be exposed to moisture must be ~~waterproof~~waterproofed as certified by the wire~~-~~splice manufacturer.

~~(4)~~(l) Underground electrical ~~wiring that connects~~wire used in an ~~automatic controller to any electrical component of the irrigation system~~Irrigation System must be buried with ~~a minimum of~~at least six inches of select backfill.

~~(l)~~(m) ~~Water contained within the piping of an irrigation system is deemed to be nonpotable. No~~Connections to an Irrigation System for drinking or domestic ~~water usage, such as, but not limited to~~use (For example, and without limitation, filling a swimming ~~pools~~pool or decorative ~~fountains, shall be connected to an irrigation system.~~fountain) are prohibited. If a hose bib (an outdoor water faucet that has hose threads on the spout) is connected to an Irrigation System for the purpose of providing supplemental water to an area, the hose bib must be installed using a quick coupler key on a quick coupler installed in a covered, purple valve box ~~and the~~. The hose bib and any hoses connected to ~~the bib~~it must be labeled "non~~-~~potable, not safe for drinking." An isolation valve must be installed upstream of a quick coupler connecting a hose bib to an Irrigation System.

(n) Either a Licensed Irrigator or an Irrigation Technician must be on-site during the installation of an Irrigation System, unless the Irrigation System is being installed by a Person exempted under Sec. 28-442 of the Code of the City of Denton, Texas.

(o) All Irrigation Systems must be designed, installed, and operated in a manner that promotes Water Conservation.

Sec. 28-448. - Completion of Irrigation System Installation by a Licensed Irrigator and Final Walkthrough.

~~Upon completion of the irrigation system, the irrigator or irrigation technician who provided supervision for the on-site installation shall be required to complete four items:~~

~~(l) a final "walk through" with the irrigation system's owner or the owner's representative to explain the operation of the system;~~

~~(2) The maintenance checklist on which the irrigator or irrigation technician shall obtain the signature of the irrigation system's owner or owner's representative and shall sign, date, and seal the checklist. If the irrigation system's owner or owner's representative is unwilling or unable to sign the maintenance checklist, the irrigator shall note the time and date of the refusal on the irrigation system's owner or owner's representative's signature line. The irrigation system owner or owner's representative will be given the original maintenance~~

~~checklist and a duplicate copy of the maintenance checklist shall be maintained by the irrigator. The items on the maintenance checklist shall include but are not limited to:~~

~~(A) the manufacturer's manual for the automatic controller, if the system is automatic;~~

~~(B) a seasonal (spring, summer, fall, winter) watering schedule based on either current/real time evapotranspiration or monthly historical reference evapotranspiration (historical ET) data, monthly effective rainfall estimates, plant landscape coefficient factors, and site factors;~~

~~a~~

(a) An Irrigation System is complete when the Irrigation System has been installed, minimum standards for the Irrigation System under this Article XI have been met, and all Irrigation System tests have been performed without failure. When the Irrigation System is complete and it operates correctly, the Licensed Irrigator, or Irrigation Technician, who served as Supervisor on-site must conduct a final walkthrough to show the owner or owner's representative how to operate the Irrigation System correctly to maintain a healthy landscape and conserve water. The owner or owner's representative must receive the following documents during the final walkthrough:

(1) The manufacturer's manual for any automatic controllers;

(2) A seasonal watering schedule;

(3) A list of Irrigation System components~~, such as the nozzle, or pump filters, and other such , components;~~ that require maintenance and the recommended frequency ~~for the~~of service;

(4) The Irrigation Plan showing the actual installation of the Irrigation System; and

(5) A Maintenance Checklist, containing:

a. The signature of the Irrigation System owner or the owner's representative;

~~(C)~~b. The Irrigator's seal, signature, and the date; and

~~(D)~~c. ~~the~~The statement, ~~"~~"This Irrigation System has been installed in accordance with all applicable state and local laws, ordinances, rules, regulations ~~or~~, and orders. I have tested the System and determined that it has been installed according to the Irrigation Plan and is properly adjusted for the most efficient application of water at this time.~~"~~."

(b) ~~(3) A~~ When the Irrigation System is complete and it operates correctly, the Licensed Irrigator or Irrigation Technician, who served as Supervisor on-site must affix a permanent sticker ~~which~~, printed with waterproof ink, that contains the ~~irrigator's~~Licensed Irrigator or Irrigation Technician's name, License number, company name, telephone number, and the dates of the warranty period ~~shall be affixed~~ to each

automatic controller installed by the Irrigator or Irrigation Technician. If the Irrigation System is manual, the sticker shall be affixed to the original ~~maintenance checklist. The information contained on the sticker must be printed with waterproof ink and include:~~Maintenance Checklist.

(c) The Licensed Irrigator must give the original Maintenance Checklist to the owner or owner's representative and maintain a copy of the Maintenance Checklist.

(d) If the owner or owner's representative refuses or is unable to attend the final walkthrough in subsection (a) or refuses or is unable to sign the Maintenance Checklist, the Licensed Irrigator or Irrigation Technician must send the Irrigation System owner or owner's representative the following documents:

(1) The automatic controller manual;

(2) A seasonal watering schedule;

(3) A list of components requiring maintenance and the recommended frequency of service;

(4) The Irrigation Plan; and

(5) The Maintenance Checklist, as defined in this Article XI and described in subsection (a)(5).

The Licensed Irrigator or Irrigation Technician must record in the permit file with the City's Building Safety Division that the owner or owner's representative cannot or would not participate in the final walkthrough or sign the Maintenance Checklist and make note of the date and time they declined or refused to participate in the final walkthrough or sign the Maintenance Checklist on the owner or owner's representative's signature line. The Licensed Irrigator or Irrigation Technician must also record the method of delivery (For example, mail, left at site, etc.) of the documents to the owner or the owner's representative.

Sec. 28-449. - Inspections.

(a) For residential systems, the Irrigator shall schedule a Backflow Prevention Assembly inspection and irrigation final inspection with the Building Safety Division.

For commercial Systems, the Licensed Irrigator shall schedule an irrigation underground inspection, Backflow Prevention Assembly inspection, and irrigation ~~plan indicating the actual installation of the system must be provided to the~~ final inspection with the Building Safety Division. An irrigation ~~system's owner or owner representative.~~

~~(a)~~ underground inspection shall take place after the installation of the underground irrigation lines~~, the backflow protection device, the isolation valve, and~~ and devices, but before ~~the system is~~any trenches are backfilled.

(b) ~~The irrigator shall call for a Final Irrigation Inspection~~ A Backflow Preventions Assembly inspection shall take place after the Backflow Prevention Assembly is installed and tested.

~~(b)~~(c) The irrigation ~~system is completed and ready for service. The final installation~~final inspection shall include, but not be limited to~~:~~, the freeze sensor and the rain sensor~~. The irrigator~~, with each mounted on permanent structure but not a fence. The Irrigator shall demonstrate each zone of the ~~irrigation system~~Irrigation System for the ~~inspector.~~Irrigation Inspector.

Sec. 28-450. - Maintenance, Alteration, Repair, or Service of Irrigation Systems.

~~The licensed irrigator~~

(a) All trenches and holes created during the Maintenance, Alteration, Repair, or Service of an Irrigation System must be backfilled and returned to the original grade with suitable soil free of any objects that could damage the plumbing of the Irrigation System. The backfill must be compacted such that a depression does not develop.

(b) If the Maintenance, Alteration, Repair, or Service of an Irrigation System involves excavation at the water meter or at a point upstream of the Backflow Prevention Assembly, an isolation valve must be installed if one is not already installed.

(c) If an Irrigation System is connected to a Potable Water supply and the main line of the Irrigation System must be opened to the atmosphere at any point prior to the discharge side of the Irrigation Zone control valve, then the Irrigation System must be connected using a Backflow Prevention Assembly installed and approved in accordance with state law and the requirements of the Code of the City of Denton, Texas, Chapter 26, Article XIII.

(d) If an existing controller is replaced, a rain or moisture sensor or other technology designed to interrupt System operation during periods of rain or moisture must be installed.

(e) The Irrigator must identify in writing to the Irrigation System's owner or owner's representative the materials furnished in the maintenance of the Irrigation System.

(f) All Maintenance, Alteration, Repair, or Service of an Irrigation System must comply with the Design and installation requirements provided in this Article XI.

(g) All Maintenance, Alteration, Repair, or Service must promote Water Conservation.

~~(a)~~(h) The Irrigator is responsible for all work that the Irrigator performed during the Maintenance, Alteration, Repair, or Service of an irrigation system during the warranty period. The Irrigator or business owner is not responsible for the professional negligence of any other Irrigator who subsequently conducts any irrigation service on the same irrigation system~~.~~

~~(b) All trenches and holes created during the maintenance, alteration, repair, or service of an irrigation system must be retumed to the original grade with compacted select backfill.~~

~~(c)~~(i) Colored PVC pipe primer solvent must be used on all pipes and fittings used in the Maintenance, Alteration, Repair, or Service of an Irrigation System in accordance with the ~~International Plumbing Code (Section 605).~~IPC.

~~(d) When maintenance, alteration, repair or service of an irrigation system involves excavation work at the water meter or backflow prevention device, an isolation valve shall be installed, if an isolation valve is not present.~~

Sec. 28-451. - Reclaimed Water.

Reclaimed Water may be utilized in Landscape Irrigation Systems if:

~~(1)~~(a) There is no direct contact with edible crops, unless the crop is pasteurized before consumption;

~~(2)~~(b) The Irrigation System does not spray water across property lines that do not belong to the Irrigation System's owner;

~~(3)~~(c) The Irrigation System is installed using purple components;

~~(4)~~(d) ~~the~~The domestic Potable Water line is connected using ~~an air gap or~~ a ~~reduced pressure principle backflow prevention device~~Backflow Prevention Assembly, in accordance with ~~Title 30~~state law and the Code of the City of Denton, Texas ~~Administrative Code, Section 290.47(i) (relating to Appendices);~~, Chapter 26, Article XIII; and

~~(5)~~(e) ~~a~~A minimum of an eight~~-~~-inch by eight~~-~~-inch sign, in English and Spanish, is prominently posted on/in the area that is being irrigated, that reads, "RECLAIMED WATER - DO NOT DRINK" and "~~AGI-JA~~AGUA DE RECUPERACIÓN - NO BEBER".

~~RECUPERACIÖN - NO BEBER"•, and~~

~~(6) backflow prevention on the reclaimed water supply line shall be in accordance with the regulations of the City's water provider.~~

Sec. 28-452. - Advertisement requirements for Licensed Irrigators.

(a) A Licensed Irrigator's License number in the form of "LI_____" must be displayed on:

(1) All vehicles used in the ~~performance of irrigation~~ installation, Maintenance, Alteration, Repair, or Service of Irrigation Systems;

(2) Trailers that advertise Irrigation Services;

(3) All forms of advertisement for Irrigation Services, regardless of the type of media, including, without limitation, business cards and estimates; and

(4) All Contracts, proposals, bids, and invoices.

~~(a)~~(b) All vehicles and trailers must display the License number required in ~~the form of "LI _____"~~subsection (a) in a contrasting color ~~of~~and in block letters at least two inches high~~,~~. License numbers must be visible on both outward sides of ~~the~~a vehicle. Magnetic signs are acceptable.

(c) ~~All forms of written and electronic advertisements for irrigation services must display the irrigator's license~~In addition to the License number required in ~~the form of "LI _____."~~ ~~Any form~~subsection (a), all forms of advertisement for Irrigation Services, regardless of the type of media, including, without limitation, business cards~~,~~ and estimates ~~which displays an entity's or individual's~~must display the Licensed Irrigator's name ~~other than that of the licensed irrigator must also display the name~~.

~~(b)~~ At the location of the ~~licensed irrigator and~~permanent structure where the ~~licensed irrigator's license number. Trailers that advertise~~ irrigation business is primarily conducted and irrigation ~~services must display~~records are kept, the ~~irrigator's license number.~~

~~(c)~~(d) ~~The~~ name, mailing address, and telephone number of the ~~commission~~TCEQ must be prominently displayed on a legible sign ~~and displayed~~ in plain view for the purpose of addressing complaints ~~at the permanent structure where irrigation business is primarily conducted and irrigation records are kept.~~.

Sec. 28-453. - Duties and responsibilities of City Irrigation Inspectors.

~~A licensed irrigation inspector~~An Irrigation Inspector employed by the City shall enforce ~~the ordinance of the City,~~this Article XI and shall be responsible for:

(a) Verifying that the appropriate permits have been obtained for an ~~irrigation system and~~Irrigation System;

~~(a)~~(b) Verifying that the ~~irrigator and installer~~Irrigator or ~~irrigation technician, if~~Irrigation Technician, as applicable, are Licensed;

~~(b)~~(c) Inspecting the Irrigation System;

~~(c)~~(d) Determining that the Irrigation System complies with the requirements of this ~~chapter;~~Article XI and applicable state laws and regulations;

~~(d)~~(e) Determining that the appropriate Backflow Prevention Assembly was installed, tested, and the test results were provided to the City;

~~(e)~~(f) Investigating complaints related to ~~irrigation system~~the installation, ~~maintenance, alteration, repairs, or service of an irrigation system and advertisement of irrigation services;~~Maintenance, Alteration, Repairs, or Service of an Irrigation System and the advertisement of Irrigation Services; and

~~(f)~~(g) Maintaining Records according to ~~this chapter.~~Article XI and applicable state laws and regulations.

Sec. 28-454. - Items not covered by this article.

~~Any item~~Any matter involving Irrigation Systems not covered by ~~their ordinance~~the Code of the City of Denton, Texas and required by law shall be governed by the Texas Occupations Code, the Texas Water Code, Title 30 of the Texas Administrative Code, and any other applicable state statute or ~~Texas Commission on Environmental Quality rule.~~rule.

Sec. 28-455. - Fees.

Prior to the issuance of any ~~building~~ permit required by this Article XI, a fee ~~as~~ established by the City Council and on file in the office of the City Secretary shall accompany the application for such permit, payable to the City, for the issuance of the permit and any inspections to be made.

Sec. 28-456. - Enforcement.

(a) The City shall have the power to administer and enforce the provisions of this Article XI as may be required by governing law. Any ~~person, firm, corporation or agent~~Person who shall violate a provision of this ~~code, or fails to comply therewith, or with any of the requirements thereof,~~Article XI is subject to suit for injunctive relief as well as prosecution for criminal violations. Any violation of ~~the ordinance codified in~~ this ~~chapter~~Article XI is declared to be a nuisance.

(b) ~~Any person violating~~ A Person who violates any provision of ~~chapter shall, upon conviction, be fined a sum not exceeding $2000.00. Each day that a provision of~~ this ~~chapter is violated shall constitute~~Article XI commits an offense and is guilty of a class C misdemeanor. Each day a violation continues shall be considered a separate offense. ~~An~~

~~(b)~~(c) If the definition of an offense under this ~~chapter~~Article XI does not prescribe a culpable mental state, then a culpable mental state is ~~a Class C misdemeanor,~~ not required, and the offense is one of strict liability. A strict liability offense shall be punishable by a fine ~~of up to $2000.00.~~not to exceed Five Hundred Dollars and No Cents ($500.00). Although not required, if a culpable mental state is in fact alleged in the charge of the offense, such offense shall be punishable by a fine not to exceed Two Thousand Dollars and No Cents ($2,000.00).

(d) ~~Nothing in this chapter~~If the definition of an offense under this Article XI prescribes a culpable mental state, then a culpable mental state is required and the offense shall be ~~construed as a waiver of the City's right to bring a civil action~~punishable by a fine not to exceed Two Thousand Dollars and No Cents ($2,000.00).

~~(c)~~ All penalties in this Article XI are in addition to ~~enforce the provisions~~and cumulative of ~~this chapter and to seek~~ any other remedies ~~as allowed by~~ that may be available to the City at law and in equity, including, ~~but not limited to the following:~~

~~(1) Injunctive relief to prevent specific conduct that violates the ordinance or to require specific conduct that is necessary for compliance with the ordinance; and~~

~~(2) Other available relief.~~

(e) without limitation, injunctive relief.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Department of Development Services

DCM: Cassey Ogden

DATE: March 24, 2026

SUBJECT:
Consider adoption of an ordinance of the City of Denton granting HBA Design Build, LLC a noise exception pursuant to section 17-20(c)(3)(f) of the City of Denton code of ordinances with respect to sound levels and hours of operation for approximately 7 concrete parking lot and foundation pours utilizing concrete pumps, generators, and lights related to the construction of a new indoor recreation facility located at 3615 E McKinney St; granting an increase in sound levels and a variance in the hours of operation which may be affected by weather, from 2:00 a.m. To 7:00 a.m., with sound not to exceed 91 decibels; and providing an effective date.

BACKGROUND:
The City of Denton has a regulation on construction times within Section 17-20 of the Code of Ordinances. This chapter limits construction activity to no earlier than 6am (June 1 – Sept 30) and 7am (October 1-May 31) Monday through Friday, 8am on Saturdays, and 1pm on Sundays, but provides City Council the discretion to issue special permits for such work at other hours in case of urgent necessity and in the interest of public safety and convenience.

Evan Rodgers, Assistant Project Manager for HBA Design Build, LLC has requested an exception to the noise ordinance beginning March 24, 2026, through May 2026. The request would be to increase the available hours of construction from 2:00am to 7:00am to provide concrete pours for the indoor recreation project. Being that the site is along Loop 288, the closest residential living are 3 multi-family developments. The closest multi-family is 300 feet to the East, with other multi-family developments being situated 1000 feet to the Southeast and Southwest. The request is to allow the subcontractor crews to pour concrete at an earlier time of the day due to the accessibility of concrete, to meet delivery times required by the supplier which will reduce the number of trips to the site, and to meet the specific concrete requirements and prevent injury to the concrete. Additionally, the time it takes concrete to cure after pouring, if not delivered early, would result in finishers staying beyond 8PM to finish it out correctly.

The impact on the development would be a significant delay in completion of the project and add additional days of large concrete trucks on site.

There are approximately 7 pours to be conducted during the above hours. Exhibit 4 describes the sequences of the activity. Exhibit 6 shows the level of sound at the nearest multi-family to be equivalent to the average home noise.

OPTIONS

1. Approve
2. Approve with conditions
3. Deny
4. Postpone the item

RECOMMENDATION:

Staff recommends approval based on the construction activity having a small impact on neighboring residential areas.

DEVELOPER ENGAGEMENT DISCLOSURES

No developer contact disclosures have been provided to staff from members of this body as of the issuance of this report.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Applicant Request
Exhibit 3 - Aerial Map
Exhibit 4 - Paving Sequence
Exhibit 5 - Site Plan
Exhibit 6 - Additional Noise Request Backup
Exhibit 7 - Ordinance

Respectfully submitted:
Amber Rodgers
Building Official

Items Required with Special Permit Request

A request should be sent to the Deputy Building Official via email requesting a special permit per the City of Denton Noise Ordinance Section 17-20 (c)(3)(f). This request should include the following:

i. **Provide the name of the development and address**
Loop 288 Addition, Block A, Lot 7, 3615 E. McKinney St

ii. **Description of construction activities being performed outside of allowed hours including the hours requested**
Early morning concrete pours starting anywhere from 2-6 AM.

iii. **State the date range or specific dates when the construction activities are planned to occur**
Various days from 2/19/26-5/15/26, ~6-8 separate pours. Any pours pre approval date will be done during normal working hours.

iv. **Describe the urgent necessity for the special permit request including what is unique about this project requiring construction work to be conducted outside of the hours stipulated in the Noise Ordinance**
By starting early, we are able to be mostly finished before the morning traffic gets going and traffic disruptions are caused from the many concrete trucks going to/from the site.

v. **Explain the plans to minimize the noise impact on the surrounding properties**

No loud music or horns will be utilized in the early morning hours. Only backup beepers when required, pumps will be set up as far from neighboring complex as possible, trucks spaced out adequately to prevent from too many sitting and waiting/making noise.

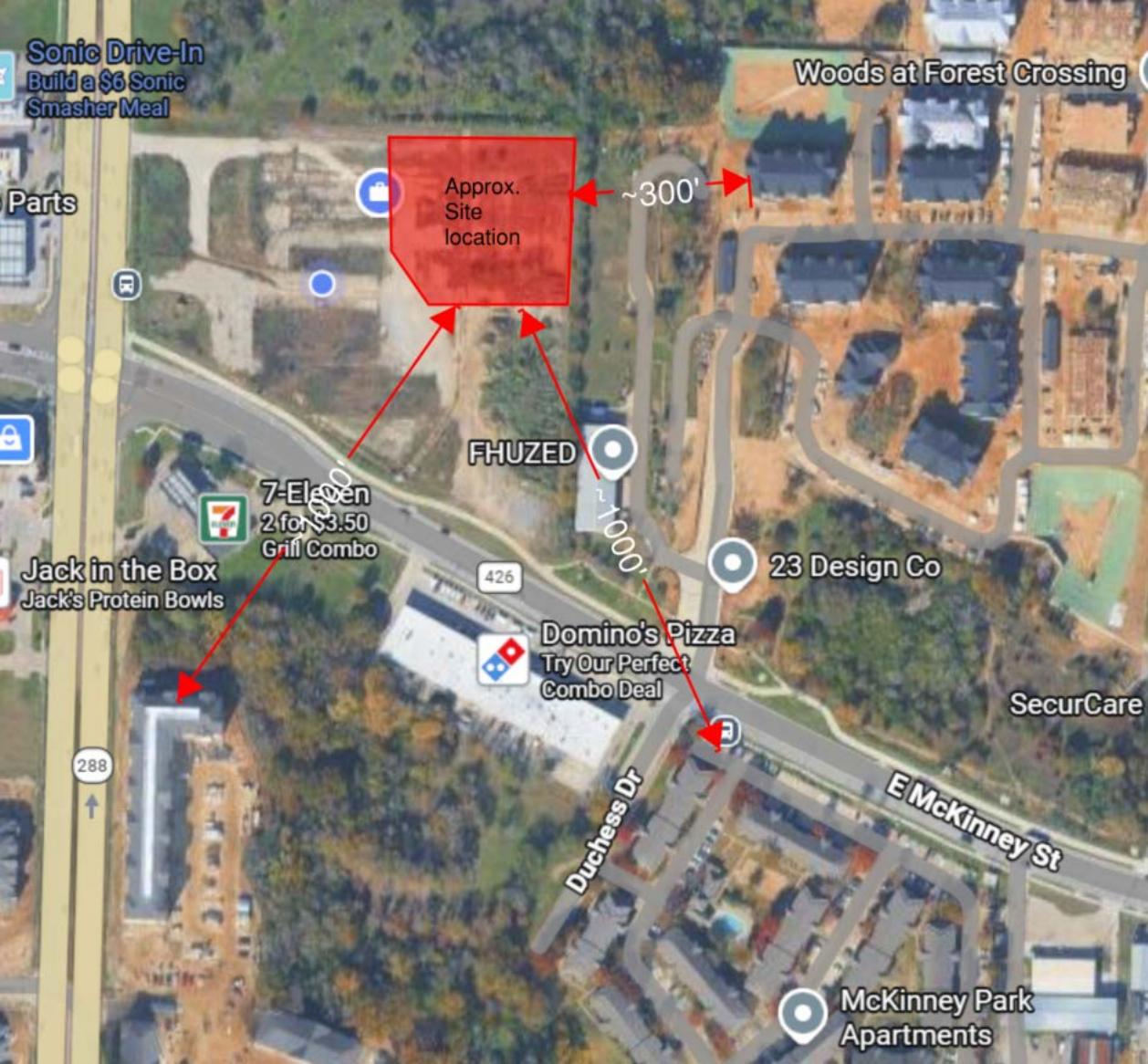
Items Required with Special Permit Request

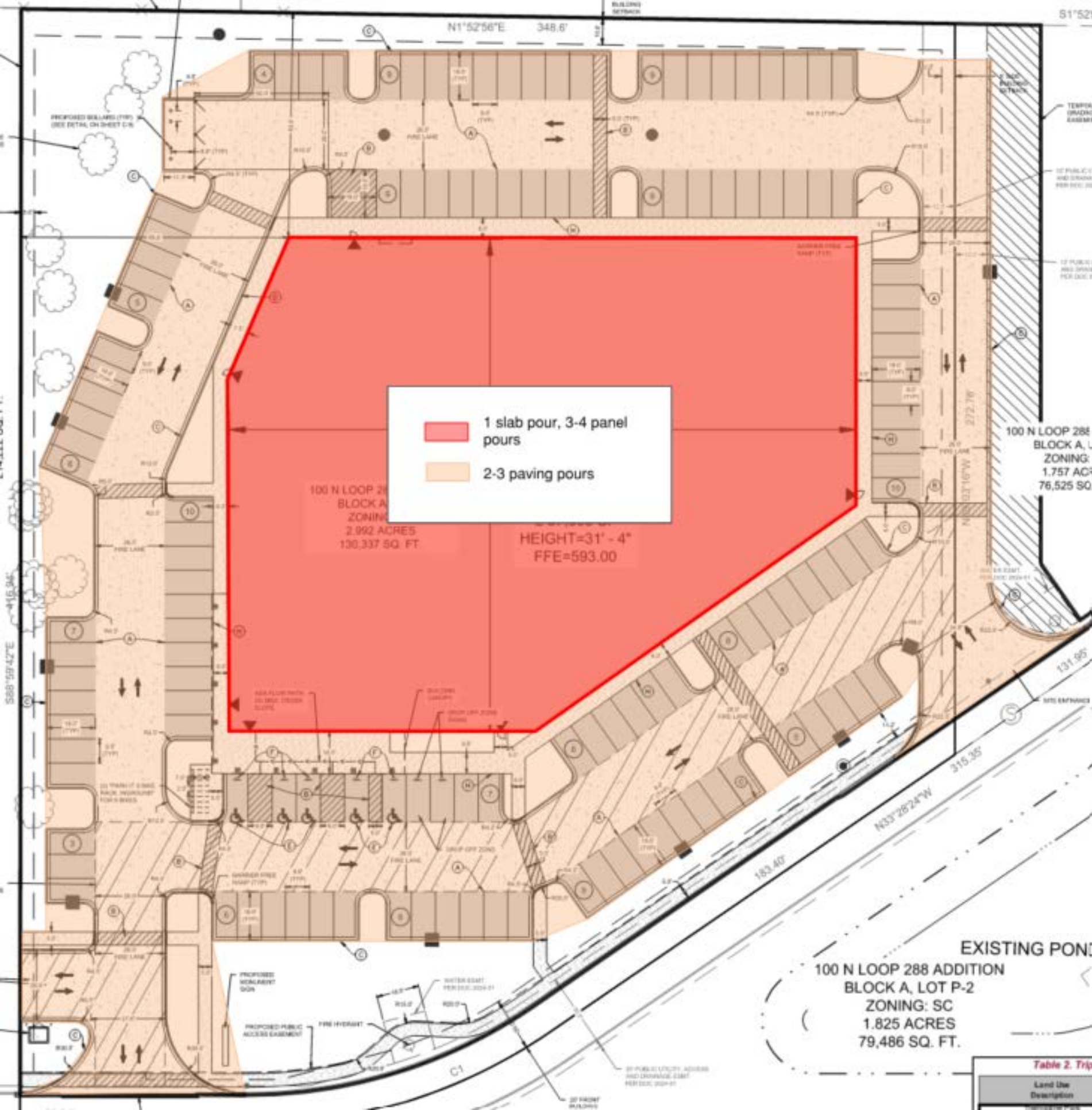
vi. State the proximity of the site to the nearest properties

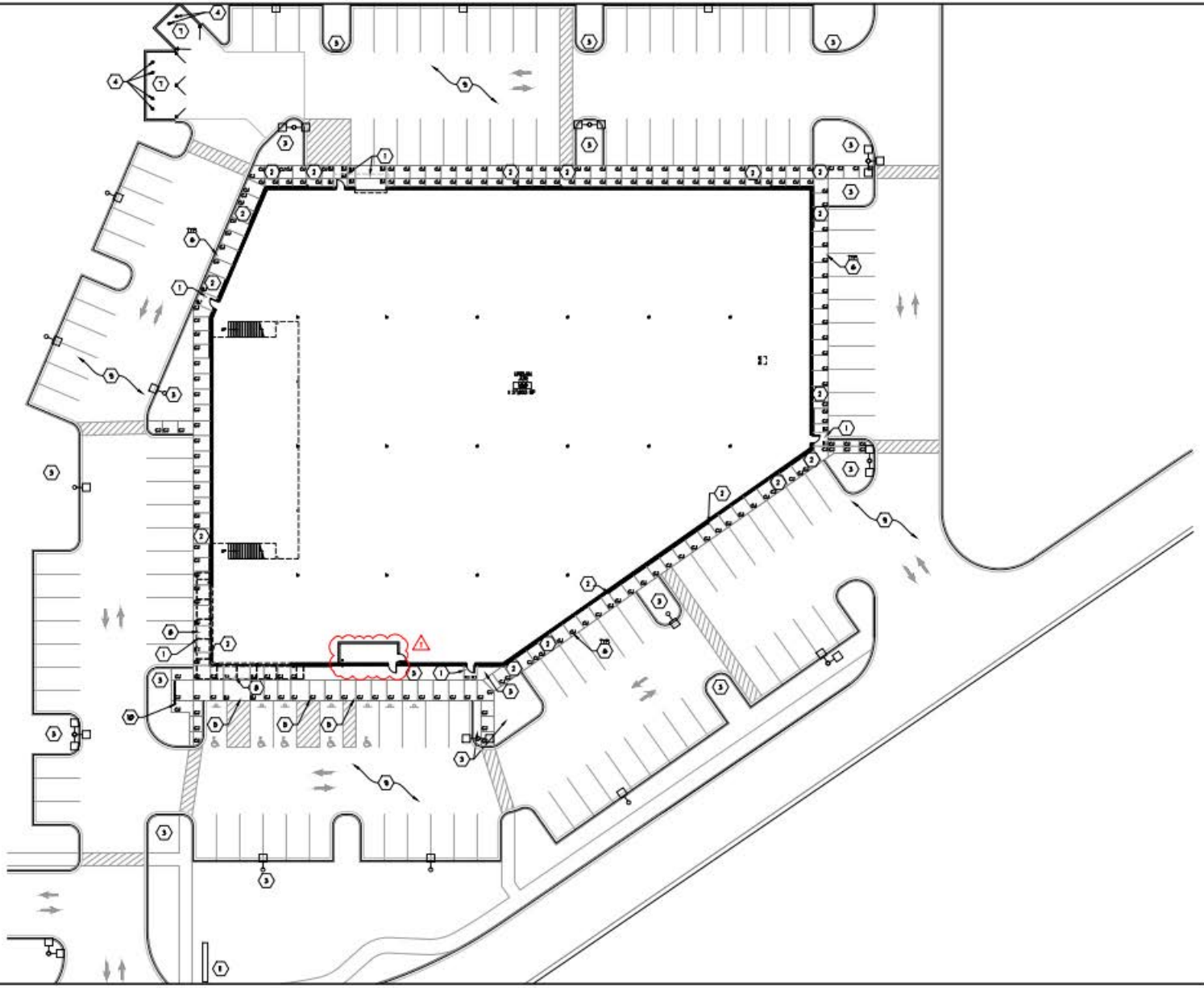
Nearest residential properties (apartment complex) is ~300' behind the site.

vii. Describe plans to notify and solicit feedback from surrounding property owners

Written notification will be provided to any surrounding property owners or property management


Sonic Drive-In
Build a $6 Sonic Smasher Meal
Parts
Approx. Site location
~300'
Woods at Forest Crossing
FHUZED
~1000'
7-Eleven
2 for $3.50 Grill Combo
Jack in the Box
Jack's Protein Bowls
426
23 Design Co
Domino's Pizza
Try Our Perfect Combo Deal
SecurCare
288
Duchess Dr
E McKinney St
McKinney Park Apartments


1 slab pour, 3-4 panel pours
2-3 paving pours
HEIGHT=31' - 4"
FFE=593.00
100 N LOOP 288 ADDITION
BLOCK A, LOT P-2
ZONING: SC
1.825 ACRES
79,486 SQ. FT.
EXISTING POND
N1°52'56"E 348.6'
N33°28'24"W 315.35'
183.40'
272.78'
131.95'



PLAN NORTH

HARDSCAPE PLAN

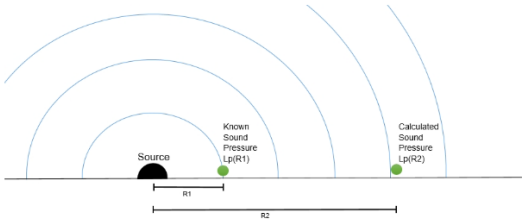
1

Sound Attenuation Calculator - Inverse Square Law

The formula to calculate sound attenuation over distance for a **point source** is:

$Lp(R2) = Lp(R1) - 20 \cdot Log_{10}(R2/R1)$

Where:
Lp(R1) = Known sound pressure level at the first location (typically measured data or equipment vendor data)
Lp(R2) = Unknown sound pressure level at the second location Location
R1 = Distance from the noise source to location of known sound pressure level
R2 = Distance from noise source to the second location



Known sound pressure level (dB(A))

91

Select Metric or Imperial Units:

- ○ Metric
- ◉ Imperial

Distance from source for known sound pressure level (R1) (ft)

1

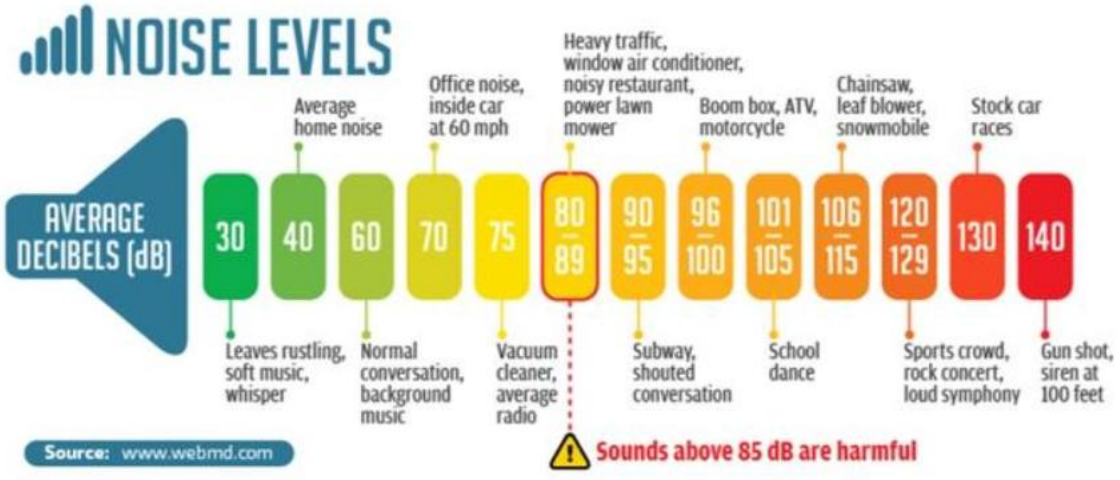
Tested sound pressure levels are commonly given at 1m or 3ft (R1)

Distance from source to position R2 (ft)

300

Attenuated sound pressure level (dB(A))

41.5



ORDINANCE NO.

AN ORDINANCE OF THE CITY OF DENTON GRANTING HBA DESIGN BUILD, LLC A NOISE EXCEPTION PURSUANT TO SECTION 17-20(c)(3)(f) OF THE CITY OF DENTON CODE OF ORDINANCES WITH RESPECT TO SOUND LEVELS AND HOURS OF OPERATION FOR APPROXIMATELY 7 CONCRETE PARKING LOT AND FOUNDATION POURS UTILIZING CONCRETE PUMPS, GENERATORS, AND LIGHTS RELATED TO THE CONSTRUCTION OF A NEW INDOOR RECREATION FACILITY LOCATED AT 3615 E MCKINNEY ST; GRANTING AN INCREASE IN SOUND LEVELS AND A VARIANCE IN THE HOURS OF OPERATION WHICH MAY BE AFFECTED BY WEATHER, FROM 2:00 A.M. TO 7:00 A.M., WITH SOUND NOT TO EXCEED 91 DECIBELS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to Section 17-20(c)(3)(f) of the Code of Ordinances of the City of Denton, the City Council may make exceptions upon application for sound levels and/or hours of operation when the public interest will be served thereby; and

WHEREAS, HBA Design Build, LLC 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 for approximately 7 concrete parking lot and foundation pours utilizing concrete pumps, generators, and lights related to the construction of a new indoor recreation facility located at 3615 E McKinney St, with such construction activity occurring from March 2026 through May 2026; and

WHEREAS, based upon the application narrative provided by HBA Design Build, LLC, the City Council of the City of Denton, finds that granting a noise exception for the described construction activity, 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, HBA Design Build, LLC 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 construction of the parking lots, and building foundations of a new indoor recreation facility, at 3615 E McKinney St., for the following months (weather permitting): March 2026, April 2026, and May 2026.

2. HBA Design Build, LLC 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. Under no circumstances shall HBA Design Build, LLC start construction before 2 a.m. on any day.

4. Under no circumstances shall HBA Design Build, LLC use construction equipment that exceeds 91 dba when measured from the perimeter of the source as measured by an approved measuring instrument.

5. 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 advance warning, hearing, or compensation, for any reason at all, or for no reason.

6. 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 connection with the construction activity, 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 approximately 7 parking lot and foundation pour on or before May 31, 2026, unless sooner repealed, modified, or rescinded.

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 Gerard Hudspeth,	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase Mcgee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon _____

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: Cassey Ogden

DATE: March 24, 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 Development Agreement with Mulberry Apartments LP for the construction of a replacement eight (8") inch water line along Mulberry Street, prior to future CIP Project 180007-1 in order to accommodate the future CIP improvements in the area for the Denton Water Utilities; providing for the expenditure of funds therefor in an amount not-to-exceed $140,085; and providing an effective date.

BACKGROUND

A multifamily development is currently being constructed on Mulberry Street. During the development review process, fire flow testing determined that the existing 4-inch water line serving this area does not provide adequate capacity for the new development. Separately, the City already has a planned and funded improvement in this location as part of the 2023 voter-approved Bond Program. Capital Project 180007-1 which includes drainage improvements with box culverts, water and wastewater infrastructure relocations, and roadway upgrades. As part of that work, the existing 4-inch water line on Mulberry Street is scheduled to be removed and replaced with an 8-inch line.

To address the development's immediate capacity needs while maintaining alignment with the planned capital improvements, the City is proposing to enter into a Development Agreement with the Developer. Under this agreement, the Developer would construct a portion of the previously planned water line improvements now, and the City would reimburse the Developer using funds already allocated for this segment of the project.

The development site, Mulberry Apartments LP, consists of approximately 1.47 acres located north of W. Mulberry Street and west of S. Cedar Street. The Capital Improvement Project (CIP) is currently in design and scheduled for construction in Q2 2026 by the Developer. The design requires replacing the existing 4-inch water line with an 8-inch line of approximately 540 linear feet in length. The new line will be installed with approximately 3.5 to 4.0 feet of cover and placed slightly offset from the existing alignment to accommodate the future CIP improvements. As part of the installation, the Developer will extend the water line an additional 20 feet beyond the existing master meter to ensure the future CIP water improvements can connect seamlessly.

RECOMMENDATION:

Staff recommends approval of this request.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

None

FISCAL INFORMATION
This project will be funded through the Water Utility Capital Improvement Project account (630608525).

EXHIBITS
Exhibit 1 - Agenda Information Sheet
Exhibit 2 – Ordinance and Development Agreement

Respectfully submitted:
Charlie Rosendahl
Interim Director of Development Services

Prepared by:
Miranda Meza
Development Project Facilitator

ORDINANCE NO. 26-0311

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A DEVELOPMENT AGREEMENT WITH MULBERRY APARTMENTS LP FOR THE CONSTRUCTION OF A REPLACEMENT EIGHT (8") INCH WATER LINE ALONG MULBERRY STREET, PRIOR TO FUTURE CIP PROJECT 180007-1 IN ORDER TO ACCOMMODATE THE FUTURE CIP IMPROVEMENTS IN THE AREA FOR DENTON WATER UTLITIES; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFORE IN AN AMOUNT NOT-TO-EXCEED $140,085.00; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Developer owns approximately 1.47 acres of land more commonly known as 216 W. Mulberry St., and platted as Hall-Lewis Addition Lot 1, Block A and the property will be established as a multi-family residential use with parking, as depicted on Exhibit "A", attached hereto (the "Renegade Development"); and

WHEREAS, City's Capital Improvement Plan, project CIP 180007-1 includes stormwater, water, sewer, and street improvements on Mulberry Street, as depicted on Exhibit "B" (collectively, the "CIP Improvements"); and

WHEREAS, the CIP Improvements are currently in design and are scheduled to be constructed in Q2 of 2026; based on this design, the existing 4-inch water line on Mulberry Street will need to be removed and replaced with an 8-inch water line (the "Replacement Water Line"). The new line will be installed under approximately 3.5 to 4.0 feet of cover and will be located slightly offset from the existing alignment to accommodate the future CIP Improvements. The total Replacement Water Line is approximately 540 linear feet. As part of the installation, Developer will extend the water line 20 feet beyond the existing master meter to allow future CIP water improvements to connect as depicted on Exhibit "B"; and

WHEREAS, the Renegade Development is currently in construction and Developer's project timeline necessitates tying into the City's water system prior to the CIP Improvements being completed; and

WHEREAS, in order to preserve its project timeline, Developer will construct the Replacement Water Line; and

WHEREAS, upon completion and acceptance of the Replacement Water Line, the City will reimburse Developer in an amount not-to-exceed One Hundred Forty Thousand Eighty-Five Dollars and 00/100 ($140,085.00) (the "Project Amount"), in consideration of City not having to complete the construction of the Replacement Water Line as part of the CIP Improvements; and

WHEREAS, the total costs for the Replacement Water Line is provided in Exhibit "C", attached hereto and incorporated for all purposes; and

WHEREAS, Developer will use the CIP Improvements designs provided by the City in submitting their Replacement Water Line construction drawings for review, approval, and inspection of any such required permits by the City; and

WHEREAS, the Parties desire to enter this Agreement to memorialize the Developer's obligation to construct the Replacement Water Line and City's obligation to reimburse the Developer upon completion and acceptance of the Replacement Water Line; and

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 true and correct.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the Interlocal Agreement, attached hereto and incorporated herein as Exhibit 1 (the "Development Agreement").

SECTION 3. The City Council hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under the Development Agreement and this ordinance to the City Manager of the City of Denton or their designee.

SECTION 4. The City Council hereby authorizes the expenditure of funds in the amount authorized by the Development Agreement.

SECTION 5. 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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____

GERARD HUDSPETH, MAYOR

ATTEST:

INGRID REX, CITY SECRETARY

BY:_____

APPROVED AS TO LEGAL FORM:

MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon _____

Docusign Envelope ID: 4FC74440-9970-416F-8ACC-8CA44822121A

STATE OF TEXAS §
§
COUNTY OF DENTON §

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (this "**Agreement**") is entered into by Mulberry Apartments LP ("**Developer**"), acting by and through its duly authorized officers, with a principle place of business located at 5950 Berkshire Lane Suite 900, Dallas, TX 75225, and between the City of Denton ("**City**"), a home-rule city and a political subdivision of the State of Texas, acting by and through its duly authorized officers (Developer and City, herein referred to individually as "Party" and collectively as the "Parties"); is effective March ___, 2026 (the "**Effective Date**").

RECITALS:

WHEREAS, Developer owns approximately 1.47 acres of land more commonly known as 216 W. Mulberry St. and platted as Hall-Lewis Addition Lot 1, Block A and the property will be established as a multi-family residential use the parking, as depicted on **Exhibit "A"**, attached hereto (the "**Renegade Development**"); and

WHEREAS, City's Capital Improvement Plan, project CIP 180007-1 includes stormwater, water, sewer, and street improvements on Mulberry Street, as depicted on **Exhibit "B"** (collectively, the "**CIP Improvements**"); and

WHEREAS, the CIP Improvements are currently in design and are scheduled to be constructed in Q2 of 2026; based on this design, the existing 4-inch water line on Mulberry Street will need to be removed and replaced with an 8-inch water line (the "**Replacement Water Line**"). The new line will be installed approximately 3.5 to 4.0 feet of cover and will be located slightly offset from the existing alignment to accommodate the future CIP Improvements. The total Replacement Water Line is approximately 540 linear feet. As part of the installation, Developer will extend the water line 20 feet beyond the existing master meter to allow future CIP water improvements to connect as depicted on **Exhibit "B"**; and

WHEREAS, the Renegade Development is currently in construction and Developer's project timeline necessitates tying into the City's water system prior to the CIP Improvements being completed; and

WHEREAS, in order to preserve its project timeline, Developer will construct the Replacement Water Line; and

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WHEREAS, upon completion and acceptance of the Replacement Water Line, the City will reimburse Developer in an amount not-to-exceed One Hundred Forty Thousand Eighty-Five Dollars and 00/100 ($140,085.00) (the "**Project Amount**"), in consideration of City not having to complete the construction of the Replacement Water Line as part of the CIP Improvements; and

WHEREAS, the total costs for the Replacement Water Line is provided in **Exhibit** "**C**", attached hereto and incorporated for all purposes; and

WHEREAS, Developer will use the CIP Improvements designs provided by the City in submitting their Replacement Water Line construction drawings for review, approval, and inspection of any such required permits by the City; and

WHEREAS, the Parties desire to enter this Agreement to memorialize the Developer's obligation to construct the Replacement Water Line and City's obligation to reimburse the Developer upon completion and acceptance of the Replacement Water Line; and

NOW THEREFORE, in consideration of the mutual covenants and obligations herein, the Parties agree as follows:

SECTION 1. PROJECT DESCRIPTION

1. The City's Capital Improvement Plan calls for stormwater improvements on Mulberry Street, via project CIP 180007-1. The Renegade Development entails storm water, water, sewer and street improvements on Mulberry Street. The Renegade Development is currently in construction and will be completed before the CIP Improvements are complete. The 4-inch waterline will be removed and replaced with a 8-inch water line. This Replacement Water Line will be installed approximately 3.5 to 4.0 feet of cover and will be located slightly offset from the existing alignment to accommodate the future CIP Improvements and as further described in the Recitals above.

SECTION 2. DESIGN AND CONSTRUCTION

1. Developer shall use CIP Improvements designs provided by the City in submitting Developer's Replacement Water Line construction drawings for review and approval. Developer shall secure necessary permits for the Replacement Water Line construction via standard City's processes and reviews. Developer shall begin construction of the Replacement Water Line within sixty (60) days of receiving all required permits and approvals from the City. Developer shall pursue the work to completion and shall complete construction in compliance with the permits.

Docusign Envelope ID: 4FC74440-9970-416F-8ACC-8CA44822121A

2. The City has approved the design and construction of the Replacement Water Line

3. The City has agreed to contribute an amount not to exceed One Hundred Forty Thousand Eighty-Five Dollars and 00/100 ($140,085.00) (the "**Project Amount**") out of the total cost of the Replacement Water Line as shown on **Exhibit "C".**

SECTION 3. CITY RESPONSIBILTY AND REIMBURSEMENT SCHEDULE

1. City shall reimburse Developer for the Water Line Replacement removal and construction portion of the stormwater improvements on Mulberry Street related to City's Capital Improvement Plan project CIP 180007-1.

2. Upon City's inspection and acceptance of the Water Line Replacement, City shall have sixty (60) calendar days to reimburse Developer the Project Amount.

3. The Project Amount represents the sole, total, and complete amount that City shall reimburse Developer for the Replacement Water Line. The City shall not, in any case, be liable for any additional cost because of delays in beginning, continuing, or completing construction; changes in the price or cost of materials, supplies, or labor; unforeseen or unanticipated cost because of topography, soil, subsurface, or other site conditions; differences in the calculated and actual per linear feet of pipe or materials needed for the Replacement Water Line; Developer's decision as to the contractors or subcontractors used to perform the work; or any other reason or cause, specified or unspecified, relating to the construction of the Replacement Water Line.

SECTION 4. REMEDIES

If a default by Developer occurs and continues after sixty (60) days' written notice to cure a default by City, City may, at its sole option but in the exercise of good faith, terminate this Agreement in accordance with Texas law, with written notice to or demand upon Developer.

All warranty and indemnification obligations herein shall survive any termination or assignment unless the Party warranting, or indemnifying, is released by the other Party. Nothing in this Section shall be construed to waive any sovereign, governmental immunity available to City, or its council, employees, and/or agents, under Texas law. Nothing in this Section, nor the election of the City to not exercise a right or seek a remedy at a particular time, shall be construed as a waiver or release of any right, remedy, or cause of action that is available to the City under or as a result of this Agreement, in equity or at law.

SECTION 5. VENUE AND GOVERNING LAW

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This Agreement is performable in Denton County, Texas, and venue of any action arising out of this Agreement shall be exclusively in Denton County, Texas. This Agreement shall be governed and construed in accordance with the laws and court decisions of the State of Texas.

SECTION 6. NOTICES

Any notice required by this Agreement shall be deemed to be properly served if deposited in the U.S. Mail by certified letter, return receipt requested, addressed to the recipient at the recipient's address shown below, subject to the right of either Party to designate a different address by notice given in the manner just described.

If intended for City to: The City of Denton
Sara Hensley, City Manager
215 East McKinney
Denton, Texas 76201

With a copy to:
City of Denton
215 E. McKinney Street
Denton, Texas 76201
Attention: Mack Reinwand
City Attorney
Fax No.: (940) 382-7923

If intended for Developer to:
Mulberry Apartments LP
5950 Berkshire Lane Suite 900
Dallas, TX 75225
Attn: Hayden Lundsford

SECTION 8. APPLICABLE LAWS

This Agreement is made subject to the provisions of the Charter and ordinances of City, as amended, and all applicable state and federal laws. The Parties stipulate that this Agreement does not satisfy any other development obligation under law or City ordinances; provided, however, that this Agreement is enforceable and in compliance with all applicable laws.

SECTION 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

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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.

SECTION 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.

SECTION 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.

SECTION 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 whether the Renegade Development is completed by Developer or as any other alternative use.

SECTION 13. ENTIRE AGREEMENT

This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written previous and contemporary agreements between the Parties relating to matters contained in this Agreement and, except as otherwise provided in this Agreement, cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement. The scope of this Agreement is limited to the specific obligations of the Developer set forth in Section 2 and the obligations of the City set forth in Section 3, all which are further described in the Recitals hereof. The Parties stipulate that this Agreement does not constitute a permit for development under Chapter 245 of the Texas Local Government Code.

EXECUTED on the Effective Date, by the City, signing by and through its City Manager, and by the Developer, acting through its duly authorized officers.

CITY OF DENTON

Sara Hensley
City Manager

BY: _____

Docusign Envelope ID: 4FC74440-9970-416F-8ACC-8CA44822121A

ATTEST:
Ingrid Rex, City Secretary

By: _____

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

Signed by:
Charlie Rosendall
053574243FF941B...
Signature

Interim Director
Title

Development Services
Department

Date Signed: 3/10/2026

APPROVED AS TO LEGAL FORM:
Mack Reinwand, City Attorney

By: Signed by:
Hilary McMahon
F8A693D3BA51488...

DEVELOPER
Mulberry Apartments LP,a Texas limited partnership

By: Mulberry Apartments GP, LLC,
a Texas limited liability company,
its general partner

By: _____
R. Holt Lunsford, Manager

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Exhibit "A"

Subject Property; Approved Zoning Compliance Plan

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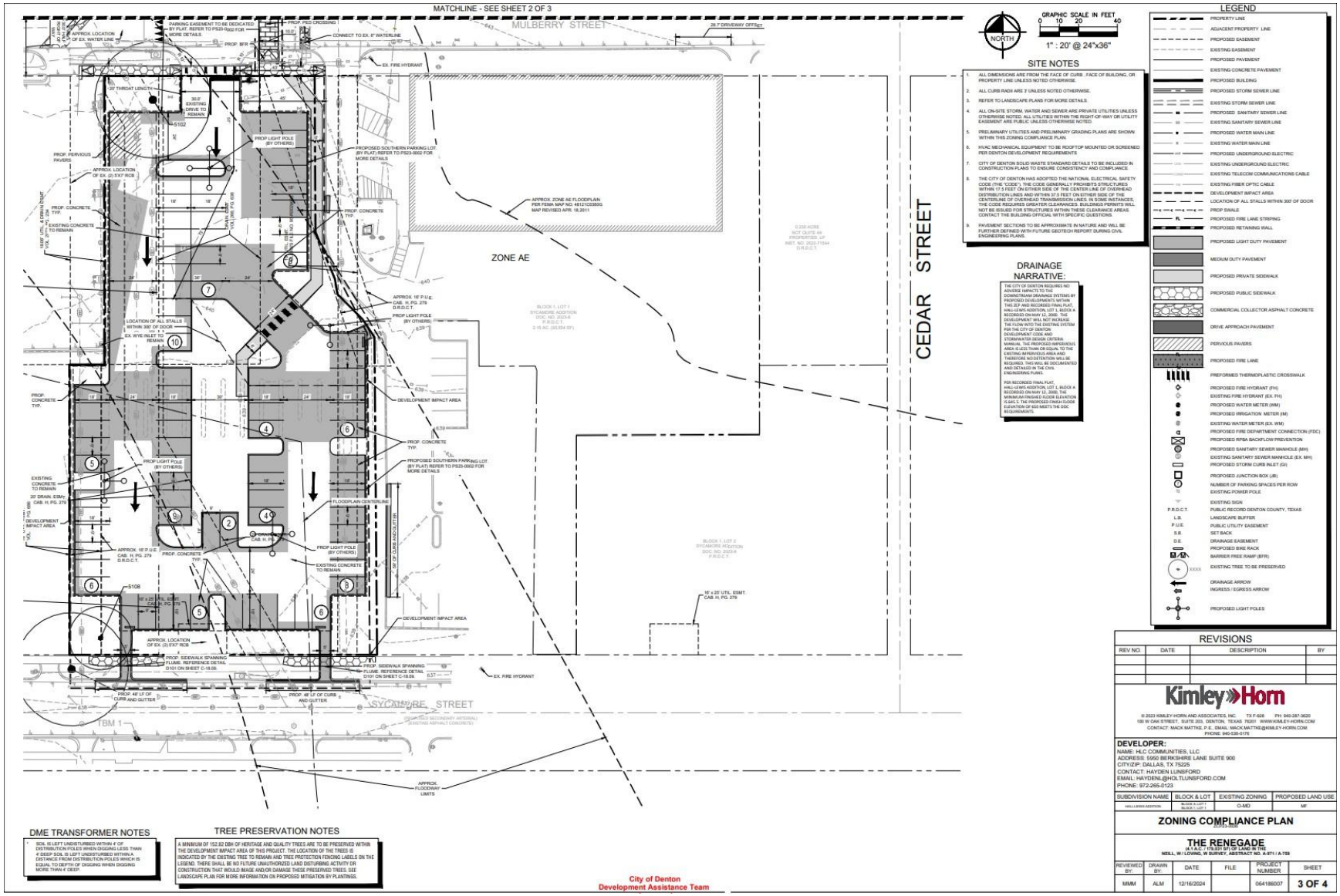

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Exhibit "B"

Water Plan and Profile Sheet

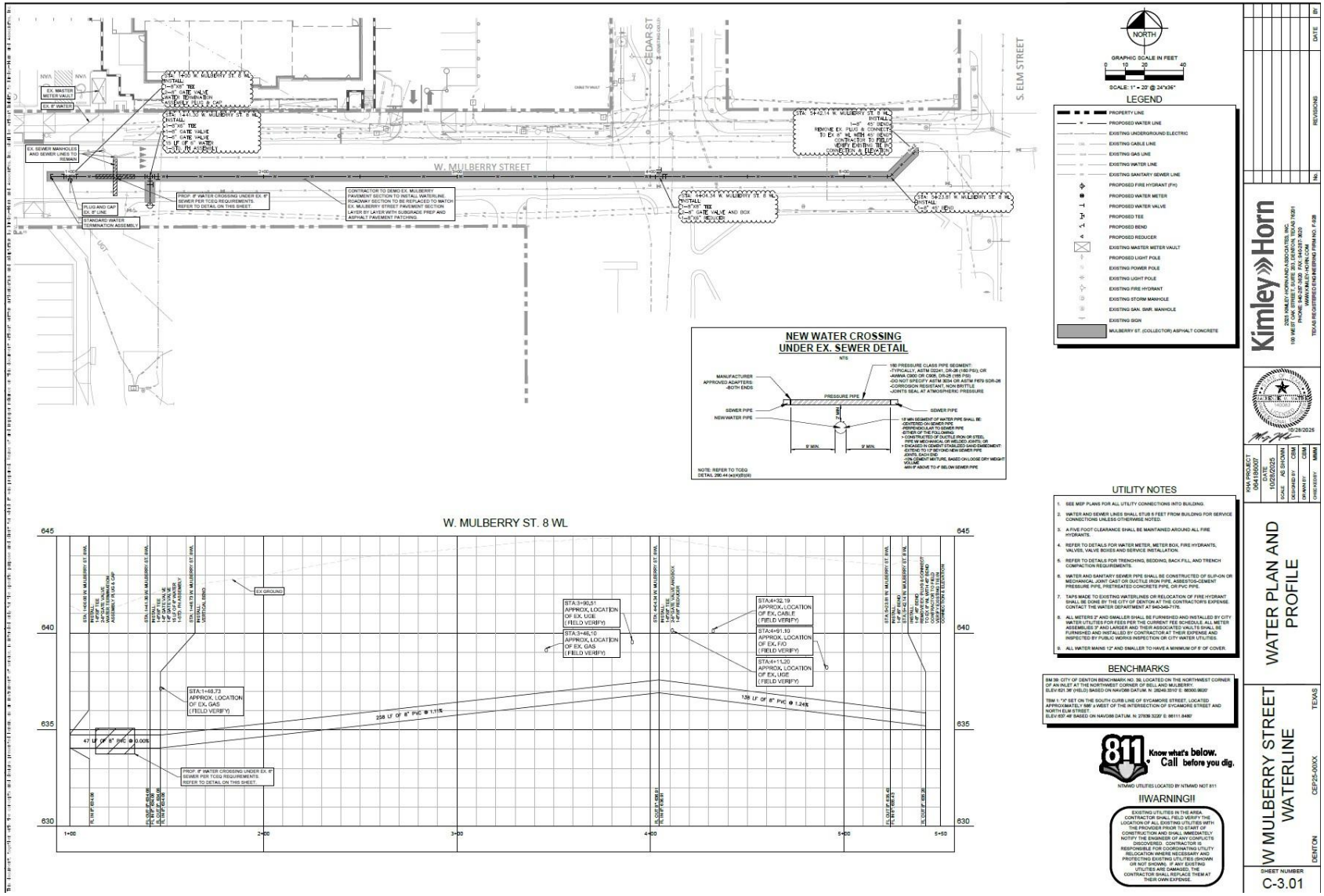

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Exhibit "C"

Cost Estimate

Section A: Potable Water Facilities (Public)

Item	Description	Quantity	Unit	Unit Price	Total
1	8" C900, DR-14, Class 200, PVC Water	470	lf	$ 59.90	$ 28,153.00
2	6" C900, DR-14, Class 200, PVC Water	15	lf	$ 49.80	$ 747.00
3	8" Gate Valve & Box	5	ea	$ 2,769.00	$ 13,845.00
4	6" Gate Valve & Box	1	ea	$ 2,000.00	$ 2,000.00
5	Standard Fire Hydrant	1	ea	$ 5,848.00	$ 5,848.00
6	Connect to 8" Existing Water	1	ea	$ 2,850.00	$ 2,850.00
7	Cut and Connect to Existing 6" Water	1	ea	$ 2,850.00	$ 2,850.00
8	8x8 Tee	2	ea	$ 2,006.00	$ 4,012.00
9	8x6 Tee	1	ea	$ 1,250.00	$ 1,250.00
10	8" Vertical 45	4	ea	$ 1,331.00	$ 5,324.00
11	8" 45	2	ea	$ 850.00	$ 1,700.00
12	8x6 Reducer	1	ea	$ 706.00	$ 706.00
13	8" Plug	1	ea	$ 563.00	$ 563.00
14	8" Plug on Existing	1	ea	$ 563.00	$ 563.00
15	6" Plug	1	ea	$ 488.00	$ 488.00
16	CSS Encasement	20	lf	$ 85.00	$ 1,700.00
17	Encase Existing 6" Sewer Line	20	lf	$ 96.00	$ 1,920.00
18	Remove and replace sidewalk	3	sy	$ 116.00	$ 348.00
19	Remove and replace asphalt paving	280	sy	$ 230.00	$ 64,400.00
20	Traffic Control	1	ls	$ 9,375.00	$ 9,375.00
21	Trench Safety	485	lf	$ 2.80	$ 1,358.00
22	Layout	1	ls	$ 4,375.00	$ 4,375.00
SUBTOTAL: SECTION A					**$ 154,375.00**

Section B: Misc. Facilities

Item	Description	Quantity	Unit	Unit Price	Total
1	Haul off Spoils	310	cy	$ 20.00	$ 6,200.00
SUBTOTAL: SECTION B					**$ 6,200.00**

Section C: General Conditions

Item	Description	Quantity	Unit	Unit Price	Total
1	Survey/Asbuilt (BGE)	1	ls	$ 4,500.00	$ 4,500.00
2	UES Soil and Concrete Testing	1	ls	$ 5,500.00	$ 5,500.00
3	City Required Maintenance Bond	1	ls	$ 4,950.00	$ 4,950.00
4	Engineering inspection Fees Estimate	1	ls	$ 5,000.00	$ 5,000.00
5	General Contractor Fee	1	% A+B	5.00%	$ 8,028.75
6	Contingency	1	% A+B	4.00%	$ 6,423.00
SUBTOTAL: SECTION C					**$ 34,401.75**

Section D: SWPPP

Item	Description	Quantity	Unit	Unit Price	Total
2	Silt Fence	100	lf	$ 3.50	$ 350.00
3	Tubular Wattle	950	lf	$ 3.95	$ 3,752.50
4	Storm Inlet Protector	2	ea	$ 195.00	$ 390.00
5	Crew and Equipment	1	ea	$ 295.00	$ 295.00
SUBTOTAL: SECTION D					**$ 4,787.50**

Total:	**$ 199,764.25**

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Municipal Electric

DCM: Cassey Ogden

DATE: March 24, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, establishing the schedule of rates for Electric Service; providing for a repealer; providing for a severability clause; and providing for an effective date. The Public Utilities Board recommends approval (5-0).

BACKGROUND

Consistent with Ordinance 25-2255, approved by City Council on December 16, 2025, DME has assessed the adequacy of the current Energy Cost Adjustment (ECA) rate of $.0462/kWh. Through that analysis, staff determined that the current Energy Cost Adjustment (ECA) rate of $0.0462/kWh remains adequate to maintain the system ECA account balance within the target range of +/- $20 million over the next 12 months. In addition, to accommodate the unique power purchase requirements of Large Load customers- defined as those with a single metering point load of 20 MW or greater- the ECA LL rate will increase from $0.0577/kWh to $0.0606/kWh, effective April 1, 2026. (See page 36 in FY 26 Electric Rate Ordinance). The ECA LL account balance buffer will continue to be maintained between $0 and $20 million.

Staff has determined that the Transmission Cost Recovery Factor (TCRF) will be adjusted to reflect updated ERCOT transmission charges. As a result of this quarterly review, the TCRF rate will decrease from $0.0176/kWh to $0.0156/kWh, effective April 1, 2026. Because the TCRF is a direct pass-through of transmission-related costs to customers, DME does not maintain or target a specific balance for this component.

Finally, the electric rate ordinance is also recommended to be updated consistent with direction provided by both the PUB and the City Council in recent work sessions regarding the City's utility billing process for electric service. As a component of that direction, a separate item on this agenda amending Chapter 26 of the City's Code of Ordinances also contains updates per the same direction.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On March 9, 2026, this item was presented to the Public Utilities Board (PUB) for consideration and the PUB recommended approval 5-0.

RECOMMENDATION

The DME General Manager and Finance Department recommend maintaining the current rates for the Energy Cost Adjustment, Energy Cost Adjustment for Large Loads, and the Transmission Cost Recovery Factor.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Rate Ordinance Redline
Exhibit 3: Rate Ordinance
Exhibit 4: Presentation

Respectfully submitted:
Melissa Cuevas
Division Manager of Business Services

ORDINANCE NO. 2026~~5~~-_____

AN ORDINANCE OF ~~OF~~ THE CITY OF DENTON, TEXAS, ESTABLISHING THE SCHEDULE OF RATES FOR ELECTRIC SERVICE; PROVIDING FOR A REPEALER; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.~~THE CITY OF DENTON, TEXAS, ESTABLISHING THE SCHEDULE OF RATES FOR ELECTRIC SERVICE; AMENDING THE LARGE LOAD ENERGY COST ADJUSTMENT; PROVIDING FOR A REPEALER; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING EFFECTIVE DATES FOR THIS ORDINANCE AND THE SCHEDULE OF RATES. .~~

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The Schedule of Rates for electrical services as provided for in Chapter 26 of the City of Denton Code of Ordinances, is as follows:

ELECTRIC RATE SCHEDULES

		PAGE
RES	Residential Service	2
GS	General Service Small	4
GM	General Service Medium	6
GL	General Service Large	8
TG	General Service Time Of Use	10
GOS	Local Government Service Small	12
GOM	Local Government Service Medium	14
GOL	Local Government Service Large	16
T1	Temporary Service	18
AF	Athletic Field	20
LS	Street Lighting	22
LT	Traffic Lighting	23
UFL	Unmetered School Zone/Crossing Flashers	24
USC	Unmetered Security Camera	25
UWF	Unmetered Wi-Fi Devices	26
LO	Other Lighting	27
DD	Security Lighting	28
DSL	Non-Standard Street Lighting	30
EGR	Economic Growth Rider	32
GIP	GreenSense Incentive Program	34
ECA	Energy Cost Adjustment	35
ECA LL	Energy Cost Adjustment for Large Loads	36
TCRF	Transmission Cost Recovery Factor	37
DGR	Distributed Generation From Renewable Sources Rider	39
SFR	Special Facilities Rider	41
PAF	Pole Attachment Fee	42
BIF	Banner Install Fee	44
WNA	Wireless Node Attachments	45
EVCR	Electric Vehicle Charging Rate	47

WTS	Wholesale Transmission Service	48

RESIDENTIAL ELECTRIC SERVICE
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to any Customer for all electric service used for residential purposes in an individual private dwelling or an individually metered apartment, supplied at one point of delivery and measured through one meter. This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase Service (**R2**)	$ 8.80
	Three-Phase Service (**R2**)	$17.59
	Prepaid Service (**P2**)	$16.26

plus;

(2)	**Usage Charge**	**Per kWh**
	Winter (Billing months of November through April):	
	Tier 1: First 600 kWh	$0.0694
	Tier 2: Additional kWh	$0.0462
	Summer (Billing months of May through October):	
	Tier 1: All kWh	$0.0694

plus;

(3)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(4)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge as a minimum, regardless of actual energy usage.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Winter (Billing months of November through April):

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh
kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

Summer (Billing months of May through October):

Usage Charge = All kWh × Tier 1 Rate per kWh

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GS

GENERAL SERVICE SMALL
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to any commercial customer having a maximum demand of less than 21 kW in each of the previous twelve (12) months for all electric service supplied at one point of delivery and measured through one meter. If the demand is equal to or exceeds 21 kW in two consecutive months, account will be adjusted to bill under General Service Medium (GSM) and the Customer must remain on the GSM rate for a minimum of twelve (12) billing periods. At the end of the twelve (12) month billing period, a review will be conducted to determine if the account remains as GSM, drops to GSS or moves up to GSL at the next immediate billing period. This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase	$16.85
	Three-Phase	$22.50

plus;

(2)	**Usage Charge**	**Per kWh**
	Tier 1: First 2,500 kWh	$0.0865
	Tier 2: Additional kWh	$0.0453

plus;

(3)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(4)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge as a minimum, regardless of actual energy usage.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh

kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GM

GENERAL SERVICE MEDIUM
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to any commercial customer having a maximum demand that meets or exceeds 21 kW but less than 240 kW in each of the previous twelve (12) months for all electric service supplied at one point of delivery and measured through one meter. If the demand is equal to or exceeds 240 kW in two consecutive months, account will be adjusted to bill under General Service Large (GSL), and the Customer must remain on the GSL rate for a minimum of twelve (12) billing periods. At the end of the twelve (12) month billing period, a review will be conducted to determine if the account remains as GSL or drops to GSM at the next immediate billing period.

Applicable to GSM Customers utilizing City owned and operated facilities and transformation equipment and who are metered at primary voltage. (**GM2**)

Applicable to GSM Customers that own, operate, and maintain all facilities necessary to receive three-phase primary voltage service and all transformation facilities required for conversion to utilization voltage. (**GM3**)

This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**		**Per Bill**
		Single-Phase	$16.85
		Three-Phase	$22.50

plus;

(2)	**Demand Charge**		**Per kW**
		All kW	$4.85

plus;

(3)	**Usage Charge**		**Per kWh**
	GM	Tier 1: First 6,000 kWh	$0.0531
		Tier 2: Additional kWh	$0.0438
	GM2	Tier 1: First 6,000 kWh	$0.0521
		Tier 2: Additional kWh	$0.0428
	GM3	Tier 1: First 6,000 kWh	$0.0500
		Tier 2: Additional kWh	$0.0408

plus;

(4) **Energy Cost Adjustment Charge** **See Schedule ECA**

plus;

(5) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge plus the Demand Charge, regardless of actual energy usage.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the greater of: (1) the actual monthly kW demand as measured during the fifteen (15) minute period of maximum use each month; or (2) 21 kW; or (3) seventy percent (70%) of the maximum monthly actual demand for any month during the previous billing months of May through October in the twelve (12) months ending with the current month.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh
kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GL

GENERAL SERVICE LARGE
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to any commercial customer having a minimum demand of 240 kW for all electric service supplied at one point of delivery and measured through one meter. Customers who elect to discontinue service under this Rate are ineligible for service under this Rate for twelve (12) months.

Applicable to GSL Customers utilizing City owned and operated facilities and transformation equipment and who are metered at primary voltage. (**GL2**)

Applicable to GSL Customers that own, operate, and maintain all facilities necessary to receive three-phase primary voltage service and all transformation facilities required for conversion to utilization voltage. (**GL3**)

This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**		**Per Bill**
		Three-Phase	$70.10

plus;

(2)	**Demand Charge**		**Per kVA**
		All kVA	$10.96

plus;

(3)	**Usage Charge**		**Per kWh**
	GL	Tier 1: First 200,000 kWh	$0.0249
		Tier 2: Additional kWh	$0.0142
	GL2	Tier 1: First 200,000 kWh	$0.0239
		Tier 2: Additional kWh	$0.0132
	GL3	Tier 1: First 200,000 kWh	$0.0218
		Tier 2: Additional kWh	$0.0112

plus;

(4) **Energy Cost Adjustment Charge** **See Schedule ECA**

plus;

(5) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge plus the Demand Charge, regardless of actual energy usage.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the greater of: (1) the actual monthly kVA demand as measured during the fifteen (15) minute period of maximum use each month; or (2) 250 kVA; or (3) seventy percent (70%) of the maximum monthly kVA actual demand for any month during the previous billing months of May through October in the twelve (12) month period ending with the current month.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh
kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE TG

GENERAL SERVICE TIME OF USE
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to any Customer having a minimum demand of 240 kW for all electric service supplied at one point of delivery and measured through one meter. Customers electing this Rate must remain on this Rate for a minimum of twelve (12) continuous billing months. If the Customer is new or does not have a history of on-peak use for June through September, and elects to accept service on the TGS Rate, the Customer's demand shall be billed at the GSL Demand Rate until the Customer establishes a separate on-peak and off-peak demand during an on-peak month.

Applicable to TGS Customers utilizing City owned and operated facilities and transformation equipment and who are metered at primary voltage. (**TG2**)

Applicable to TGS Customers that own, operate, and maintain all facilities necessary to receive three-phase primary voltage service and all transformation facilities required for conversion to utilization voltage. (**TG3**)

This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Three-Phase	$81.75

plus;

(2)	**Demand Charge**	**Per kVA**
	On-Peak	$13.97
	Off-Peak	$ 2.76

plus;

(3)	**Usage Charge**	**Per kWh**
	TG All kWh	$0.0083
	TG2 All kWh	$0.0073
	TG3 All kWh	$0.0053

plus;

(5)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(6) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING
For each billing period, the Customer shall be obligated to pay the Facility Charge plus the On-Peak and Off-Peak Demand Charges, regardless of actual energy usage.

DEFINITION OF TIME OF USE HOURS
The City's on-peak hours, for the purpose of this rate schedule, are designated as being from 2:00 P.M. to 7:00 P.M. each Monday through Friday, for the months of June through September excluding Independence Day and Labor Day. The City's on-peak hours may be changed from time to time.

The City's off-peak hours, for the purpose of this rate schedule, shall be all hours not designated as on-peak hours.

DETERMINATION OF DEMAND
On-Peak Demand Charge for the billing period shall be the greater of: (1) the kVA actual demand supplied during the fifteen (15) minute period of maximum use each month during on-peak hours as recorded by the City's demand meter; or (2) 250 kVA; or (3) one hundred percent (100%) of the actual maximum on-peak demand similarly determined during the billing months of June through September in the twelve (12) months immediately preceding the current month. The On-Peak Demand Charge will be applied to each billing period.

Off-Peak Demand Charge for the billing period shall be the greater of: (1) the kVA actual demand supplied during the fifteen (15) minute period of maximum use each month during on-peak hours as recorded by the City's demand meter; or (2) 250 kVA. The Off-Peak Demand Charge will be applied to each billing period.

USAGE CHARGE
Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = All kWh × Rate per kWh

SPECIAL FACILITIES
All services which require special facilities in order to meet Customer’s service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT
Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GOS

LOCAL GOVERNMENT SERVICE SMALL
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to any local City, County or School District customer having a maximum demand of less than 21 kW in each of the previous twelve (12) months for all electric service supplied at one point of delivery and measured through one meter. If the demand equals or exceeds 21 kW in two consecutive months, account will be adjusted to bill under Local Government Service Medium (GOM), and the Customer must remain on the GOM Rate for a minimum of twelve (12) billing periods. This Rate is not applicable to resale service in any event, or to temporary, standby or supplementary service.

NET MONTHLY RATE

Facility Charge		**Per Bill**
	Single-Phase	$16.85
	Three-Phase	$22.50

plus;

(2) **Usage Charge**		**Per kWh**
	Tier 1: First 2,500 kWh	$0.0865
	Tier 2: Additional kWh	$0.0453

plus;

(3) **Energy Cost Adjustment Charge** **See Schedule ECA**

plus;

(4) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge as a minimum, regardless of actual energy usage.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = All kWh × Rate per kWh

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GOM

LOCAL GOVERNMENT SERVICE MEDIUM
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to any local City, County, or School District customer having a maximum demand that meets or exceeds 21 kW but less than 240 kW in each of the previous twelve (12) months for all electric service supplied at one point of delivery and measured through one meter. If the demand is equal to or exceeds 240 kW in two consecutive months, account will be adjusted to bill under Local Government Service Large (GOL), and the customer must remain on the GOL rate for a minimum of twelve (12) billing periods. This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase	$16.85
	Three-Phase	$22.50

plus;

(2)	**Demand Charge**	**Per kW**
	All kW	$4.85

plus;

(3)	**Usage Charge**	**Per kWh**
	Tier 1: First 6,000 kWh	$0.0531
	Tier 2: Additional kWh	$0.0438

plus;

(4)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(5)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge plus the Demand Charge, regardless of actual energy usage.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the greater of: (1) The actual kW demand supplied during the fifteen (15) minute period of maximum use each month; or (2) fifty percent (50%) of the maximum monthly actual demand for any month during the previous billing months of May through October in the twelve (12) months ending with the current month.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 kWh × Rate per kWh
kWh in Tier 2 kWh x Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

The due date for the payment of the bill for utility services shall not be less than ten (10) business days after issuance.

SCHEDULE GOL

LOCAL GOVERNMENT SERVICE LARGE
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to any local City, County, or School District customer having a minimum demand of 240 kW for all electric service supplied at one point of delivery and measured through one meter. Customers who elect to discontinue service under this Rate are ineligible for service under this Rate for twelve (12) months.

Applicable to GOL Customers utilizing City owned and operated facilities and transformation equipment and who are metered at primary voltage. (**GO2**)

Applicable to GOL Customers that own, operate, and maintain all facilities necessary to receive three-phase primary voltage service and all transformation facilities required for conversion to utilization voltage. (**GO3**)

This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**		**Per Bill**
		Three-Phase	$70.10

plus;

(2)	**Demand Charge**		**Per kVA**
		All kVA	$10.96

plus;

(3)	**Usage Charge**		**Per kWh**
	GOL	Tier 1: First 200,000 kWh	$0.0249
		Tier 2: Additional kWh	$0.0142
	GO2	Tier 1: First 200,000 kWh	$0.0239
		Tier 2: Additional kWh	$0.0132
	GO3	Tier 1: First 200,000 kWh	$0.0218
		Tier 2: Additional kWh	$0.0112

plus;

(4) **Energy Cost Adjustment Charge** **See Schedule ECA**

plus;

(5) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge plus the Demand Charge, regardless of actual energy usage.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the greater of: (1) the actual monthly kVA demand as measured during the fifteen (15) minute period of maximum use each month; or (2) fifty percent (50%) of the maximum monthly kVA actual demand for any month during the previous billing months of May through October in the twelve (12) month period ending with the current month.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh
kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE T1

TEMPORARY SERVICE
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to short term or temporary electric service where a Customer has received a permit. This Rate is not applicable after the certificate of occupancy or building final inspection has been issued.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase	$16.86
	Three-Phase	$22.52

plus;

(2)	**Usage Charge**	**Per kWh**
	All kWh	$0.0867

plus;

(3)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(4)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge regardless of actual energy usage.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = All kWh × Rate per kWh

ADDITIONAL TEMPORARY SERVICE CHARGES

Labor	Regular time or overtime labor hourly rates in effect at the time the work is performed for all personnel performing the work. Labor charges shall be based on a one (1) hour minimum with all additional time above the minimum to be measured to the nearest one-quarter hour.
Transportation	To be billed by hours or miles, as applicable, according to the estimated cost of operating the required equipment.
Material	Material that cannot be salvaged shall be billed at the City's Warehouse cost plus twenty five percent (25%), plus applicable sales tax. At the time a temporary service is removed or converted, any loss of the installed material due to negligence or willful action by the Customer will be billed separately to the Customer at replacement cost plus twenty five percent (25%), plus applicable sales tax.
Administrative Fee	Ten percent (10%) of the total labor, transportation, and material costs.

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE AF

ATHLETIC FIELD
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to all electric service metered at one point for use to light specified areas for athletic events. This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service except in conjunction with applicable rider.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase	$23.09
	Three-Phase	$34.62

plus;

(2)	**Demand Charge**	**Per kW**
	On-Peak	$6.15
	Off-Peak	$1.46

plus:

(3)	**Usage Charge**	**Per kWh**
	On-Peak	$0.0992
	Off-Peak	$0.0496

plus;

(4)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(5)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge, regardless of actual energy usage.

DEFINITION OF ON-PEAK AND OFF-PEAK HOURS

The City's on-peak hours, for the purpose of this rate schedule, are designated as being from 2:00 P.M. to 7:00 P.M., for the months of June through September. The City's on-peak hours may be changed from time to time.

The City's off-peak hours, for the purpose of this rate schedule, shall be all hours not designated as on-peak hours.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the actual kW demand supplied during the fifteen (15) minute period of maximum use during the current billing period as determined by the City's demand meter.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = On-Peak kWh × Rate per kWh
Off Peak kWh × Rate per kWh

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer’s service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE LS

STREET LIGHTING
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to all street lighting owned and maintained by the City.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Luminaire Style Type	
	100 W Sodium Cobra (LSA)	$6.17
	250 W Sodium Cobra (LSB)	$8.75
	400 W Sodium Cobra (LSC)	$11.02
	100 W LED Cobra (LSD)	$6.17
	250 W LED Cobra (LSE)	$8.75
	400 W LED Cobra (LSF)	$11.02
	85 W LED Post (LSG)	$11.02

plus;

(2)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

ENERGY COST ADJUSTMENT CHARGE

Current ECA multiplied by respective kWh based on the following Bulb Wattage Factors:

Luminaire Type	Bulb Wattage Factor
100 W Sodium (LSA)	48 kWh
250 W Sodium (LSB)	105 kWh
400 W Sodium (LSC)	159 kWh
100 W LED (LSD)	25 kWh
250 W LED (LSE)	96 kWh
400 W LED (LSF)	148 kWh
85 W LED (LSG)	23 kWh

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

TRAFFIC LIGHTING
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to State and Local Government agencies that operate and maintain their own traffic signals.

METERED TRAFFIC LIGHTING NET MONTHLY RATE (LT)

(1)	Usage Charge	$0.0674 per kWh
plus;		
(2)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(3)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE
Billing for the Metered Traffic Lighting Usage Charge shall be based on actual kWh consumption during the billing period. Usage Charge = All kWh x Rate per kWh

UNMETERED TRAFFIC LIGHTING NET ANNUAL RATE (ULT)

(1)	Usage Charge	$0.0674 per kWh
plus;		
(2)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(3)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE
Billing for the Unmetered Traffic Lighting Usage Charge shall be based on historical recorded annual kWh consumption. Usage Charge = All kWh x Rate per kWh

Annual Usage = 904 kWh per account

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE UFL

UNMETERED SCHOOL ZONE/CROSSING FLASHERS
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to local government agencies that operate and maintain their own unmetered school zone/crossing flashers.

NET ANNUAL RATE

(1)	Usage Charge	$0.0674per kWh
plus;		
(2)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(3)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE

Billing for the Usage Charge shall be based on historical recorded annual kWh consumption. The total billed usage divided by number of school zone/crossing flashers will determine the average kWh usage. This average consumption will be billed for each school zone/crossing flasher once every twelve (12) months at the end of the fiscal year. Any accounts that are added during the year will be billed on prorated consumption.

Usage Charge = All kWh × Rate per kWh

Annual Usage = 48 kWh per account

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE USC

UNMETERED SECURITY CAMERA
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to Local Government agencies that operate and maintain their own unmetered security cameras.

NET ANNUAL RATE

(1)	Facility Charge	$18.09 per bill
plus;		
(2)	Usage Charge	$0.0674 per kWh
plus;		
(3)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(1)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE

Billing for the Usage Charge shall be based on technical information of installed equipment. This calculated consumption will be billed for each camera once every twelve (12) months at the end of the fiscal year. Any accounts that are added during the year will be billed on prorated consumption.

Usage Charge = annual kWh per camera × kWh Rate

Annual Usage = 300 kWh per camera per account

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE UWF

UNMETERED WI-FI DEVICES
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to local government agencies that operate and maintain their own unmetered Wi-Fi devices.

NET ANNUAL RATE

(1)	Facility Charge	$18.09 per bill
plus;		
(2)	Usage Charge	$0.0674 per kWh
plus;		
(3)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(4)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE

Billing for the Usage Charge shall be based on technical information of installed equipment. This calculated consumption will be billed for each device once every twelve (12) months at the end of the fiscal year. Any accounts that are added during the year will be billed on prorated consumption.

Usage Charge = annual kWh per device × kWh Rate

Annual Usage = 300 kWh per device per account

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE LO

OTHER LIGHTING
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to Texas Department of Transportation unmetered and metered safety lighting systems and continuous lighting systems as those terms are defined in Texas Administrative Code, Title 43, Part 1, Chapter 25, Subchapter A, Rule §25.11.

METERED LIGHTING NET MONTHLY RATE (LOB)

(1)	Usage Charge	$0.0674 per kWh

plus;

(2)	Energy Cost Adjustment Charge	See Schedule ECA

METERED LIGHTING USAGE CHARGE (LOB)
Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.
Usage Charge = All kWh × Rate per kWh

UNMETERED LIGHTING NET MONTHLY RATE (LOA)

(1)	Usage Charge	$0.0674 per kWh

plus;

(2)	Energy Cost Adjustment Charge	See Schedule ECA

UNMETERED LIGHTING USAGE CHARGE (LOA)
Billing for the Usage Charge shall be based on estimated kWh consumption during the billing period.
Usage Charge = (kWh Rate x Bulb Wattage/1000) x (Hours of Operation per Billing Period)

Hours of Operation per Billing Period = 333 hours
Bulb Wattage is the rated wattage of the luminaire bulb

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE DD

SECURITY LIGHTING
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to all outdoor area lighting when such lighting facilities are operated as an extension of the City's distribution system.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Luminaire Type	
	100 W Sodium Vapor (DSA)	$ 9.75
	250 W Sodium Vapor (DSB)	$12.90
	400 W Sodium Vapor (DSC)	$15.55
	250 W Metal Halide (DHA)	$15.17
	400 W Metal Halide (DHB)	$18.09
	100 W Equivalent LED (DSD)	$ 9.75
	250 W Equivalent LED (DSE)	$12.90
	400 W Equivalent LED (DSF)	$15.55

plus;

(2)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

ENERGY COST ADJUSTMENT CHARGE

Current ECA multiplied by respective kWh based on the following Bulb Wattage Factors:

Luminaire Type	Bulb Wattage Factor
100 W Sodium Vapor (DSA)	48 kWh
250 W Sodium Vapor (DSB)	105 kWh
400 W Sodium Vapor (DSC)	159 kWh
250 W Metal Halide (DHA)	105 kWh
400 W Metal Halide (DHB)	159 kWh
100 W Equivalent LED (DSD)	25 kWh
250 W Equivalent LED (DSE)	96 kWh
400 W Equivalent LED (DSF)	148 kWh

TYPE OF SERVICE

The City shall furnish, install, maintain and deliver electric service to automatically controlled lighting fixtures conforming to the City's standards and subject to its published rules and regulations.

Where necessary for proper illumination or where existing poles are inadequate, the City will install or cause to be installed, one (1) wood pole with the necessary lighting hardware and overhead conductor for each installed light, at a distance not to exceed eighty (80') feet from existing lines, at no charge to the Customer. Additional contractual arrangements between the City and the Customer are subject to the Special Facilities Rider.

TERM OF CONTRACT

A two (2) year contract shall be agreed to and signed by each Customer desiring security lighting service authorizing fixed monthly charges, which may be reviewed annually, and to be applied to the Customer's monthly municipal utilities bill. In the event that a Customer requests the removal of the unit or discontinuance of the service prior to completion of two (2) years, the remainder of the contract period shall become due and payable. After the end of the initial two (2) year contract, service shall continue on a month-to-month basis and may be canceled by either party upon thirty (30) days' notice.

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE DSL

NON-STANDARD STREET LIGHTING
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to street lighting owned and maintained by the Customer. Availability of this service is contingent on the existence of an executed Special Facilities Rider between the legally responsible party and the City under which the legally responsible party accepts all responsibilities, both legal and financial, related to operation and maintenance of the subject lights, including but not limited to payment of all applicable energy charges.

NET MONTHLY RATE

(1)	Facility Charge	$ 9.32 per bill

plus;

(2)	Usage Charge	$0.0674per kWh

plus;

(3)	Energy Cost Adjustment Charge	See Schedule ECA

USAGE CHARGE

Current usage charge and ECA rates are multiplied by respective kWh based on the following Bulb Wattage Factors:

Luminaire Type	Bulb Wattage Factor
100 W Sodium Vapor (DLSA)	48 kWh
250 W Sodium Vapor (DLSB)	105 kWh
400 W Sodium Vapor (DLSC)	159 kWh
250 W Metal Halide (DLHA)	105 kWh
400 W Metal Halide (DLHB)	159 kWh

ADDITIONAL SERVICE CHARGES

If the City is required to maintain the privately owned lights to ensure public safety, the owner of the lights may be subject to additional service charges. The additional service charges shall be the actual cost of performing any work required to perform the necessary maintenance including but not limited to:

Labor Regular time or overtime labor hourly rates in effect at the time the work is

	performed for all personnel performing the work. Labor charges shall be based on a one (1) hour minimum with all additional time above the minimum to be measured to the nearest one-quarter hour.
Transportation	To be billed by hours or miles, as applicable, according to the estimated cost of operating the required equipment.
Material	Any material needed to repair and/or maintain facilities will be billed at City Warehouse cost plus twenty five percent (25%).
Administrative Fee	Ten percent (10%) of the total labor, transportation, and material costs.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE EGR

ECONOMIC GROWTH RIDER
(Effective ~~10/15/25~~04/01/26)

PURPOSE

The purpose of this Rider is to facilitate local economic growth and expand the ad valorem tax base of the City.

AVAILABILITY

This Rider is available to the Customers who:

(1) Receive service from Rate Schedules GSL or TGS; and

(2) Pay City ad valorem tax; and

(3) Receive no electric service discounts other than those specifically defined in the GSL or TGS Rate Schedules.

APPLICATION

This Rider is available to electric service supplied at any one location. It is for firm electric service applicable to new and existing customers as described below, over a five (5) year period. This Rider is available to the following classes of customers:

(1) New Customers whose electric service represents demand not previously served by the City at any location in the City's service area in the last twelve (12) months, where such metered demand will be in excess of 1,000 kVA and customer load factor must be greater than the City's electric system load factor, as estimated and mutually agreed upon by the General Manager of the City's electric utility and the Customer.

(2) Existing Customers served under Rate Schedules GSL or TGS who increase their prior existing metered demand by 1,000 kVA and customer load factor must be greater than the City's electric system load factor. This increase shall be verified by sub-metering (at the Customer's expense) the additional load. If sub-metering is not possible, at the discretion of the General Manager of the City's electric utility, the increase may be verified by comparing a three-month rolling average of the new level of demand to the prior demand averaged for corresponding months. During periods in which this verification method cannot be applied, the General Manager and the Customer may develop a mutually agreed-upon formula to estimate the base and additional demand levels.

In light of additional costs associated with the Economic Growth Rider and to mitigate potential risk to ratepayers, any participant in the Economic Growth Rider must be, at the time this Rider is applied for and continuing while such Rider is in effect, a Customer in good standing of all City utilities, including solid waste services. Unless legal review procedures have been invoked in good faith regarding the obligation, a Customer in good standing for the purpose of this Rider is defined as a Customer not owing any unpaid utility or solid waste debt obligation that is over forty-five (45) days past due to the City during the previous twelve (12) months.

NET MONTHLY RATE

The Customer shall be charged under the appropriate applicable rate schedules with the exception that the monthly billing demand (for the GSL Rate) or system demand and on-peak demand (for the TGS Rate) will be adjusted in accordance with the following table:

Time Period	Reduction to Billing Demand
First Year	50%
Second Year	40%
Third Year	30%
Fourth Year	20%
Fifth Year	10%

CONTRACT PERIOD

The term of the contract will be for five (5) years.

SCHEDULE GIP

GREENSENSE INCENTIVE PROGRAM
(Effective ~~10/15/25~~04/01/26)

PROGRAM SUMMARY

The objective of the GreenSense Incentive Program ("Program") is to reduce energy demand and consumption by promoting energy conservation, thereby reducing the utility bills of City Customers, reducing the peak load of the City's electric system, reducing emissions in the state, and promoting energy conservation. The Program offers incentives that may be distributed in the form of credits on the electric service bills or cash incentives to City retail customers.

Any participant in the GreenSense Incentive Program must be, at the time this program is applied for and continuing while such program is in effect, a Customer in good standing of all City utilities, including solid waste services. Unless legal review procedures have been invoked in good faith regarding the obligation, a Customer in good standing for the purpose of this Program is defined as a Customer not owing any unpaid utility or solid waste debt obligation that is over forty-five (45) days past due to the City during the previous twelve (12) months.

Program applicants will be able to qualify for multiple incentives simultaneously, unless specified in the individual guidelines. A separate application may be necessary for each incentive. The Program will be in effect each fiscal year beginning on October 1, until the allotted funding is depleted or until cancellation of the program by the City. At the time the funds are depleted, no additional applications for participation will be accepted until the next fiscal year.

Qualifying applicants must receive electric service from the City. The program guidelines and payment provisions are subject to change by the City without prior notice. The City may, at any time, discontinue the Program without prior notice. The current program guidelines may be found in the GreenSense Incentive Program Manual located at www.cityofdenton.com.

SCHEDULE ECA

ENERGY COST ADJUSTMENT
(Effective ~~10/15/25~~04/01/26)

The Energy Cost Adjustment (ECA) Rate shall be set to recover the net cost of energy delivered to Customers that are not Large Load Customers and to maintain the City's electric utility in a financially sound position.

NET MONTHLY RATE

(1) **Energy Cost Adjustment Charge** **$0.0462 per kWh**

ENERGY COST ADJUSTMENT BALANCING ACCOUNT CALCULATION

The ECA Balancing Account shall be calculated using the following formula:

ECA Balancing Account = (Beginning ECA Account Balance) – (Projected Net Energy Cost)

Where:

Projected Net Energy Cost = For the next fiscal quarter, the electric utility's projected cost of electric load purchases from ERCOT plus all projected electric utility power/energy related costs for that same period including, but not limited to, power production (excluding the Denton Energy Center debt); purchased power; applicable transmission services, losses and congestion; other ERCOT charges; renewable energy credits; and financial and/or physical power/energy trades (including natural gas); less all projected revenue to be received by the electric utility for power/energy related sales and/or trades; plus applicable Franchise Fees and required ROI.

ENERGY COST ADJUSTMENT CALCULATION

ECA = [(Projected Net Energy Cost) + (ECA Balancing Account)] / (Projected kWh sales)

ENERGY COST ADJUSTMENT CHARGE

The Energy Cost Adjustment Charge shall be based on actual kWh consumption during the billing period. Energy Cost Adjustment Charge = kWh × ECA Rate

The General Manager of the City's electric utility or their designee shall calculate the ECA Balancing Account monthly. In the event that the ECA Balancing Account calculated during the last month of each fiscal quarter (December, March, June, and September) is projected to be over or under collected by $20,000,000 or more at the end of the next 4 quarters, the General Manager or their designee may recommend to the PUB and City Council a revision to the ECA to maintain the City's electric utility in a financially sound position. Any change to the ECA will be placed on the City Council's consent agenda.

SCHEDULE ECA LL

ENERGY COST ADJUSTMENT FOR LARGE LOADS
(Effective ~~10/15/25~~04/01/26)

The Energy Cost Adjustment (ECA) for Large Loads (LL) Rate shall be set to recover the net cost of energy delivered to Large Load Customers and to maintain the City's electric utility in a financially sound position. This rate applies to all Large Load customers regardless of their actual monthly usage. Large Load Customers are defined as customers whose planned or actual single point of delivery meets or exceeds 20MW.

NET MONTHLY RATE

(1) **Energy Cost Adjustment for Large Load Charge** **$0.0606~~577~~ per kWh**

ENERGY COST ADJUSTMENT BALANCING ACCOUNT CALCULATION

The ECA Balancing Account shall be calculated using the following formula:

ECA Balancing Account = (Beginning ECA LL Account Balance) – (Projected Net Energy Cost for Large Load)

Where:

Projected Net Energy Cost = For the next fiscal quarter, the electric utility's projected cost of electric load purchases from ERCOT to feed Large Loads plus all projected Large Load related electric utility power/energy related costs for that same period including, but not limited to, purchased power; applicable transmission services, losses and congestion; other ERCOT charges; renewable energy credits; and financial and/or physical power/energy trades (including natural gas); less all projected revenue to be received by the electric utility for Large Load related power/energy related sales and/or trades; plus applicable Franchise Fees and required ROI.

ENERGY COST ADJUSTMENT CALCULATION
ECA LL = [(Projected Large Load Net Energy Cost) + (ECA LL Balancing Account)] / (Projected Large Load kWh sales)

ENERGY COST ADJUSTMENT CHARGE

The Energy Cost Adjustment Large Load Charge shall be based on actual kWh consumption during the billing period. Energy Cost Adjustment Charge for Large Load = kWh × ECA LL Rate

The General Manager of the City's electric utility or their designee shall calculate the ECA LL Balancing Account monthly. In the event that the ECA LL Balancing Account calculated during the last month of each fiscal quarter (December, March, June, and September) is projected to be below $0 to $20,000,000 or more at the end of the next 4 quarters, the General Manager or their designee may recommend to the PUB and City Council a revision to the ECA LL to maintain the City's electric utility in a financially sound position. Any change to the ECA LL will be placed on the City Council's consent agenda.

SCHEDULE TCRF

TRANSMISSION COST RECOVERY FACTOR
(Effective ~~10/15/25~~04/01/26)

The Transmission Cost Recovery Factor (TCRF) Rate shall be set to recover the costs of transmission service paid by DME to other transmission owners within the boundaries of the Electric Reliability Council of Texas ("ERCOT") region. The TCRF Rate shall be reviewed on a quarterly basis and adjusted as defined below. The TCRF Rate charges are pass-through charges to customers in order to maintain the City's electric utility in a financially sound position.

NET MONTHLY RATE $0.0156~~176~~ Per kWh

- Residential
- General Service Small
- Local Government Service Small
- Temporary Service
- Athletic Field
- Traffic Lighting
- Unmetered Traffic Lighting
- Unmetered School Zone/Crossing
- Unmetered Security Camera
- Unmetered Wi-Fi Devices

NET MONTHLY RATE $4.45~~5.02~~ Per kW

- General Service Medium
- Local Government Service Medium

NET MONTHLY RATE $6.16~~6.95~~ Per kVA

- General Service Large
- Local Government Service Large
- General Service Time Of Use

TRANSMISSION COST RECOVERY FACTOR BALANCING ACCOUNT CALCULATION

The TCRF shall be calculated using the following formula:

> TCRF Annual Billing = (Actual monthly net TCOS billing amounts charged by ERCOT transmission service providers to the City) + (Projected increases or decreases pursuant to PUCT-approved TCOS billing amount charges to ERCOT utilities) + (applicable Franchise Fees and required ROI)

During the last month of each fiscal year quarter (December, March, June, and September), the General Manager of the City's electric utility or their designee shall calculate the TCRF Balancing Account. The TCRF charge will be developed by the City for each applicable customer billing schedule herein, based on projected kWh sales for billing schedules without a demand component and on monthly peak kW or kVA for billing schedules with a demand component. The cumulative forecasted TCRF revenues from all rate classes shall fully recover the TCRF Annual Billing. The General Manager or their designee may recommend to the PUB and City Council a revision to the

TCRF to maintain the City's electric utility in a financially sound position. Any change to the TCRF will be placed on the City Council's consent agenda.

TCRF rate class allocation amount = [(TCRF annual billing) x (Projected rate class kWh usage)] / (Total projected usage for all rate classes).

SCHEDULE DGR

DISTRIBUTED GENERATION FROM RENEWABLE SOURCES RIDER
(Effective ~~10/15/25~~04/01/26)

APPLICATION

This Rider is available to retail Customers receiving electric service under a City electric rate schedule who owns and operates an on-site generating system powered by a renewable resource capable of producing power, and which is interconnected with the City's electric system. Systems greater than 20 kW may be required to enter into a Purchase Power Agreement (PPA) applicable to their specific situation in lieu of this rate schedule. Renewable energy technology is any technology that exclusively relies on an energy source that is naturally regenerated over a short time and derived directly or indirectly from the sun or wind. A renewable energy technology does not rely on energy resources derived from fossil fuels, waste products from fossil fuels, or waste products from inorganic sources.

This Rider applies to a Customer-owned generating system that primarily offsets all or part of the Customer's electric service provided by the City. If the Customer-owned generating system is sized such that it produces energy in excess of a Customer's electric consumption, special arrangements and a contract may be necessary. The current interconnection guidelines may be found in the Distributed Generation Manual located at www.cityofdenton.com.

In light of additional costs associated with the Distributed Generation From Renewable Sources Rider and to mitigate potential risk to ratepayers, any participant in the Distributed Generation From Renewable Sources Rider must be, at the time this Rider is applied for and continuing while such Rider is in effect, a Customer in good standing of all City utilities, including solid waste services. Unless legal review procedures have been invoked in good faith regarding the obligation, a Customer in good standing for the purpose of this Rider is defined as a Customer not owing any unpaid utility or solid waste debt obligation that is over forty-five (45) days past due to the City during the previous twelve (12) months.

CONDITIONS OF SERVICE

All charges, character of service, and terms and conditions of the electric rate schedule under which the Customer receives service shall apply except as expressly altered by this Rider. This Rider is subject to change at any time.

The Customer shall comply with the City's current technical requirements for distributed generation interconnection. The Customer shall obtain approval from the City prior to the installation of the on-site generating system. The Customer shall submit to the City a completed interconnection application form and signed Agreement for Interconnection and Parallel Operation of Distributed Generation before the system installation. The minimum term of an agreement under this Rider is one year, extended automatically unless terminated by either party with sixty (60) days advance written notice.

The Customer is responsible for the costs of interconnecting with the City's electric system, including transformers, service lines, or other equipment determined necessary by the City for safe installation and operation of the Customer's equipment with the City's electric system. The

Customer is responsible for any costs associated with required inspections and permits.

METERING

Metering under this Rider shall be performed by a single meter capable of registering the flow of electricity in two directions (delivered by the City's electric system to the Customer and delivered to the City's electric system by the Customer's system) to determine the Customer's generation delivered to the City.

The Value of Solar (VOS) Rate

Applicable to any customer receiving City electric service that owns an on-site distributed generation (DG) system powered by solar which is interconnected with the City's electric system and does not otherwise have a purchase power agreement with the City.

MONTHLY RATE

(1) **Value of Solar Rate** **$0.0500 per kWh**

VALUE OF SOLAR CALCULATION

VOS Credit = (all kWh delivered from customer DG to DME) * (VOS Rate)

The Value of Solar credit will be applied monthly based on all kWh delivered from Customer to City's electric system during the billing period regardless of customer usage during that month.

Beginning in the billing period after a Customer receives approval from the City, to interconnect the Customer's on-site generating system; all energy generated by the Customer's system and delivered to the City's electric system will be considered renewable energy. The Customer shall be billed for all energy delivered by the City to the Customer under the approved rates.

Any Billing Period Credit shall be applied to the utility charges due from the Customer to the City for the billing period.

INDEMNIFICATION

The Customer operating the renewable distributed generation system indemnifies the City and holds the City harmless for all damages and injuries to the City, the Customer, or others arising out of Customer's use, ownership or operation of Customer's distributed generation facilities in parallel with the City's system. Customer is solely responsible for providing adequate protection for operating in parallel with the City's system in such a manner that faults or other disturbances on the City's system do not cause damage to the Customer's distributed generation equipment.

SCHEDULE SFR

SPECIAL FACILITIES RIDER
(Effective ~~10/15/25~~04/01/26)

(1) All service shall be offered from available facilities. If a Customer's service characteristics require facilities and devices not normally and readily available at the location where the Customer requests service, the total cost incurred by the City for all facilities installed, buried, relocated and/or removed shall be the responsibility of the Customer and subject to a contract entered between the City and the Customer. This contract shall be signed by both parties prior to the City providing service to the Customer.

(2) Any contract under this rider is subject to the following approvals:

(a) If the total value of the contract is less than $100,000, the contract may be approved by the City Manager, or their designee. If a contract under this subsection is not approved by the City Manager, or their designee, then it must be recommended for approval by the Public Utilities Board and approved by the City Council.

(b) If the total value of the contract is equal to or greater than $100,000, the contract must be recommended for approval by the Public Utilities Board and approved by the City Council.

SCHEDULE PAF

POLE ATTACHMENT FEE
(Effective ~~10/15/25~~04/01/26)

APPLICATION

This Rate is available to a licensee ("Licensee" or "licensee") who desires to access designated poles or conduits owned by the City for the purpose of installing and maintaining their facilities and associated equipment to provide services to the public. An agreement between such entity and the City or its contractor shall be executed on a separate form, but will reference, the following rate schedule:

$$\text{Rate} = \text{Space Factor} \times \text{Cost}$$

$$\text{Space Factor} = \frac{[(\text{Space Occupied}) + (2/3 \times (\text{Unusable Space} \div \text{No. of Attaching Entities}))]}{(\text{Pole Height})}$$

Cost:

in Service Areas where the number of Attaching Entities is 5 = 0.66 x (Net Cost of Bare Pole) x Carrying Charge Rate

in Service Areas where the number of Attaching Entities is 4 = 0.56 x (Net Cost of Bare Pole) x Carrying Charge Rate

in Service Areas where the number of Attaching Entities is 3 = 0.44 x (Net Cost of Bare Pole) x Carrying Charge Rate

in Service Areas where the number of Attaching Entities is 2 = 0.31 x (Net Cost of Bare Pole) x Carrying Charge Rate

NET ANNUAL RATE

(1) Annual Pole Attachment ("APA") Distribution

$/attachment/year	**2 Attachers**	**3 Attachers**	**4 Attachers**	**5 Attachers**
	$19.86	$19.78	$19.83	$19.59

plus;

(2) APA Transmission

$/attachment/year	**2 Attachers**	**3 Attachers**	**4 Attachers**	**5 Attachers**
	$410.93	$403.94	$399.99	$390.72

Note: Annual Rates (2) and (3) listed above are not available on all poles nor in all areas across the City.

MISCELLANEOUS

(1)	Unauthorized Attachment Penalty	$1,000 per attachment per pole
(2)	Undefined Work or Expense	Rate pursuant to Schedule SFR

APPLICATION AND MAKE READY COSTS

Licensees will be required to pay for any work done or contracted by the City, including but not limited to any application fees, analysis, make ready work and any installed, used or maintained facilities in violation of the Agreement that the licensee has not corrected. The City or its Contractor will invoice licensee, and licensee must pay, for identified expenses as needed before any work will begin and shall include all reasonable fully loaded material (including any applicable overhead), labor, engineering, transportation and administrative costs. These fees will be as set forth in the contract agreement with the third-party contractor who provides such services, if applicable.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE BIF

BANNER INSTALL FEE
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to any person who has completed an application and received approval from the City to have a banner installed on facilities owned by the City for the purpose of marketing and publicizing community events shall be assessed a fee based on the following schedule:

NET ANNUAL RATE

Over the Street Banner Install	$100.00 per banner
Pole One Time Banner Install	$15.00 per banner
Pole Seasonal Banner Install	$27.00 per banner

TERMS AND CONDITIONS OF SERVICE

Persons requesting the City install an Over the Street Banner must provide the City with a banner that is no more than three (3) feet tall by thirty-five (35) feet in length with six (6) feet of rope. All Over the Street Banners must be made out of mesh only (fish net type material). A sample of the banner material is recommended for approval. The City's Building Inspections Department requires an application and permit fee of sixty (60) dollars for installation of an Over the Street Banner which needs to be completed prior to contacting the City's electric utility.

Persons requesting the City install a Pole Banner must provide the City's electric utility with a banner that is no more than thirty (30) inches tall by eighty (80) inches in length with openings of two (2) inches. Pole Banners are required to be made of weather beater or vinyl material only. The appropriate application for each type of banner must be completed prior to installation and returned to a representative of the City's Electric Operations and Maintenance Division along with applicable fees listed above, a digital image of the banner, and location requests. The City's electric utility will determine install locations depending on availability. Any banners that promote sponsors or advertisement are strictly prohibited.

PAYMENT

Payment is required to the City at the time the banners are given for installation. Permit fees, when applicable, are due to Building Inspections in order to reserve specific dates.

SCHEDULE WNA

WIRELESS NODE ATTACHMENTS
(Effective ~~10/15/25~~04/01/26)

APPLICATION

This Rate is available to a licensee who desires to install and maintain their wireless nodes and associated equipment to provide services to the public. An agreement between such entity and the City shall be executed separate from, but will reference, the following rate schedule:

NET ANNUAL RATE

	(1)	Facility Charge	$18.09 per node
plus;			
	(2)	Usage Charge	$0.0674 per kWh
plus;			
	(3)	Energy Cost Adjustment Charge	See Schedule ECA
plus;			
	(4)	Transmission Cost Recovery Factor	See Schedule TCRF

METERED USAGE CHARGE

Billing for the Metered Usage Charge shall be based on actual kWh consumption for each device once every twelve (12) months at the end of the fiscal year.

Usage Charge = All kWh per device × Rate per kWh

UNMETERED USAGE CHARGE

Billing for the Unmetered Usage Charge shall be based on 1) kWh consumption from similarly installed metered equipment; or 2) technical information of installed equipment provided by licensee, if similar equipment is not already metered. This calculated consumption will be billed for each device once every twelve (12) months at the end of the fiscal year.

Usage Charge = Annual kWh per device × Rate per kWh

Annual Usage = 2,000 kWh per device per account (or calculated consumption based on technical information provided by licensee)

MISCELLANEOUS

	(1)	Unauthorized Attachment Penalty	$1,000 per attachment
	(2)	Undefined Work or Expense	Rate pursuant to Schedule SFR

MAKE READY COSTS

Licensees will be required to pay for any work done or contracted by the City, including but not limited to make ready work and any installed, used or maintained facilities in violation of the Agreement that the licensee has not corrected. The City will invoice licensee, and licensee must pay, for identified expenses as needed before any work will begin and shall include all reasonable fully loaded material (including any applicable overhead), labor, engineering, transportation and administrative costs.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE EVCR

ELECTRIC VEHICLE CHARGING RATE
(Effective ~~10/15/25~~04/01/26)

APPLICATION

Applicable to vehicles that utilize charging services from City of Denton owned and operated Level 2 EV chargers.

NET ANNUAL RATE

(1)	Usage Charge	$0.0406 per minute

USAGE CHARGE

Billing for the Usage Charge shall be based on actual charging time incurred. The billing service will be provided by a third-party vendor

Usage Charge = EV Charging duration × Rate per Minute

SCHEDULE WTS

WHOLESALE TRANSMISSION SERVICE
(Effective ~~10/15/25~~04/01/26)

AVAILABILITY

To Eligible Transmission Service Customers for Wholesale Transmission Service through the Denton Municipal Electric Utility transmission system, at all points where transmission facilities of adequate capacity and suitable voltage are available to provide service, in accordance with Public Utility Commission of Texas (PUC or Commission) 16 Texas Administrative Code (TAC) §§ 25.191-.203.

APPLICABILITY

Applicable only to wholesale transactions involving the wholesale purchase of electric power and energy. This tariff for Wholesale Transmission Service is applicable to Transmission Service using any transmission facilities owned by the Denton Municipal Electric Utility in accordance with 16 TAC §§ 25.191-.203.

TYPE OF SERVICE

Three phase, 60 hertz alternating current, delivered onto, or received from Denton Municipal Electric Utility's transmission system at 60,000 volts or greater and on transmission facilities that have been prepared and made available for this service.

TRANSMISSION SERVICE REQUIREMENTS

As a condition to obtaining Wholesale Transmission Service, the Transmission Service Customer shall execute an Interconnection Agreement with each Transmission Provider, in accordance with 16 TAC § 25.198, and the Transmission Service Customer shall meet all Electric Reliability Council of Texas (ERCOT) requirements as specified in the ERCOT Protocols and Operating Guides.

CONDITIONS PRECEDENT FOR RECEIVING SERVICE

Subject to the terms and conditions hereof and of 16 TAC § 25.198, the Denton Municipal Electric Utility will provide wholesale Transmission Service to any Eligible Transmission Service Customer, provided that:
(A) the eligible Transmission Service Customer has completed an Application for Transmission Service, as provided under 16 TAC § 25.198;
(B) the eligible Transmission Service Customer and Denton Municipal Electric Utility, or a third party, have completed installation of all equipment specified under the Interconnection Agreement, consistent with NERC and ERCOT guidelines as set forth in 16 TAC § 25.198;

€ the eligible Transmission Service Customer has executed an Interconnection Agreement for service under this tariff or, if necessary, requested in writing that Denton Municipal Electric Utility file a proposed unexecuted agreement with the Commission;
(D) the eligible Transmission Service Customer has arranged for Ancillary Services necessary for the transactio€(E) each wholesale load for which Transmission Service is requested maintains a power factor of 95% or greater at each point of interconnection;
(F) the Transmission Service Customer has constructed, maintains and operates the facilities on its side of each point of interconnection that are necessary to reliably interconnect and deliver power from a resource to Denton Municipal Electric Utility's transmission system and from Denton Municipal Electric Utility's transmission system to the Transmission Service Customer's loads;
(G) to the extent the Transmission Service requires the addition of facilities or upgrades to the transmission system, such facilities have been placed in service.

APPLICATION PROCEDURES

The Denton Municipal Electric Utility and the Transmission Service Customer shall comply with the application procedures for Transmission Services set forth in 16 TAC § 25.198, which shall govern such procedures.

CONSTRUCTION OF NEW FACILITIES

Construction of new facilities needed to accommodate a request for Planned Transmission Service shall be in accordance with the procedures set forth in 16 TAC § 25.198. Upon receipt of a request for Transmission Service, the Denton Municipal Electric Utility shall, if necessary, perform a System Security Study in accordance with 16 TAC § 25.198. Based on the results of the System Security Study, the Denton Municipal Electric Utility also may perform a Facilities Study, in accordance with 16 TAC § 25.198. An executed Facilities Study agreement with the Transmission Service Customer is required prior to the Denton Municipal Electric Utility performing a Facilities Study. In the event that existing facilities are inadequate to support the requested Transmission Service, Denton Municipal Electric Utility may require the Transmission Service Customer to provide a contribution in aid of construction attributable to directly assigned facilities.

LOAD SHEDDING AND CURTAILMENT

Transmission Service hereunder shall be subject to, and the Denton Municipal Electric Utility and the Transmission Service Customer will comply with, the load shedding and curtailment procedures established under 16 TAC § 25.200. Any interruption shall be based on operational factors and shall not accord a higher priority to the Denton Municipal Electric Utility's retail and wholesale customers than to its customers taking Transmission Service. Service to all customers shall be restored as quickly as possible.

PRICING FOR TRANSMISSION SERVICE WITHIN ERCOT

Charges for Transmission Service hereunder shall be in accordance with Texas Utilities Code § 35.004(d). For Transmission Service a Transmission Service Customer shall incur both an access charge, as set forth below, and loss compensation charges.

Annual Postage Stamp Charge (access charge) $0.333063 per kW of coincident peak demand determined in accordance with 16 TAC §25.192.

Monthly Postage Stamp Charge (access charge) $0.027755 per kW of coincident peak demand determined in accordance with 16 TAC §25.192.

Charges for each calendar year shall be adjusted pursuant to the schedule in the PUC's Order approving the transmission charges for that year.

PRICING FOR TRANSMISSION SERVICE FOR EXPORTS FROM ERCOT

Charges for Transmission Service for exports from ERCOT shall be in accordance with Texas Utilities Code § 35.004(d) and 16 TAC § 25.192. Transmission Service Customers exporting power from ERCOT will be assessed transmission service charges based on the amount of power actually exported and the duration of the transaction. Charges for Transmission Service for exports from ERCOT shall be determined in accordance with 16 TAC § 25.192(e) and shall be calculated using the charges set forth below:

Service Type	**Access Rate per kW of peak demand**
Hourly Rate	**$0.000038**

LOSSES

Losses shall be calculated by the Independent System Operator (ISO) in accordance with the method approved by the 16 TAC § 25.192.

RESALE OF TRANSMISSION RIGHTS

With advance written notice to the Denton Municipal Electric Utility and subject to a reasonable credit review, a Transmission Service Customer may resell any and all Transmission Service rights contracted for by the Transmission Service Customer to other wholesale market participants pursuant to 16 TAC § 25.191. The
Transmission Service Customer shall inform the Denton Municipal Electric Utility and obtain ISO approval for any resale of Transmission Service rights.

RELIABILITY GUIDELINES

To maintain reliability of the ERCOT transmission grid, Denton Municipal Electric Utility shall operate its transmission system in accordance with ERCOT Protocols, ERCOT Operating

Guides, NERC guidelines, and any other guidelines of the ISO that may apply to Denton Municipal Electric Utility' transmission system.

The Denton Municipal Electric Utility reserves the right, consistent with good utility practice and on a non-discriminatory basis, to interrupt Transmission Service without liability on the Denton Municipal Electric Utility's part for the purpose of making necessary adjustments to, changes in, or repairs to its lines, substations and other facilities, or where the continuance of Transmission Service would endanger persons or property. In the event of any adverse condition or disturbance on Denton Municipal Electric Utility's system or any other system directly or indirectly interconnected with Denton Municipal Electric Utility's system, Denton Municipal Electric Utility, consistent with Good Utility Practice, also may interrupt Transmission Service on a non-discriminatory basis in order to limit the extent or damage of the adverse condition or disturbance, to prevent damage to generating or transmission facilities, or to expedite restoration of service. The Denton Municipal Electric Utility will give the Transmission Service Customer as much advance notice as is practicable in the event of such interruption and shall restore service with due diligence.

The Transmission Service Customer's failure to respond to established emergency load shedding and curtailment procedures to relieve emergencies on Denton Municipal Electric Utility' transmission system may result in the Transmission Service Customer being deemed by Denton Municipal Electric Utility to be in default and may result in the termination of Transmission Service.

PAYMENT

Any charges due to Denton Municipal Electric Utility under this rate schedule shall be billed in accordance with 16 TAC § 25.202. Customers shall make payment to Denton Municipal Electric Utility in a manner consistent with the procedures and deadlines set forth in 16 TAC § 25.202. Any late payments by customers or customer defaults shall be handled in accordance with 16 TAC § 25.202.

CONTRACT TERM

Planned Transmission Service is available for annual service, monthly service in multiples of one-month, weekly service, and daily service. Unplanned Transmission Service is available for periods of not less than one hour or more than 30 days.

AGREEMENT

An agreement for Transmission Service containing terms and provisions consistent with 16 TAC §§ 25.191-.203 is required prior to commencement of such service. Such agreement will require approval of the City Council of Denton.

DEFINITIONS

Capitalized terms shall have the meanings set forth in 16 TAC §§ 25.5 and 25.191 .203.

AMENDMENTS TO RULES

In the event 16 TAC §§ 25.191-.203 are amended or if a new rule is adopted governing the subject matter of this tariff, this tariff shall, nevertheless, remain effective until the new tariff(s) filed pursuant to any such amendment(s) or such new rules are approved, unless the amendment(s) or new rules or an agreement of the parties provide otherwise.

PUBLIC UTILITIES COMMISSION OF TEXAS TARIFF

This Schedule WTS is subject to change. The most up to date WTS tariff rate is filed with the Public Utilities Commission of Texas

SECTION 2. The City Manager is hereby authorized to expend funds to authorize credits to Customers on their electric service bills and further to authorize cash incentives in accordance with the form and type set forth in Schedule GIP, as the installation of energy efficient upgrades is in the best interest of the City, as such will reduce energy demand and consumption, reduce the peak load of the City's electric system, reduce emissions in the state, and promote energy conservation, which are all public purposes of the City.

SECTION 3. All ordinances or parts of ordinances in force when the provisions of this ordinance became effective which are inconsistent, or in conflict with the terms or provisions contained in this ordinance are hereby repealed to the extent of any such conflict.

SECTION 4. If any section, subsection, paragraph, sentence, clause, phrase or word in this ordinance, or application thereof to any person or circumstances is held invalid by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance, and the City Council of the City of Denton, Texas, hereby declares it would have enacted such remaining portions despite any such invalidity.

SECTION 5. The rates herein adopted shall become effective, charged, and applied to all electric services rendered by the City, and all energy usage by Customers of the City effective with the first billing issued on and after October 15, 2025; and a copy of said rates shall be maintained on file in the Office of the City Secretary of the City of Denton, Texas.

SECTION 6. This ordinance shall be effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____, seconded by _____, and was passed and approved by the following vote [_____ - _____]:

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

PASSED AND APPROVED this the _____ day of _____, 2026~~5~~.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

ORDINANCE NO. 2026-_____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS, ESTABLISHING THE SCHEDULE OF RATES FOR ELECTRIC SERVICE; PROVIDING FOR A REPEALER; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The Schedule of Rates for electrical services as provided for in Chapter 26 of the City of Denton Code of Ordinances, is as follows:

ELECTRIC RATE SCHEDULES

		PAGE
RES	Residential Service	2
GS	General Service Small	4
GM	General Service Medium	6
GL	General Service Large	8
TG	General Service Time Of Use	10
GOS	Local Government Service Small	12
GOM	Local Government Service Medium	14
GOL	Local Government Service Large	16
T1	Temporary Service	18
AF	Athletic Field	20
LS	Street Lighting	22
LT	Traffic Lighting	23
UFL	Unmetered School Zone/Crossing Flashers	24
USC	Unmetered Security Camera	25
UWF	Unmetered Wi-Fi Devices	26
LO	Other Lighting	27
DD	Security Lighting	28
DSL	Non-Standard Street Lighting	30
EGR	Economic Growth Rider	32
GIP	GreenSense Incentive Program	34
ECA	Energy Cost Adjustment	35
ECA LL	Energy Cost Adjustment for Large Loads	36
TCRF	Transmission Cost Recovery Factor	37
DGR	Distributed Generation From Renewable Sources Rider	39
SFR	Special Facilities Rider	41
PAF	Pole Attachment Fee	42
BIF	Banner Install Fee	44
WNA	Wireless Node Attachments	45
EVCR	Electric Vehicle Charging Rate	47
WTS	Wholesale Transmission Service	48

RESIDENTIAL ELECTRIC SERVICE
(Effective 04/01/26)

APPLICATION

Applicable to any Customer for all electric service used for residential purposes in an individual private dwelling or an individually metered apartment, supplied at one point of delivery and measured through one meter. This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase Service (**R2**)	$ 8.80
	Three-Phase Service (**R2**)	$17.59
	Prepaid Service (**P2**)	$16.26

plus;

(2)	**Usage Charge**	**Per kWh**
	Winter (Billing months of November through April):	
	Tier 1: First 600 kWh	$0.0694
	Tier 2: Additional kWh	$0.0462
	Summer (Billing months of May through October):	
	Tier 1: All kWh	$0.0694

plus;

(3)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(4)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge as a minimum, regardless of actual energy usage.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Winter (Billing months of November through April):

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh
kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

Summer (Billing months of May through October):

Usage Charge = All kWh × Tier 1 Rate per kWh

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GS

GENERAL SERVICE SMALL
(Effective 04/01/26)

APPLICATION

Applicable to any commercial customer having a maximum demand of less than 21 kW in each of the previous twelve (12) months for all electric service supplied at one point of delivery and measured through one meter. If the demand is equal to or exceeds 21 kW in two consecutive months, account will be adjusted to bill under General Service Medium (GSM) and the Customer must remain on the GSM rate for a minimum of twelve (12) billing periods. At the end of the twelve (12) month billing period, a review will be conducted to determine if the account remains as GSM, drops to GSS or moves up to GSL at the next immediate billing period. This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase	$16.85
	Three-Phase	$22.50

plus;

(2)	**Usage Charge**	**Per kWh**
	Tier 1: First 2,500 kWh	$0.0865
	Tier 2: Additional kWh	$0.0453

plus;

(3)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(4)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge as a minimum, regardless of actual energy usage.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh

kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GM

GENERAL SERVICE MEDIUM
(Effective 04/01/26)

APPLICATION

Applicable to any commercial customer having a maximum demand that meets or exceeds 21 kW but less than 240 kW in each of the previous twelve (12) months for all electric service supplied at one point of delivery and measured through one meter. If the demand is equal to or exceeds 240 kW in two consecutive months, account will be adjusted to bill under General Service Large (GSL), and the Customer must remain on the GSL rate for a minimum of twelve (12) billing periods. At the end of the twelve (12) month billing period, a review will be conducted to determine if the account remains as GSL or drops to GSM at the next immediate billing period.

Applicable to GSM Customers utilizing City owned and operated facilities and transformation equipment and who are metered at primary voltage. (**GM2**)

Applicable to GSM Customers that own, operate, and maintain all facilities necessary to receive three-phase primary voltage service and all transformation facilities required for conversion to utilization voltage. (**GM3**)

This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**		**Per Bill**
		Single-Phase	$16.85
		Three-Phase	$22.50
plus;			
(2)	**Demand Charge**		**Per kW**
		All kW	$4.85
plus;			
(3)	**Usage Charge**		**Per kWh**
	GM	Tier 1: First 6,000 kWh	$0.0531
		Tier 2: Additional kWh	$0.0438
	GM2	Tier 1: First 6,000 kWh	$0.0521
		Tier 2: Additional kWh	$0.0428
	GM3	Tier 1: First 6,000 kWh	$0.0500
		Tier 2: Additional kWh	$0.0408

plus;

(4) **Energy Cost Adjustment Charge** **See Schedule ECA**

plus;

(5) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge plus the Demand Charge, regardless of actual energy usage.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the greater of: (1) the actual monthly kW demand as measured during the fifteen (15) minute period of maximum use each month; or (2) 21 kW; or (3) seventy percent (70%) of the maximum monthly actual demand for any month during the previous billing months of May through October in the twelve (12) months ending with the current month.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh
kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GL

GENERAL SERVICE LARGE
(Effective 04/01/26)

APPLICATION

Applicable to any commercial customer having a minimum demand of 240 kW for all electric service supplied at one point of delivery and measured through one meter. Customers who elect to discontinue service under this Rate are ineligible for service under this Rate for twelve (12) months.

Applicable to GSL Customers utilizing City owned and operated facilities and transformation equipment and who are metered at primary voltage. (**GL2**)

Applicable to GSL Customers that own, operate, and maintain all facilities necessary to receive three-phase primary voltage service and all transformation facilities required for conversion to utilization voltage. (**GL3**)

This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**		**Per Bill**
		Three-Phase	$70.10

plus;

(2)	**Demand Charge**		**Per kVA**
		All kVA	$10.96

plus;

(3)	**Usage Charge**		**Per kWh**
	GL	Tier 1: First 200,000 kWh	$0.0249
		Tier 2: Additional kWh	$0.0142
	GL2	Tier 1: First 200,000 kWh	$0.0239
		Tier 2: Additional kWh	$0.0132
	GL3	Tier 1: First 200,000 kWh	$0.0218
		Tier 2: Additional kWh	$0.0112

plus;

(4) **Energy Cost Adjustment Charge** **See Schedule ECA**

plus;

(5) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge plus the Demand Charge, regardless of actual energy usage.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the greater of: (1) the actual monthly kVA demand as measured during the fifteen (15) minute period of maximum use each month; or (2) 250 kVA; or (3) seventy percent (70%) of the maximum monthly kVA actual demand for any month during the previous billing months of May through October in the twelve (12) month period ending with the current month.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh
kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE TG

GENERAL SERVICE TIME OF USE
(Effective 04/01/26)

APPLICATION

Applicable to any Customer having a minimum demand of 240 kW for all electric service supplied at one point of delivery and measured through one meter. Customers electing this Rate must remain on this Rate for a minimum of twelve (12) continuous billing months. If the Customer is new or does not have a history of on-peak use for June through September, and elects to accept service on the TGS Rate, the Customer's demand shall be billed at the GSL Demand Rate until the Customer establishes a separate on-peak and off-peak demand during an on-peak month.

Applicable to TGS Customers utilizing City owned and operated facilities and transformation equipment and who are metered at primary voltage. (**TG2**)

Applicable to TGS Customers that own, operate, and maintain all facilities necessary to receive three-phase primary voltage service and all transformation facilities required for conversion to utilization voltage. (**TG3**)

This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Three-Phase	$81.75

plus;

(2)	**Demand Charge**	**Per kVA**
	On-Peak	$13.97
	Off-Peak	$ 2.76

plus;

(3)	**Usage Charge**	**Per kWh**
	TG All kWh	$0.0083
	TG2 All kWh	$0.0073
	TG3 All kWh	$0.0053

plus;

(5)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(6) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING
For each billing period, the Customer shall be obligated to pay the Facility Charge plus the On-Peak and Off-Peak Demand Charges, regardless of actual energy usage.

DEFINITION OF TIME OF USE HOURS
The City's on-peak hours, for the purpose of this rate schedule, are designated as being from 2:00 P.M. to 7:00 P.M. each Monday through Friday, for the months of June through September excluding Independence Day and Labor Day. The City's on-peak hours may be changed from time to time.

The City's off-peak hours, for the purpose of this rate schedule, shall be all hours not designated as on-peak hours.

DETERMINATION OF DEMAND
On-Peak Demand Charge for the billing period shall be the greater of: (1) the kVA actual demand supplied during the fifteen (15) minute period of maximum use each month during on-peak hours as recorded by the City's demand meter; or (2) 250 kVA; or (3) one hundred percent (100%) of the actual maximum on-peak demand similarly determined during the billing months of June through September in the twelve (12) months immediately preceding the current month. The On-Peak Demand Charge will be applied to each billing period.

Off-Peak Demand Charge for the billing period shall be the greater of: (1) the kVA actual demand supplied during the fifteen (15) minute period of maximum use each month during on-peak hours as recorded by the City's demand meter; or (2) 250 kVA. The Off-Peak Demand Charge will be applied to each billing period.

USAGE CHARGE
Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = All kWh × Rate per kWh

SPECIAL FACILITIES
All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT
Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GOS

LOCAL GOVERNMENT SERVICE SMALL
(Effective 04/01/26)

APPLICATION

Applicable to any local City, County or School District customer having a maximum demand of less than 21 kW in each of the previous twelve (12) months for all electric service supplied at one point of delivery and measured through one meter. If the demand equals or exceeds 21 kW in two consecutive months, account will be adjusted to bill under Local Government Service Medium (GOM), and the Customer must remain on the GOM Rate for a minimum of twelve (12) billing periods. This Rate is not applicable to resale service in any event, or to temporary, standby or supplementary service.

NET MONTHLY RATE

Facility Charge		**Per Bill**
	Single-Phase	$16.85
	Three-Phase	$22.50

plus;

(2) **Usage Charge**		**Per kWh**
	Tier 1: First 2,500 kWh	$0.0865
	Tier 2: Additional kWh	$0.0453

plus;

(3) **Energy Cost Adjustment Charge** **See Schedule ECA**

plus;

(4) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge as a minimum, regardless of actual energy usage.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = All kWh × Rate per kWh

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE GOM

LOCAL GOVERNMENT SERVICE MEDIUM
(Effective 04/01/26)

APPLICATION

Applicable to any local City, County, or School District customer having a maximum demand that meets or exceeds 21 kW but less than 240 kW in each of the previous twelve (12) months for all electric service supplied at one point of delivery and measured through one meter. If the demand is equal to or exceeds 240 kW in two consecutive months, account will be adjusted to bill under Local Government Service Large (GOL), and the customer must remain on the GOL rate for a minimum of twelve (12) billing periods. This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase	$16.85
	Three-Phase	$22.50

plus;

(2)	**Demand Charge**	**Per kW**
	All kW	$4.85

plus;

(3)	**Usage Charge**	**Per kWh**
	Tier 1: First 6,000 kWh	$0.0531
	Tier 2: Additional kWh	$0.0438

plus;

(4)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(5)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge plus the Demand Charge, regardless of actual energy usage.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the greater of: (1) The actual kW demand supplied during the fifteen (15) minute period of maximum use each month; or (2) fifty percent (50%) of the maximum monthly actual demand for any month during the previous billing months of May through October in the twelve (12) months ending with the current month.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 kWh × Rate per kWh
kWh in Tier 2 kWh x Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

The due date for the payment of the bill for utility services shall not be less than ten (10) business days after issuance.

SCHEDULE GOL

LOCAL GOVERNMENT SERVICE LARGE
(Effective 04/01/26)

APPLICATION

Applicable to any local City, County, or School District customer having a minimum demand of 240 kW for all electric service supplied at one point of delivery and measured through one meter. Customers who elect to discontinue service under this Rate are ineligible for service under this Rate for twelve (12) months.

Applicable to GOL Customers utilizing City owned and operated facilities and transformation equipment and who are metered at primary voltage. (**GO2**)

Applicable to GOL Customers that own, operate, and maintain all facilities necessary to receive three-phase primary voltage service and all transformation facilities required for conversion to utilization voltage. (**GO3**)

This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service.

MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Three-Phase	$70.10

plus;

(2)	**Demand Charge**	**Per kVA**
	All kVA	$10.96

plus;

(3)	**Usage Charge**		**Per kWh**
	GOL	Tier 1: First 200,000 kWh	$0.0249
		Tier 2: Additional kWh	$0.0142
	GO2	Tier 1: First 200,000 kWh	$0.0239
		Tier 2: Additional kWh	$0.0132
	GO3	Tier 1: First 200,000 kWh	$0.0218
		Tier 2: Additional kWh	$0.0112

plus;

(4) **Energy Cost Adjustment Charge** **See Schedule ECA**

plus;

(5) **Transmission Cost Recovery Factor** **See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge plus the Demand Charge, regardless of actual energy usage.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the greater of: (1) the actual monthly kVA demand as measured during the fifteen (15) minute period of maximum use each month; or (2) fifty percent (50%) of the maximum monthly kVA actual demand for any month during the previous billing months of May through October in the twelve (12) month period ending with the current month.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = kWh in Tier 1 × Tier 1 Rate per kWh
kWh in Tier 2 × Tier 2 Rate per kWh, if applicable

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE T1

TEMPORARY SERVICE
(Effective 04/01/26)

APPLICATION

Applicable to short term or temporary electric service where a Customer has received a permit. This Rate is not applicable after the certificate of occupancy or building final inspection has been issued.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase	$16.86
	Three-Phase	$22.52

plus;

(2)	**Usage Charge**	**Per kWh**
	All kWh	$0.0867

plus;

(3)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(4)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge regardless of actual energy usage.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = All kWh × Rate per kWh

ADDITIONAL TEMPORARY SERVICE CHARGES

Labor	Regular time or overtime labor hourly rates in effect at the time the work is performed for all personnel performing the work. Labor charges shall be based on a one (1) hour minimum with all additional time above the minimum to be measured to the nearest one-quarter hour.
Transportation	To be billed by hours or miles, as applicable, according to the estimated cost of operating the required equipment.
Material	Material that cannot be salvaged shall be billed at the City's Warehouse cost plus twenty five percent (25%), plus applicable sales tax. At the time a temporary service is removed or converted, any loss of the installed material due to negligence or willful action by the Customer will be billed separately to the Customer at replacement cost plus twenty five percent (25%), plus applicable sales tax.
Administrative Fee	Ten percent (10%) of the total labor, transportation, and material costs.

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE AF

ATHLETIC FIELD
(Effective 04/01/26)

APPLICATION

Applicable to all electric service metered at one point for use to light specified areas for athletic events. This Rate is not applicable to resale service in any event, or to temporary, standby, or supplementary service except in conjunction with applicable rider.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Single-Phase	$23.09
	Three-Phase	$34.62

plus;

(2)	**Demand Charge**	**Per kW**
	On-Peak	$6.15
	Off-Peak	$1.46

plus:

(3)	**Usage Charge**	**Per kWh**
	On-Peak	$0.0992
	Off-Peak	$0.0496

plus;

(4)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

plus;

(5)	**Transmission Cost Recovery Factor**	**See Schedule TCRF**

MINIMUM BILLING

For each billing period, the Customer shall be obligated to pay the Facility Charge, regardless of actual energy usage.

DEFINITION OF ON-PEAK AND OFF-PEAK HOURS

The City's on-peak hours, for the purpose of this rate schedule, are designated as being from 2:00 P.M. to 7:00 P.M., for the months of June through September. The City's on-peak hours may be changed from time to time.

The City's off-peak hours, for the purpose of this rate schedule, shall be all hours not designated as on-peak hours.

DETERMINATION OF DEMAND

The demand used in calculating the Demand Charge for the billing period shall be the actual kW demand supplied during the fifteen (15) minute period of maximum use during the current billing period as determined by the City's demand meter.

USAGE CHARGE

Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.

Usage Charge = On-Peak kWh × Rate per kWh
Off Peak kWh × Rate per kWh

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer’s service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE LS

STREET LIGHTING
(Effective 04/01/26)

APPLICATION

Applicable to all street lighting owned and maintained by the City.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Luminaire Style Type	
	100 W Sodium Cobra (LSA)	$6.17
	250 W Sodium Cobra (LSB)	$8.75
	400 W Sodium Cobra (LSC)	$11.02
	100 W LED Cobra (LSD)	$6.17
	250 W LED Cobra (LSE)	$8.75
	400 W LED Cobra (LSF)	$11.02
	85 W LED Post (LSG)	$11.02

plus;

(2)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

ENERGY COST ADJUSTMENT CHARGE

Current ECA multiplied by respective kWh based on the following Bulb Wattage Factors:

Luminaire Type	Bulb Wattage Factor
100 W Sodium (LSA)	48 kWh
250 W Sodium (LSB)	105 kWh
400 W Sodium (LSC)	159 kWh
100 W LED (LSD)	25 kWh
250 W LED (LSE)	96 kWh
400 W LED (LSF)	148 kWh
85 W LED (LSG)	23 kWh

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

TRAFFIC LIGHTING
(Effective 04/01/26)

APPLICATION

Applicable to State and Local Government agencies that operate and maintain their own traffic signals.

METERED TRAFFIC LIGHTING NET MONTHLY RATE (LT)

(1)	Usage Charge	$0.0674 per kWh
plus;		
(2)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(3)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE
Billing for the Metered Traffic Lighting Usage Charge shall be based on actual kWh consumption during the billing period. Usage Charge = All kWh x Rate per kWh

UNMETERED TRAFFIC LIGHTING NET ANNUAL RATE (ULT)

(1)	Usage Charge	$0.0674 per kWh
plus;		
(2)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(3)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE
Billing for the Unmetered Traffic Lighting Usage Charge shall be based on historical recorded annual kWh consumption. Usage Charge = All kWh x Rate per kWh

Annual Usage = 904 kWh per account

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE UFL

UNMETERED SCHOOL ZONE/CROSSING FLASHERS
(Effective 04/01/26)

APPLICATION

Applicable to local government agencies that operate and maintain their own unmetered school zone/crossing flashers.

NET ANNUAL RATE

(1)	Usage Charge	$0.0674per kWh
plus;		
(2)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(3)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE

Billing for the Usage Charge shall be based on historical recorded annual kWh consumption. The total billed usage divided by number of school zone/crossing flashers will determine the average kWh usage. This average consumption will be billed for each school zone/crossing flasher once every twelve (12) months at the end of the fiscal year. Any accounts that are added during the year will be billed on prorated consumption.

Usage Charge = All kWh × Rate per kWh

Annual Usage = 48 kWh per account

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE USC

UNMETERED SECURITY CAMERA
(Effective 04/01/26)

APPLICATION

Applicable to Local Government agencies that operate and maintain their own unmetered security cameras.

NET ANNUAL RATE

(1)	Facility Charge	$18.09 per bill
plus;		
(2)	Usage Charge	$0.0674 per kWh
plus;		
(3)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(1)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE

Billing for the Usage Charge shall be based on technical information of installed equipment. This calculated consumption will be billed for each camera once every twelve (12) months at the end of the fiscal year. Any accounts that are added during the year will be billed on prorated consumption.

Usage Charge = annual kWh per camera × kWh Rate

Annual Usage = 300 kWh per camera per account

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE UWF

UNMETERED WI-FI DEVICES
(Effective 04/01/26)

APPLICATION

Applicable to local government agencies that operate and maintain their own unmetered Wi-Fi devices.

NET ANNUAL RATE

(1)	Facility Charge	$18.09 per bill
plus;		
(2)	Usage Charge	$0.0674 per kWh
plus;		
(3)	Energy Cost Adjustment Charge	See Schedule ECA
plus;		
(4)	Transmission Cost Recovery Factor	See Schedule TCRF

USAGE CHARGE

Billing for the Usage Charge shall be based on technical information of installed equipment. This calculated consumption will be billed for each device once every twelve (12) months at the end of the fiscal year. Any accounts that are added during the year will be billed on prorated consumption.

Usage Charge = annual kWh per device × kWh Rate

Annual Usage = 300 kWh per device per account

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE LO

OTHER LIGHTING
(Effective 04/01/26)

APPLICATION

Applicable to Texas Department of Transportation unmetered and metered safety lighting systems and continuous lighting systems as those terms are defined in Texas Administrative Code, Title 43, Part 1, Chapter 25, Subchapter A, Rule §25.11.

METERED LIGHTING NET MONTHLY RATE (LOB)

(1)	Usage Charge	$0.0674 per kWh

plus;

(2)	Energy Cost Adjustment Charge	See Schedule ECA

METERED LIGHTING USAGE CHARGE (LOB)
Billing for the Usage Charge shall be based on actual kWh consumption during the billing period.
Usage Charge = All kWh × Rate per kWh

UNMETERED LIGHTING NET MONTHLY RATE (LOA)

(1)	Usage Charge	$0.0674 per kWh

plus;

(2)	Energy Cost Adjustment Charge	See Schedule ECA

UNMETERED LIGHTING USAGE CHARGE (LOA)
Billing for the Usage Charge shall be based on estimated kWh consumption during the billing period.
Usage Charge = (kWh Rate x Bulb Wattage/1000) x (Hours of Operation per Billing Period)

Hours of Operation per Billing Period = 333 hours
Bulb Wattage is the rated wattage of the luminaire bulb

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE DD

SECURITY LIGHTING
(Effective 04/01/26)

APPLICATION

Applicable to all outdoor area lighting when such lighting facilities are operated as an extension of the City's distribution system.

NET MONTHLY RATE

(1)	**Facility Charge**	**Per Bill**
	Luminaire Type	
	100 W Sodium Vapor (DSA)	$ 9.75
	250 W Sodium Vapor (DSB)	$12.90
	400 W Sodium Vapor (DSC)	$15.55
	250 W Metal Halide (DHA)	$15.17
	400 W Metal Halide (DHB)	$18.09
	100 W Equivalent LED (DSD)	$ 9.75
	250 W Equivalent LED (DSE)	$12.90
	400 W Equivalent LED (DSF)	$15.55

plus;

(2)	**Energy Cost Adjustment Charge**	**See Schedule ECA**

ENERGY COST ADJUSTMENT CHARGE

Current ECA multiplied by respective kWh based on the following Bulb Wattage Factors:

Luminaire Type	Bulb Wattage Factor
100 W Sodium Vapor (DSA)	48 kWh
250 W Sodium Vapor (DSB)	105 kWh
400 W Sodium Vapor (DSC)	159 kWh
250 W Metal Halide (DHA)	105 kWh
400 W Metal Halide (DHB)	159 kWh
100 W Equivalent LED (DSD)	25 kWh
250 W Equivalent LED (DSE)	96 kWh
400 W Equivalent LED (DSF)	148 kWh

TYPE OF SERVICE

The City shall furnish, install, maintain and deliver electric service to automatically controlled lighting fixtures conforming to the City's standards and subject to its published rules and regulations.

Where necessary for proper illumination or where existing poles are inadequate, the City will install or cause to be installed, one (1) wood pole with the necessary lighting hardware and overhead conductor for each installed light, at a distance not to exceed eighty (80') feet from existing lines, at no charge to the Customer. Additional contractual arrangements between the City and the Customer are subject to the Special Facilities Rider.

TERM OF CONTRACT

A two (2) year contract shall be agreed to and signed by each Customer desiring security lighting service authorizing fixed monthly charges, which may be reviewed annually, and to be applied to the Customer's monthly municipal utilities bill. In the event that a Customer requests the removal of the unit or discontinuance of the service prior to completion of two (2) years, the remainder of the contract period shall become due and payable. After the end of the initial two (2) year contract, service shall continue on a month-to-month basis and may be canceled by either party upon thirty (30) days' notice.

SPECIAL FACILITIES

All services which require special facilities in order to meet Customer's service requirements shall be provided, subject to Special Facilities Rider.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE DSL

NON-STANDARD STREET LIGHTING
(Effective 04/01/26)

APPLICATION

Applicable to street lighting owned and maintained by the Customer. Availability of this service is contingent on the existence of an executed Special Facilities Rider between the legally responsible party and the City under which the legally responsible party accepts all responsibilities, both legal and financial, related to operation and maintenance of the subject lights, including but not limited to payment of all applicable energy charges.

NET MONTHLY RATE

(1)	Facility Charge	$ 9.32 per bill

plus;

(2)	Usage Charge	$0.0674per kWh

plus;

(3)	Energy Cost Adjustment Charge	See Schedule ECA

USAGE CHARGE

Current usage charge and ECA rates are multiplied by respective kWh based on the following Bulb Wattage Factors:

Luminaire Type	Bulb Wattage Factor
100 W Sodium Vapor (DLSA)	48 kWh
250 W Sodium Vapor (DLSB)	105 kWh
400 W Sodium Vapor (DLSC)	159 kWh
250 W Metal Halide (DLHA)	105 kWh
400 W Metal Halide (DLHB)	159 kWh

ADDITIONAL SERVICE CHARGES

If the City is required to maintain the privately owned lights to ensure public safety, the owner of the lights may be subject to additional service charges. The additional service charges shall be the actual cost of performing any work required to perform the necessary maintenance including but not limited to:

Labor Regular time or overtime labor hourly rates in effect at the time the work is

	performed for all personnel performing the work. Labor charges shall be based on a one (1) hour minimum with all additional time above the minimum to be measured to the nearest one-quarter hour.
Transportation	To be billed by hours or miles, as applicable, according to the estimated cost of operating the required equipment.
Material	Any material needed to repair and/or maintain facilities will be billed at City Warehouse cost plus twenty five percent (25%).
Administrative Fee	Ten percent (10%) of the total labor, transportation, and material costs.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE EGR

ECONOMIC GROWTH RIDER
(Effective 04/01/26)

PURPOSE

The purpose of this Rider is to facilitate local economic growth and expand the ad valorem tax base of the City.

AVAILABILITY

This Rider is available to the Customers who:

(1) Receive service from Rate Schedules GSL or TGS; and

(2) Pay City ad valorem tax; and

(3) Receive no electric service discounts other than those specifically defined in the GSL or TGS Rate Schedules.

APPLICATION

This Rider is available to electric service supplied at any one location. It is for firm electric service applicable to new and existing customers as described below, over a five (5) year period. This Rider is available to the following classes of customers:

(1) New Customers whose electric service represents demand not previously served by the City at any location in the City's service area in the last twelve (12) months, where such metered demand will be in excess of 1,000 kVA and customer load factor must be greater than the City's electric system load factor, as estimated and mutually agreed upon by the General Manager of the City's electric utility and the Customer.

(2) Existing Customers served under Rate Schedules GSL or TGS who increase their prior existing metered demand by 1,000 kVA and customer load factor must be greater than the City's electric system load factor. This increase shall be verified by sub-metering (at the Customer's expense) the additional load. If sub-metering is not possible, at the discretion of the General Manager of the City's electric utility, the increase may be verified by comparing a three-month rolling average of the new level of demand to the prior demand averaged for corresponding months. During periods in which this verification method cannot be applied, the General Manager and the Customer may develop a mutually agreed-upon formula to estimate the base and additional demand levels.

In light of additional costs associated with the Economic Growth Rider and to mitigate potential risk to ratepayers, any participant in the Economic Growth Rider must be, at the time this Rider is applied for and continuing while such Rider is in effect, a Customer in good standing of all City utilities, including solid waste services. Unless legal review procedures have been invoked in good faith regarding the obligation, a Customer in good standing for the purpose of this Rider is defined as a Customer not owing any unpaid utility or solid waste debt obligation that is over forty-five (45) days past due to the City during the previous twelve (12) months.

NET MONTHLY RATE

The Customer shall be charged under the appropriate applicable rate schedules with the exception that the monthly billing demand (for the GSL Rate) or system demand and on-peak demand (for the TGS Rate) will be adjusted in accordance with the following table:

Time Period	Reduction to Billing Demand
First Year	50%
Second Year	40%
Third Year	30%
Fourth Year	20%
Fifth Year	10%

CONTRACT PERIOD

The term of the contract will be for five (5) years.

SCHEDULE GIP

GREENSENSE INCENTIVE PROGRAM
(Effective 04/01/26)

PROGRAM SUMMARY

The objective of the GreenSense Incentive Program ("Program") is to reduce energy demand and consumption by promoting energy conservation, thereby reducing the utility bills of City Customers, reducing the peak load of the City's electric system, reducing emissions in the state, and promoting energy conservation. The Program offers incentives that may be distributed in the form of credits on the electric service bills or cash incentives to City retail customers.

Any participant in the GreenSense Incentive Program must be, at the time this program is applied for and continuing while such program is in effect, a Customer in good standing of all City utilities, including solid waste services. Unless legal review procedures have been invoked in good faith regarding the obligation, a Customer in good standing for the purpose of this Program is defined as a Customer not owing any unpaid utility or solid waste debt obligation that is over forty-five (45) days past due to the City during the previous twelve (12) months.

Program applicants will be able to qualify for multiple incentives simultaneously, unless specified in the individual guidelines. A separate application may be necessary for each incentive. The Program will be in effect each fiscal year beginning on October 1, until the allotted funding is depleted or until cancellation of the program by the City. At the time the funds are depleted, no additional applications for participation will be accepted until the next fiscal year.

Qualifying applicants must receive electric service from the City. The program guidelines and payment provisions are subject to change by the City without prior notice. The City may, at any time, discontinue the Program without prior notice. The current program guidelines may be found in the GreenSense Incentive Program Manual located at www.cityofdenton.com.

SCHEDULE ECA

ENERGY COST ADJUSTMENT
(Effective 04/01/26)

The Energy Cost Adjustment (ECA) Rate shall be set to recover the net cost of energy delivered to Customers that are not Large Load Customers and to maintain the City's electric utility in a financially sound position.

NET MONTHLY RATE

(1) **Energy Cost Adjustment Charge** **$0.0462 per kWh**

ENERGY COST ADJUSTMENT BALANCING ACCOUNT CALCULATION

The ECA Balancing Account shall be calculated using the following formula:

ECA Balancing Account = (Beginning ECA Account Balance) – (Projected Net Energy Cost)

Where:

Projected Net Energy Cost = For the next fiscal quarter, the electric utility's projected cost of electric load purchases from ERCOT plus all projected electric utility power/energy related costs for that same period including, but not limited to, power production (excluding the Denton Energy Center debt); purchased power; applicable transmission services, losses and congestion; other ERCOT charges; renewable energy credits; and financial and/or physical power/energy trades (including natural gas); less all projected revenue to be received by the electric utility for power/energy related sales and/or trades; plus applicable Franchise Fees and required ROI.

ENERGY COST ADJUSTMENT CALCULATION

ECA = [(Projected Net Energy Cost) + (ECA Balancing Account)] / (Projected kWh sales)

ENERGY COST ADJUSTMENT CHARGE

The Energy Cost Adjustment Charge shall be based on actual kWh consumption during the billing period. Energy Cost Adjustment Charge = kWh × ECA Rate

The General Manager of the City's electric utility or their designee shall calculate the ECA Balancing Account monthly. In the event that the ECA Balancing Account calculated during the last month of each fiscal quarter (December, March, June, and September) is projected to be over or under collected by $20,000,000 or more at the end of the next 4 quarters, the General Manager or their designee may recommend to the PUB and City Council a revision to the ECA to maintain the City's electric utility in a financially sound position. Any change to the ECA will be placed on the City Council's consent agenda.

SCHEDULE ECA LL

ENERGY COST ADJUSTMENT FOR LARGE LOADS
(Effective 04/01/26)

The Energy Cost Adjustment (ECA) for Large Loads (LL) Rate shall be set to recover the net cost of energy delivered to Large Load Customers and to maintain the City's electric utility in a financially sound position. This rate applies to all Large Load customers regardless of their actual monthly usage. Large Load Customers are defined as customers whose planned or actual single point of delivery meets or exceeds 20MW.

NET MONTHLY RATE

(1) **Energy Cost Adjustment for Large Load Charge** **$0.0606 per kWh**

ENERGY COST ADJUSTMENT BALANCING ACCOUNT CALCULATION

The ECA Balancing Account shall be calculated using the following formula:

ECA Balancing Account = (Beginning ECA LL Account Balance) – (Projected Net Energy Cost for Large Load)

Where:

Projected Net Energy Cost = For the next fiscal quarter, the electric utility's projected cost of electric load purchases from ERCOT to feed Large Loads plus all projected Large Load related electric utility power/energy related costs for that same period including, but not limited to, purchased power; applicable transmission services, losses and congestion; other ERCOT charges; renewable energy credits; and financial and/or physical power/energy trades (including natural gas); less all projected revenue to be received by the electric utility for Large Load related power/energy related sales and/or trades; plus applicable Franchise Fees and required ROI.

ENERGY COST ADJUSTMENT CALCULATION
ECA LL = [(Projected Large Load Net Energy Cost) + (ECA LL Balancing Account)] / (Projected Large Load kWh sales)

ENERGY COST ADJUSTMENT CHARGE

The Energy Cost Adjustment Large Load Charge shall be based on actual kWh consumption during the billing period. Energy Cost Adjustment Charge for Large Load = kWh × ECA LL Rate

The General Manager of the City's electric utility or their designee shall calculate the ECA LL Balancing Account monthly. In the event that the ECA LL Balancing Account calculated during the last month of each fiscal quarter (December, March, June, and September) is projected to be below $0 to $20,000,000 or more at the end of the next 4 quarters, the General Manager or their designee may recommend to the PUB and City Council a revision to the ECA LL to maintain the City's electric utility in a financially sound position. Any change to the ECA LL will be placed on the City Council's consent agenda.

SCHEDULE TCRF

TRANSMISSION COST RECOVERY FACTOR
(Effective 04/01/26)

The Transmission Cost Recovery Factor (TCRF) Rate shall be set to recover the costs of transmission service paid by DME to other transmission owners within the boundaries of the Electric Reliability Council of Texas ("ERCOT") region. The TCRF Rate shall be reviewed on a quarterly basis and adjusted as defined below. The TCRF Rate charges are pass-through charges to customers in order to maintain the City's electric utility in a financially sound position.

NET MONTHLY RATE	$0.0156 Per kWh
Residential	
General Service Small	
Local Government Service Small	
Temporary Service	
Athletic Field	
Traffic Lighting	
Unmetered Traffic Lighting	
Unmetered School Zone/Crossing	
Unmetered Security Camera	
Unmetered Wi-Fi Devices	

NET MONTHLY RATE	$4.45 Per kW
General Service Medium	
Local Government Service Medium	

NET MONTHLY RATE	$6.16 Per kVA
General Service Large	
Local Government Service Large	
General Service Time Of Use	

TRANSMISSION COST RECOVERY FACTOR BALANCING ACCOUNT CALCULATION
The TCRF shall be calculated using the following formula:

> TCRF Annual Billing = (Actual monthly net TCOS billing amounts charged by ERCOT transmission service providers to the City) + (Projected increases or decreases pursuant to PUCT-approved TCOS billing amount charges to ERCOT utilities) + (applicable Franchise Fees and required ROI)

During the last month of each fiscal year quarter (December, March, June, and September), the General Manager of the City's electric utility or their designee shall calculate the TCRF Balancing Account. The TCRF charge will be developed by the City for each applicable customer billing schedule herein, based on projected kWh sales for billing schedules without a demand component and on monthly peak kW or kVA for billing schedules with a demand component. The cumulative forecasted TCRF revenues from all rate classes shall fully recover the TCRF Annual Billing. The General Manager or their designee may recommend to the PUB and City Council a revision to the

TCRF to maintain the City's electric utility in a financially sound position. Any change to the TCRF will be placed on the City Council's consent agenda.

TCRF rate class allocation amount = [(TCRF annual billing) x (Projected rate class kWh usage)] / (Total projected usage for all rate classes).

SCHEDULE DGR

DISTRIBUTED GENERATION FROM RENEWABLE SOURCES RIDER
(Effective 04/01/26)

APPLICATION

This Rider is available to retail Customers receiving electric service under a City electric rate schedule who owns and operates an on-site generating system powered by a renewable resource capable of producing power, and which is interconnected with the City's electric system. Systems greater than 20 kW may be required to enter into a Purchase Power Agreement (PPA) applicable to their specific situation in lieu of this rate schedule. Renewable energy technology is any technology that exclusively relies on an energy source that is naturally regenerated over a short time and derived directly or indirectly from the sun or wind. A renewable energy technology does not rely on energy resources derived from fossil fuels, waste products from fossil fuels, or waste products from inorganic sources.

This Rider applies to a Customer-owned generating system that primarily offsets all or part of the Customer's electric service provided by the City. If the Customer-owned generating system is sized such that it produces energy in excess of a Customer's electric consumption, special arrangements and a contract may be necessary. The current interconnection guidelines may be found in the Distributed Generation Manual located at www.cityofdenton.com.

In light of additional costs associated with the Distributed Generation From Renewable Sources Rider and to mitigate potential risk to ratepayers, any participant in the Distributed Generation From Renewable Sources Rider must be, at the time this Rider is applied for and continuing while such Rider is in effect, a Customer in good standing of all City utilities, including solid waste services. Unless legal review procedures have been invoked in good faith regarding the obligation, a Customer in good standing for the purpose of this Rider is defined as a Customer not owing any unpaid utility or solid waste debt obligation that is over forty-five (45) days past due to the City during the previous twelve (12) months.

CONDITIONS OF SERVICE

All charges, character of service, and terms and conditions of the electric rate schedule under which the Customer receives service shall apply except as expressly altered by this Rider. This Rider is subject to change at any time.

The Customer shall comply with the City's current technical requirements for distributed generation interconnection. The Customer shall obtain approval from the City prior to the installation of the on-site generating system. The Customer shall submit to the City a completed interconnection application form and signed Agreement for Interconnection and Parallel Operation of Distributed Generation before the system installation. The minimum term of an agreement under this Rider is one year, extended automatically unless terminated by either party with sixty (60) days advance written notice.

The Customer is responsible for the costs of interconnecting with the City's electric system, including transformers, service lines, or other equipment determined necessary by the City for safe installation and operation of the Customer's equipment with the City's electric system. The

Customer is responsible for any costs associated with required inspections and permits.

METERING

Metering under this Rider shall be performed by a single meter capable of registering the flow of electricity in two directions (delivered by the City's electric system to the Customer and delivered to the City's electric system by the Customer's system) to determine the Customer's generation delivered to the City.

The Value of Solar (VOS) Rate

Applicable to any customer receiving City electric service that owns an on-site distributed generation (DG) system powered by solar which is interconnected with the City's electric system and does not otherwise have a purchase power agreement with the City.

MONTHLY RATE

(1) **Value of Solar Rate** **$0.0500 per kWh**

VALUE OF SOLAR CALCULATION

VOS Credit = (all kWh delivered from customer DG to DME) * (VOS Rate)

The Value of Solar credit will be applied monthly based on all kWh delivered from Customer to City's electric system during the billing period regardless of customer usage during that month.

Beginning in the billing period after a Customer receives approval from the City, to interconnect the Customer's on-site generating system; all energy generated by the Customer's system and delivered to the City's electric system will be considered renewable energy. The Customer shall be billed for all energy delivered by the City to the Customer under the approved rates.

Any Billing Period Credit shall be applied to the utility charges due from the Customer to the City for the billing period.

INDEMNIFICATION

The Customer operating the renewable distributed generation system indemnifies the City and holds the City harmless for all damages and injuries to the City, the Customer, or others arising out of Customer's use, ownership or operation of Customer's distributed generation facilities in parallel with the City's system. Customer is solely responsible for providing adequate protection for operating in parallel with the City's system in such a manner that faults or other disturbances on the City's system do not cause damage to the Customer's distributed generation equipment.

SCHEDULE SFR

SPECIAL FACILITIES RIDER
(Effective 04/01/26)

(1) All service shall be offered from available facilities. If a Customer's service characteristics require facilities and devices not normally and readily available at the location where the Customer requests service, the total cost incurred by the City for all facilities installed, buried, relocated and/or removed shall be the responsibility of the Customer and subject to a contract entered between the City and the Customer. This contract shall be signed by both parties prior to the City providing service to the Customer.

(2) Any contract under this rider is subject to the following approvals:

(a) If the total value of the contract is less than $100,000, the contract may be approved by the City Manager, or their designee. If a contract under this subsection is not approved by the City Manager, or their designee, then it must be recommended for approval by the Public Utilities Board and approved by the City Council.

(b) If the total value of the contract is equal to or greater than $100,000, the contract must be recommended for approval by the Public Utilities Board and approved by the City Council.

SCHEDULE PAF

POLE ATTACHMENT FEE
(Effective 04/01/26)

APPLICATION

This Rate is available to a licensee ("Licensee" or "licensee") who desires to access designated poles or conduits owned by the City for the purpose of installing and maintaining their facilities and associated equipment to provide services to the public. An agreement between such entity and the City or its contractor shall be executed on a separate form, but will reference, the following rate schedule:

$$\text{Rate} = \text{Space Factor} \times \text{Cost}$$

$$\text{Space Factor} = \frac{[(\text{Space Occupied}) + (2/3 \times (\text{Unusable Space} \div \text{No. of Attaching Entities}))]}{(\text{Pole Height})}$$

Cost:

in Service Areas where the number of Attaching Entities is 5 = 0.66 x (Net Cost of Bare Pole) x Carrying Charge Rate

in Service Areas where the number of Attaching Entities is 4 = 0.56 x (Net Cost of Bare Pole) x Carrying Charge Rate

in Service Areas where the number of Attaching Entities is 3 = 0.44 x (Net Cost of Bare Pole) x Carrying Charge Rate

in Service Areas where the number of Attaching Entities is 2 = 0.31 x (Net Cost of Bare Pole) x Carrying Charge Rate

NET ANNUAL RATE

(1) Annual Pole Attachment ("APA") Distribution

$/attachment/year	**2 Attachers**	**3 Attachers**	**4 Attachers**	**5 Attachers**
	$19.86	$19.78	$19.83	$19.59

plus;

(2) APA Transmission

$/attachment/year	**2 Attachers**	**3 Attachers**	**4 Attachers**	**5 Attachers**
	$410.93	$403.94	$399.99	$390.72

Note: Annual Rates (2) and (3) listed above are not available on all poles nor in all areas across the City.

MISCELLANEOUS

(1)	Unauthorized Attachment Penalty	$1,000 per attachment per pole
(2)	Undefined Work or Expense	Rate pursuant to Schedule SFR

APPLICATION AND MAKE READY COSTS

Licensees will be required to pay for any work done or contracted by the City, including but not limited to any application fees, analysis, make ready work and any installed, used or maintained facilities in violation of the Agreement that the licensee has not corrected. The City or its Contractor will invoice licensee, and licensee must pay, for identified expenses as needed before any work will begin and shall include all reasonable fully loaded material (including any applicable overhead), labor, engineering, transportation and administrative costs. These fees will be as set forth in the contract agreement with the third-party contractor who provides such services, if applicable.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE BIF

BANNER INSTALL FEE
(Effective 04/01/26)

APPLICATION

Applicable to any person who has completed an application and received approval from the City to have a banner installed on facilities owned by the City for the purpose of marketing and publicizing community events shall be assessed a fee based on the following schedule:

NET ANNUAL RATE

Over the Street Banner Install	$100.00 per banner
Pole One Time Banner Install	$15.00 per banner
Pole Seasonal Banner Install	$27.00 per banner

TERMS AND CONDITIONS OF SERVICE

Persons requesting the City install an Over the Street Banner must provide the City with a banner that is no more than three (3) feet tall by thirty-five (35) feet in length with six (6) feet of rope. All Over the Street Banners must be made out of mesh only (fish net type material). A sample of the banner material is recommended for approval. The City's Building Inspections Department requires an application and permit fee of sixty (60) dollars for installation of an Over the Street Banner which needs to be completed prior to contacting the City's electric utility.

Persons requesting the City install a Pole Banner must provide the City's electric utility with a banner that is no more than thirty (30) inches tall by eighty (80) inches in length with openings of two (2) inches. Pole Banners are required to be made of weather beater or vinyl material only. The appropriate application for each type of banner must be completed prior to installation and returned to a representative of the City's Electric Operations and Maintenance Division along with applicable fees listed above, a digital image of the banner, and location requests. The City's electric utility will determine install locations depending on availability. Any banners that promote sponsors or advertisement are strictly prohibited.

PAYMENT

Payment is required to the City at the time the banners are given for installation. Permit fees, when applicable, are due to Building Inspections in order to reserve specific dates.

SCHEDULE WNA

WIRELESS NODE ATTACHMENTS
(Effective 04/01/26)

APPLICATION

This Rate is available to a licensee who desires to install and maintain their wireless nodes and associated equipment to provide services to the public. An agreement between such entity and the City shall be executed separate from, but will reference, the following rate schedule:

NET ANNUAL RATE

	(1)	Facility Charge	$18.09 per node
plus;			
	(2)	Usage Charge	$0.0674 per kWh
plus;			
	(3)	Energy Cost Adjustment Charge	See Schedule ECA
plus;			
	(4)	Transmission Cost Recovery Factor	See Schedule TCRF

METERED USAGE CHARGE

Billing for the Metered Usage Charge shall be based on actual kWh consumption for each device once every twelve (12) months at the end of the fiscal year.

Usage Charge = All kWh per device × Rate per kWh

UNMETERED USAGE CHARGE

Billing for the Unmetered Usage Charge shall be based on 1) kWh consumption from similarly installed metered equipment; or 2) technical information of installed equipment provided by licensee, if similar equipment is not already metered. This calculated consumption will be billed for each device once every twelve (12) months at the end of the fiscal year.

Usage Charge = Annual kWh per device × Rate per kWh

Annual Usage = 2,000 kWh per device per account (or calculated consumption based on technical information provided by licensee)

MISCELLANEOUS

	(1)	Unauthorized Attachment Penalty	$1,000 per attachment
	(2)	Undefined Work or Expense	Rate pursuant to Schedule SFR

MAKE READY COSTS

Licensees will be required to pay for any work done or contracted by the City, including but not limited to make ready work and any installed, used or maintained facilities in violation of the Agreement that the licensee has not corrected. The City will invoice licensee, and licensee must pay, for identified expenses as needed before any work will begin and shall include all reasonable fully loaded material (including any applicable overhead), labor, engineering, transportation and administrative costs.

PAYMENT

Bills are due when rendered and become past due if not paid within fifteen (15) calendar days from date of issuance.

SCHEDULE EVCR

ELECTRIC VEHICLE CHARGING RATE
(Effective 04/01/26)

APPLICATION

Applicable to vehicles that utilize charging services from City of Denton owned and operated Level 2 EV chargers.

NET ANNUAL RATE

(1)	Usage Charge	$0.0406 per minute

USAGE CHARGE

Billing for the Usage Charge shall be based on actual charging time incurred. The billing service will be provided by a third-party vendor

Usage Charge = EV Charging duration × Rate per Minute

SCHEDULE WTS

WHOLESALE TRANSMISSION SERVICE
(Effective 04/01/26)

AVAILABILITY

To Eligible Transmission Service Customers for Wholesale Transmission Service through the Denton Municipal Electric Utility transmission system, at all points where transmission facilities of adequate capacity and suitable voltage are available to provide service, in accordance with Public Utility Commission of Texas (PUC or Commission) 16 Texas Administrative Code (TAC) §§ 25.191-.203.

APPLICABILITY

Applicable only to wholesale transactions involving the wholesale purchase of electric power and energy. This tariff for Wholesale Transmission Service is applicable to Transmission Service using any transmission facilities owned by the Denton Municipal Electric Utility in accordance with 16 TAC §§ 25.191-.203.

TYPE OF SERVICE

Three phase, 60 hertz alternating current, delivered onto, or received from Denton Municipal Electric Utility's transmission system at 60,000 volts or greater and on transmission facilities that have been prepared and made available for this service.

TRANSMISSION SERVICE REQUIREMENTS

As a condition to obtaining Wholesale Transmission Service, the Transmission Service Customer shall execute an Interconnection Agreement with each Transmission Provider, in accordance with 16 TAC § 25.198, and the Transmission Service Customer shall meet all Electric Reliability Council of Texas (ERCOT) requirements as specified in the ERCOT Protocols and Operating Guides.

CONDITIONS PRECEDENT FOR RECEIVING SERVICE

Subject to the terms and conditions hereof and of 16 TAC § 25.198, the Denton Municipal Electric Utility will provide wholesale Transmission Service to any Eligible Transmission Service Customer, provided that:
(A) the eligible Transmission Service Customer has completed an Application for Transmission Service, as provided under 16 TAC § 25.198;
(B) the eligible Transmission Service Customer and Denton Municipal Electric Utility, or a third party, have completed installation of all equipment specified under the Interconnection Agreement, consistent with NERC and ERCOT guidelines as set forth in 16 TAC § 25.198;

€ the eligible Transmission Service Customer has executed an Interconnection Agreement for service under this tariff or, if necessary, requested in writing that Denton Municipal Electric Utility file a proposed unexecuted agreement with the Commission;
(D) the eligible Transmission Service Customer has arranged for Ancillary Services necessary for the transactio€(E) each wholesale load for which Transmission Service is requested maintains a power factor of 95% or greater at each point of interconnection;
(F) the Transmission Service Customer has constructed, maintains and operates the facilities on its side of each point of interconnection that are necessary to reliably interconnect and deliver power from a resource to Denton Municipal Electric Utility's transmission system and from Denton Municipal Electric Utility's transmission system to the Transmission Service Customer's loads;
(G) to the extent the Transmission Service requires the addition of facilities or upgrades to the transmission system, such facilities have been placed in service.

APPLICATION PROCEDURES

The Denton Municipal Electric Utility and the Transmission Service Customer shall comply with the application procedures for Transmission Services set forth in 16 TAC § 25.198, which shall govern such procedures.

CONSTRUCTION OF NEW FACILITIES

Construction of new facilities needed to accommodate a request for Planned Transmission Service shall be in accordance with the procedures set forth in 16 TAC § 25.198. Upon receipt of a request for Transmission Service, the Denton Municipal Electric Utility shall, if necessary, perform a System Security Study in accordance with 16 TAC § 25.198. Based on the results of the System Security Study, the Denton Municipal Electric Utility also may perform a Facilities Study, in accordance with 16 TAC § 25.198. An executed Facilities Study agreement with the Transmission Service Customer is required prior to the Denton Municipal Electric Utility performing a Facilities Study. In the event that existing facilities are inadequate to support the requested Transmission Service, Denton Municipal Electric Utility may require the Transmission Service Customer to provide a contribution in aid of construction attributable to directly assigned facilities.

LOAD SHEDDING AND CURTAILMENT

Transmission Service hereunder shall be subject to, and the Denton Municipal Electric Utility and the Transmission Service Customer will comply with, the load shedding and curtailment procedures established under 16 TAC § 25.200. Any interruption shall be based on operational factors and shall not accord a higher priority to the Denton Municipal Electric Utility's retail and wholesale customers than to its customers taking Transmission Service. Service to all customers shall be restored as quickly as possible.

PRICING FOR TRANSMISSION SERVICE WITHIN ERCOT

Charges for Transmission Service hereunder shall be in accordance with Texas Utilities Code § 35.004(d). For Transmission Service a Transmission Service Customer shall incur both an access charge, as set forth below, and loss compensation charges.

Annual Postage Stamp Charge (access charge) $0.333063 per kW of coincident peak demand determined in accordance with 16 TAC §25.192.

Monthly Postage Stamp Charge (access charge) $0.027755 per kW of coincident peak demand determined in accordance with 16 TAC §25.192.

Charges for each calendar year shall be adjusted pursuant to the schedule in the PUC's Order approving the transmission charges for that year.

PRICING FOR TRANSMISSION SERVICE FOR EXPORTS FROM ERCOT

Charges for Transmission Service for exports from ERCOT shall be in accordance with Texas Utilities Code § 35.004(d) and 16 TAC § 25.192. Transmission Service Customers exporting power from ERCOT will be assessed transmission service charges based on the amount of power actually exported and the duration of the transaction. Charges for Transmission Service for exports from ERCOT shall be determined in accordance with 16 TAC § 25.192(e) and shall be calculated using the charges set forth below:

Service Type	**Access Rate per kW of peak demand**
Hourly Rate	**$0.000038**

LOSSES

Losses shall be calculated by the Independent System Operator (ISO) in accordance with the method approved by the 16 TAC § 25.192.

RESALE OF TRANSMISSION RIGHTS

With advance written notice to the Denton Municipal Electric Utility and subject to a reasonable credit review, a Transmission Service Customer may resell any and all Transmission Service rights contracted for by the Transmission Service Customer to other wholesale market participants pursuant to 16 TAC § 25.191. The
Transmission Service Customer shall inform the Denton Municipal Electric Utility and obtain ISO approval for any resale of Transmission Service rights.

RELIABILITY GUIDELINES

To maintain reliability of the ERCOT transmission grid, Denton Municipal Electric Utility shall operate its transmission system in accordance with ERCOT Protocols, ERCOT Operating

Guides, NERC guidelines, and any other guidelines of the ISO that may apply to Denton Municipal Electric Utility' transmission system.

The Denton Municipal Electric Utility reserves the right, consistent with good utility practice and on a non-discriminatory basis, to interrupt Transmission Service without liability on the Denton Municipal Electric Utility's part for the purpose of making necessary adjustments to, changes in, or repairs to its lines, substations and other facilities, or where the continuance of Transmission Service would endanger persons or property. In the event of any adverse condition or disturbance on Denton Municipal Electric Utility's system or any other system directly or indirectly interconnected with Denton Municipal Electric Utility's system, Denton Municipal Electric Utility, consistent with Good Utility Practice, also may interrupt Transmission Service on a non-discriminatory basis in order to limit the extent or damage of the adverse condition or disturbance, to prevent damage to generating or transmission facilities, or to expedite restoration of service. The Denton Municipal Electric Utility will give the Transmission Service Customer as much advance notice as is practicable in the event of such interruption and shall restore service with due diligence.

The Transmission Service Customer's failure to respond to established emergency load shedding and curtailment procedures to relieve emergencies on Denton Municipal Electric Utility' transmission system may result in the Transmission Service Customer being deemed by Denton Municipal Electric Utility to be in default and may result in the termination of Transmission Service.

PAYMENT

Any charges due to Denton Municipal Electric Utility under this rate schedule shall be billed in accordance with 16 TAC § 25.202. Customers shall make payment to Denton Municipal Electric Utility in a manner consistent with the procedures and deadlines set forth in 16 TAC § 25.202. Any late payments by customers or customer defaults shall be handled in accordance with 16 TAC § 25.202.

CONTRACT TERM

Planned Transmission Service is available for annual service, monthly service in multiples of one-month, weekly service, and daily service. Unplanned Transmission Service is available for periods of not less than one hour or more than 30 days.

AGREEMENT

An agreement for Transmission Service containing terms and provisions consistent with 16 TAC §§ 25.191-.203 is required prior to commencement of such service. Such agreement will require approval of the City Council of Denton.

DEFINITIONS

Capitalized terms shall have the meanings set forth in 16 TAC §§ 25.5 and 25.191 .203.

AMENDMENTS TO RULES

In the event 16 TAC §§ 25.191-.203 are amended or if a new rule is adopted governing the subject matter of this tariff, this tariff shall, nevertheless, remain effective until the new tariff(s) filed pursuant to any such amendment(s) or such new rules are approved, unless the amendment(s) or new rules or an agreement of the parties provide otherwise.

PUBLIC UTILITIES COMMISSION OF TEXAS TARIFF

This Schedule WTS is subject to change. The most up to date WTS tariff rate is filed with the Public Utilities Commission of Texas

SECTION 2. The City Manager is hereby authorized to expend funds to authorize credits to Customers on their electric service bills and further to authorize cash incentives in accordance with the form and type set forth in Schedule GIP, as the installation of energy efficient upgrades is in the best interest of the City, as such will reduce energy demand and consumption, reduce the peak load of the City's electric system, reduce emissions in the state, and promote energy conservation, which are all public purposes of the City.

SECTION 3. All ordinances or parts of ordinances in force when the provisions of this ordinance became effective which are inconsistent, or in conflict with the terms or provisions contained in this ordinance are hereby repealed to the extent of any such conflict.

SECTION 4. If any section, subsection, paragraph, sentence, clause, phrase or word in this ordinance, or application thereof to any person or circumstances is held invalid by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this ordinance, and the City Council of the City of Denton, Texas, hereby declares it would have enacted such remaining portions despite any such invalidity.

SECTION 5. The rates herein adopted shall become effective, charged, and applied to all electric services rendered by the City, and all energy usage by Customers of the City effective with the first billing issued on and after October 15, 2025; and a copy of said rates shall be maintained on file in the Office of the City Secretary of the City of Denton, Texas.

SECTION 6. This ordinance shall be effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____, seconded by _____, and was passed and approved by the following vote [_____ - _____]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Marcella Lunn

2nd Quarter Review- Energy Cost Adjustment (ECA) and Transmission Cost Recovery Factor (TCRF)

Melissa Cuevas
Division Manager of Business Services
March 24, 2026

ID #26-0295

Current Rates

- Native Load Energy Cost Adjustment (No Changes Recommended)
  - $0.0462/kWh
  - Provides a buffer +/- $20,000,000 ECA Balance

- Large Load Energy Cost Adjustment (Increase)
  - $0.0577/kWh increase to $0.0606/kWh
  - Provides a $0 to $20,000,000 ECA balance buffer

- Transmission Cost Recovery Factor (Decrease)
  - $0.0176/kWh decrease to $0.0156/kWh
  - $5.02/kW decrease to $4.45/kW
  - $6.95/kVA decrease to $6.16/kVA

Native Load ECA Forecasted Account Balance

ECA Account Balance Forecast		
Month	Year	Maintain Rate
		$ 0.0462
January	2026	19,566,842.04
February	2026	20,186,122.71
March	2026	20,059,123.80
April	2026	20,177,628.78
May	2026	20,991,107.86
June	2026	22,729,656.04
July	2026	23,634,571.09
August	2026	21,289,202.40
September	2026	19,213,207.74
October	2026	18,674,550.52
November	2026	17,574,193.28
December	2026	$16,545,993.19

Native Load ECA Rate Changes		
Month	Year	ECA Rate
October	2023	$ 0.0341
April	2024	$ 0.0447
August	2024	$ 0.0515
December	2024	$ 0.0462

(as of October 2023)

TCRF Forecasted Account Balance

TCRF Account Balance Forecast			
Month	**Year**	**Maintain Rate**	**Decrease Rate**
		$ 0.0176	**$ 0.0156**
January	2026	718,349	718,349
February	2026	645,565	645,565
March	2026	661,104	661,104
April	2026	697,536	422,099
May	2026	1,170,421	569,949
June	2026	2,149,962	1,166,881
July	2026	3,541,495	2,128,988
August	2026	4,866,171	3,031,835
September	2026	5,571,337	998,154
October	2026	5,744,279	3,017,563
November	2026	5,771,640	2,770,518
December	2026	$ 6,112,619	$ 2,801,451

TCRF Rate Changes as of October 2023		
Month	Year	TCRF Rate
October	2023	$ -
April	2024	$ 0.0135
December	2025	$ 0.0176
April	2026	$ 0.0156

(as of October 2023)

Monthly Rate Impact

Average Customer by Type	Current Bill	New Bill	Difference
Residential	$ 137.36	$ 135.36	$ (2.00)
General Service Small	$ 182.33	$ 180.13	$ (2.20)
General Service Medium	$ 1,780.94	$ 1,753.58	$ (27.36)
General Service Large	$ 38,419.39	$ 37,734.46	$ (684.93)

Demand Charge Revision

PUB & City Council provided direction in work sessions to move forward with the following revisions:

- Current Practice –
  - Post 12-month lock-in period, electric commercial accounts were reviewed prospectively to determine if they should remain in the current rate class, move down a rate class or move up a rate class.
- New Practice
  - Post 12-month lock-in period, electric commercial accounts will now be reviewed retroactively to determine if they should remain in the current rate class, move down a rate class, or move up a rate class. This would be effective immediately at the next billing.

Recommendation

DME General Manager and Finance Department recommendation (Effective April 1, 2026)

- ECA
  - No requested changes for next quarter
- Large Load ECA
  - Increase LL ECA to $0.0606/kWh
- TCRF
  - Decrease TCRF to $0.0156/kWh
- Demand Charge
  - Post lock-in period to retroactive review

Questions?

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **Denton Municipal Electric**

DCM: **Cassey Ogden**

DATE: **March 24, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton amending Chapter 26 of the Code of Ordinances to update section 26-23(4) amending utility billing adjustment period provisions; and providing a severability clause; providing a savings clause; providing for codification; and an effective date.

BACKGROUND

As part of a task/process transition between Denton Municipal Electric (DME) and Customer Service, staff identified 218 commercial accounts that had not been adjusted per the City's adopted electric rate ordinance as it relates to electric demand charges. This error occurred over a period of 24 months. As such, and in compliance with current governing ordinances, staff issued billing adjustments that resulted in refunds/credits to 32 customers and back billings to 186 customers. In advance of billing adjustments being sent to customers, staff made phone calls and sent written communication. Unfortunately, contact information was not accurate and available for some customers, which hindered communication and in at least one instance, a customer did not receive any communication at all due to human error. The net impact of these billing adjustments resulted in the recovery of $331,607.27 in revenue that should have been received had these commercial accounts been adjusted on a timely basis and in accordance with the adopted electric rate ordinance. When contacted, our Customer Service staff worked closely with customers to explain the billing adjustments and in some cases, payment arrangements were facilitated.

The nature of these billing adjustments relates to commercial customers only and the application of charges for power demand, also known as peak load. Demand charges are a component of base charges and do not include the Energy Cost Adjustment (ECA) or Transmission Cost Recovery Factor (TCRF). For small commercial customers with power demand below 21 kW, there are no demand charges. These customers only pay a fixed facility charge and usage charge as their base charge. For medium and large commercial customers, the base charge is comprised of a fixed facility charge, usage charge and demand charge. The use of demand charges for commercial customers is customary for electric utilities and DME has utilized them for more than 20 years. The key reason for their use is to size equipment to meet the customer's highest demand, ensure that costs are burdened effectively to customers driving the infrastructure costs, incentivize energy efficiency by encouraging customers to "flatten" their load especially during peak times, and application of a "ratchet" or lock period to further incentivize energy efficiency.

The accompanying ordinance reflects direction provided to staff by both the Public Utilities Board and the City Council. This ordinance will memorialize that direction in the City's Code of Ordinance and serve as the governing ordinance for utility billing going forward. The ordinance further provides staff the necessary authority to apply the same provision to overbilled accounts impacted by the general account audit from July 2025.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

On March 9, 2026, the Public Utilities Board recommended that the City Council adopt the ordinance.

On February 23, 2026, the Public Utilities Board held a work session discussion regarding the City's utility billing process for electric service and agreed with the direction provided by the City Council.

February 17, 2026, the City Council held a work session discussion regarding the City's utility billing process for electric service and gave staff direction to: (1) adjust the underbilling from 2 years to 6 months and the overbilling period from 2 years to the Entire Period of the Overbilling; and (2) apply the revised underbilling period to accounts identified in a general service account audit from July 2025.

RECOMMENDATION

Staff recommend adoption of the ordinance to the City Council.

EXHIBITS

1. Agenda Information Sheet
2. Code of Ordinances Redline
3. Ordinance

Respectfully submitted:
Antonio Puente, Jr.
940-349-8487
DME General Manager

Sec. 26-23. Utility billing adjustments policy.

(4) *Adjustment period.* The city shall also have the right to provide billing adjustments, consisting of ~~back-billing or back credits~~overbilled or underbilled statement,~~, on prior billing for a period up to, but no greater than two (2) years~~. These prior period billing adjustments must be based on actual meter readings, verifiable evidence, or proration based on actual readings. Correction of overbilled and underbilled accounts may consist of statement recreation or the addition of itemized charges to the current bill.

(a) Correction of underbilled statements shall not exceed the 6 billing periods prior to the billing period when correction is made.

(b) Correction of overbilled statements shall be corrected for the entire period of the overbilling.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AMENDING CHAPTER 26 OF THE CODE OF ORDINANCES TO UPDATE SECTION 26-23(4) AMENDING UTILITY BILLING ADJUSTMENT PERIOD PROVISIONS; AND PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR CODIFICATION; AND AN EFFECTIVE DATE.

WHEREAS, on December 11, 2018 by Ordinance No. 18-1520, the City Council of the City of Denton, Texas adopted policy for the adjustment of utility billings; and

WHEREAS, Chapter 26 of the Denton Code of Ordinances presently addresses the subject of utility bill adjustment of all City utility customers; this ordinance clearly provides amended and updated procedures for City utility customers that reflect changes in industry practice over time. This ordinance implements enhancements to adjustment period standards within Denton Municipal Utilities; and

WHEREAS, the City Council now desires to amend the utility billing adjustment period to align with industry practice; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The following sections of the City of Denton Code of Ordinances, Chapter 26, "Utilities" are hereby amended to read as follows:

Refer to Exhibit "A" incorporated herewith and attached hereto, which sets forth the provisions of Section 26-23(4) as said Section is now amended by this ordinance.

SECTION 2. This ordinance shall become effective immediately upon its passage and approval.

SECTION 3. Provisions of this ordinance shall be applied to accounts identified in a general service account audit from July 2025.

SECTION 4. To the extend 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 5. 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 any other provisions or applications, and to this end the provisions of this ordinance are severable.

SECTION 6. The City Secretary is hereby directed to record and publish the above regulations in the City's Code of Ordinances.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Devin Q. Alexander

Exhibit A

Sec. 26-23. Utility billing adjustments policy.

(4) *Adjustment period.* The city shall also have the right to provide billing adjustments, consisting of overbilled or underbilled statement. These prior period billing adjustments must be based on actual meter readings, verifiable evidence, or proration based on actual readings. Correction of overbilled and underbilled accounts may consist of statement recreation or the addition of itemized charges to the current bill.

(a) Correction of underbilled statements shall not exceed the 6 billing periods prior to the billing period when correction is made.

(b) Correction of overbilled statements shall be corrected for the entire period of the overbilling.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Enterprise Airport

ACM: Frank Dixon

DATE: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to apply for and accept on behalf of the City a reimbursement grant from the Federal Aviation Administration ("FAA"), administered by and through the Texas Department of Transportation ("TxDOT") relating to an Infrastructure Investment and Jobs Act ("IIJA") grant of $844,000.00 for Taxilane and Taxiway Design and Preliminary Engineering Report for the Airport; requiring the City to provide contributory funds up to $93,777.78, which is up to ten percent of the estimated total project cost in an amount not to exceed $937,777.78; designating the Director of Airport as the authorized Representative for the City of Denton as it relates to this funding opportunity; and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility

INFORMATION/BACKGROUND

Over the past decade, the airport has successfully secured funding for both the construction and reconstruction of its two runways. These are critical investments that have supported airport growth and operational safety. Despite these improvements, several pavement sections, including taxilanes and taxiways, still require repair or reconstruction. The typical funding mechanism for Airport infrastructure projects, FAA Airport Improvement Program (AIP) grants, are highly competitive, and Airport projects must compete against projects from other airports within the Texas Department of Transportation (TxDOT) aviation system for these funds. Priority is generally given to runway-related projects, with ancillary pavement projects, such as taxilanes, receiving lower consideration. As a result, the airport must seek alternative funding sources for these essential improvements.

In 2025, Garver Engineering conducted a preliminary pavement prioritization study (also funded by the FY 2022 IIJA grant) that identified the airport's most critical rehabilitation needs. This analysis provided a clear roadmap for addressing pavement deficiencies and confirmed that Taxilanes H, J, and M, along with Taxiway A, should be prioritized for design and reconstruction. These important pavement segments convey aircraft from their hangars to the runway and are some of the most frequently used surfaces on the airfield. The design of Taxilanes H, J, and M will position the airport to solicit construction bids in the next fiscal year, while the Preliminary Engineering Report (PER) for Taxiway A will define future reconstruction requirements for this primary taxiway.

IIJA Funding

Denton Enterprise Airport has been assigned grant funding by the FAA as part of the Infrastructure Investment and Jobs Act of 2021 (IIJA), also known as the Bipartisan Infrastructure Law. Texas, as part of

a block state program, issues the grants through TxDOT. The grant funding under this program covered five (5) years (FY 2022-2026) and requires the funding for each year to be allocated within four years. The Airport utilized the FY 2022 grant funding under this program to complete the Airport Master Plan Update. The Denton Enterprise IIJA funding for FY 2023 is $844,000.00 and must be requested by April 30, 2026.

Leveraging IIJA funding for these projects enables the airport to address essential infrastructure needs while still benefiting from the FAA's typical 90% cost-share under the Airport Improvement Program (AIP), ensuring these improvements remain financially feasible and aligned with federal funding priorities. If the FY 2023 grant is not utilized by the Airport, future IIJA allocations must be used (limiting their use for other projects) or Airport revenues would be required to fully fund the improvements.

This Taxiway Design and PER are both approved uses of IIJA funds as they contributed to airfield safety, user satisfaction, and support economic development on the airport. The project also aligns with the recent Airport Master Plan Update.

The City Council will consider a separate agenda item regarding a change order for the City's contract with Garver Engineering to expend funds for the project.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)
March 11, 2026: Staff presented the IIJA grant information to the Airport Advisory Board.

RECOMMENDATION
Approve acceptance of the FY 2023 IIJA grant to conduct Taxiway Design and a Preliminary Engineering Report (PER) for the Airport.

FISCAL INFORMATION
The total cost for the Taxiway Design and a Preliminary Engineering Report (PER) is estimated to be $888,421.05. The grant will cover up to $844,000 of the project cost with a 10% City contribution of up to $93,777.78, resulting in total available funding for the project of up to $937,777.78. Funding for the City contribution is available in the Airport Enterprise Fund project account number 200090566. The funding of this project will not impact the Airport Operating fund balance.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Ordinance
Exhibit 3 - Designation of Sponsor

Respectfully submitted:
Chase Patterson
Airport Operations Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO APPLY FOR AND ACCEPT ON BEHALF OF THE CITY A REIMBURSEMENT GRANT FROM THE FEDERAL AVIATION ADMINISTRATION ("FAA"), ADMINISTERED BY AND THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION ("TxDOT") RELATING TO AN INFRASTRUCTURE INVESTMENT AND JOBS ACT ("IIJA") GRANT OF $844,000.00 FOR TAXILANE AND TAXIWAY DESIGN AND PRELIMINARY ENGINEERING REPORT FOR THE AIRPORT; REQUIRING THE CITY TO PROVIDE CONTRIBUTORY FUNDS UP TO $93,777.78, WHICH IS UP TO TEN PERCENT OF THE ESTIMATED TOTAL PROJECT COST IN AN AMOUNT NOT TO EXCEED $937,777.78; DESIGNATING THE DIRECTOR OF AIRPORT AS THE AUTHORIZED REPRESENTATIVE FOR THE CITY OF DENTON AS IT RELATES TO THIS FUNDING OPPORTUNITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Federal Aviation Administration and the Texas Department of Transportation issued a notice of funding allocation under the Fiscal Year 2023 Airport Improvement Program (AIP) for the City of Denton and Denton Enterprise Airport in the amount of $844,000.00 and must be requested by April 30, 2026; and

WHEREAS, the Airport has identified the most crucial rehabilitation needs of pavement deficiencies on taxilanes and taxiways at Denton Enterprise Airport and intends to utilize this project funding for design costs to rebuild this infrastructure as well as a Preliminary Engineering Report (PER) that will define future reconstruction requirements for the primary taxiway; and

WHEREAS, Leveraging IIJA funding for projects enables the airport to address essential infrastructure needs while still benefiting from the FAA's 90% cost-share under the AIP, ensuring improvements remain financially feasible and aligned with federal funding priorities; and

WHEREAS, the total estimated funding for the project design costs and PER is estimated not to exceed $937,777.78 with the City of Denton responsible for up to ten percent of the cost, amounting to $93,777.78 in contributory funds; and

WHEREAS, the City of Denton designates TxDOT as its agent for the purposes of administering the IIJA Grant from the FAA, including applying for, receiving, and disbursing all funds for these improvements; and

WHEREAS, the City Council desires the City Manager, or their designee, to execute on behalf of the City of Denton all contracts and related documents with the State of Texas,

represented by TxDOT, and such other parties as shall be necessary and appropriate for the implementation of the improvements at Denton Enterprise Airport and to take all such further action necessary to accomplish the Project: NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitals contained in the preamble of this ordinance are incorporated herein by reference as true and as if fully set forth in the body of this ordinance.

SECTION 2. The City hereby authorizes the City Manager, or their designee, to execute on behalf of the City all contracts and related documents with the State of Texas, represented by TxDOT, for the financial assistance and implementation of the Project at the Denton Enterprise Airport including the Designation of Sponsor Authorized Representative form attached hereto.

SECTION 3. The City Manager, or their designee, is further authorized to carry out all duties and responsibilities to be performed by the City under the offer for the completion of the Project, including, but not limited to, the expenditure of funds.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumorh, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____ Susan Keller Digitally signed by Susan Keller Date: 2026.03.03 21:44:09 -06'00'

DESIGNATION OF SPONSOR'S AUTHORIZED REPRESENTATIVE

I, Sara Hensley (Name), City Manager (Title),
with the City of Denton (Sponsor Name) designates Ryan Adams, Airport Director (Name , Title)
as the City of Denton (Sponsor Name) authorized representative for the IIJA Pavement Design and PER project,
who shall have the authority to make approvals and disapprovals as required on behalf of
the City of Denton (Sponsor Name).

City of Denton (Sponsor), Texas

By: _____
(Signature)

Title: City Manager

Date: _____

DESIGNATED REPRESENTATIVE

Mailing Address: Denton Enterprise Airport
5000 Airport Road
Denton, TX 76207

*Physical/Overnight Address: Denton Enterprise Airport
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ASSURANCES

AIRPORT SPONSORS

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

B. Duration and Applicability.

1. Airport Development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.

The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, 37, and 40 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements

The Sponsor will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant. Performance under this agreement shall be governed by and in compliance with the following requirements, as applicable, to the type of organization of the Sponsor and any applicable sub-recipients. The applicable provisions to this agreement include, but are not limited to, the following:

FEDERAL LEGISLATION

a. 49 U.S.C. subtitle VII, as amended.

b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.[1]

c. Federal Fair Labor Standards Act – 29 U.S.C. § 201, et seq.

d. Hatch Act – 5 U.S.C. § 1501, et seq.[2]

e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601, et seq.[1, 2]

f. National Historic Preservation Act of 1966 – Section 106 – 54 U.S.C. § 306108.[1]

g. Archeological and Historic Preservation Act of 1974 – 54 U.S.C. § 312501, et seq.[1]

h. Native Americans Grave Repatriation Act – 25 U.S.C. § 3001, et seq.

i. Clean Air Act, P.L. 90-148, as amended – 42 U.S.C. § 7401, et seq.

j. Coastal Zone Management Act, P.L. 92-583, as amended – 16 U.S.C. § 1451, et seq.

k. Flood Disaster Protection Act of 1973 – Section 102(a) - 42 U.S.C. § 4012a.[1]

l. 49 U.S.C. § 303, (formerly known as Section 4(f)).

m. Rehabilitation Act of 1973 – 29 U.S.C. § 794.

n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq.) (prohibits discrimination on the basis of race, color, national origin).

o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).

p. Age Discrimination Act of 1975 – 42 U.S.C. § 6101, et seq.

q. American Indian Religious Freedom Act, P.L. 95-341, as amended.

r. Architectural Barriers Act of 1968, as amended – 42 U.S.C. § 4151, et seq.[1]

s. Powerplant and Industrial Fuel Use Act of 1978 – Section 403 – 42 U.S.C. § 8373.[1]

t. Contract Work Hours and Safety Standards Act – 40 U.S.C. § 3701, et seq.[1]

u. Copeland Anti-kickback Act – 18 U.S.C. § 874.[1]

v. National Environmental Policy Act of 1969 – 42 U.S.C. § 4321, et seq.[1]

w. Wild and Scenic Rivers Act, P.L. 90-542, as amended – 16 U.S.C. § 1271, et seq.

x. Single Audit Act of 1984 – 31 U.S.C. § 7501, et seq.[2]

y. Drug-Free Workplace Act of 1988 – 41 U.S.C. §§ 8101 through 8105.

z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).

aa. Civil Rights Restoration Act of 1987, P.L. 100-259.

bb. Infrastructure Investment and Jobs Act, P.L. 117-58, Title VIII.

cc. Build America, Buy America Act, P.L. 117-58, Title IX.

dd. Endangered Species Act – 16 U.S.C. 1531, et seq.

ee. Title IX of the Education Amendments of 1972, as amended – 20 U.S.C. 1681–1683 and 1685–1687.

ff. Drug Abuse Office and Treatment Act of 1972, as amended – 21 U.S.C. 1101, et seq.

gg. Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 U.S.C. § 4541, et seq.

hh. Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, P.L. 91-616, as amended – 42 U.S.C. § 4541, et seq.

ii. Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions – 31 U.S.C. § 1352.

EXECUTIVE ORDERS

a. Executive Order 11990 – Protection of Wetlands

b. Executive Order 11988 – Floodplain Management

c. Executive Order 12372 – Intergovernmental Review of Federal Programs

d. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction[1]

e. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America's Workers

f. Executive Order 14149 – Restoring Freedom of Speech and Ending Federal Censorship

g. Executive Order 14151 – Ending Radical and Wasteful Government DEI Programs and Preferencing

h. Executive Order 14154 – Unleashing American Energy

i. Executive Order 14168 – Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government

j. Executive Order 14173 – Ending Illegal Discrimination and Restoring Merit-Based Opportunity

FEDERAL REGULATIONS

a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).

b. 2 CFR Part 200 and 1201 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [3, 4, 5]

c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.

d. 14 CFR Part 13 – Investigative and Enforcement Procedures.

e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.

f. 14 CFR Part 150 – Airport Noise Compatibility Planning.

g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.

h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.

i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.[1]

j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.[1]

k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).[1]

l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).[1]

m. 49 CFR Part 20 – New Restrictions on Lobbying.

n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.

o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.[1, 2]

q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.

r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.[1]

s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.

t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.

u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).

v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).

w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.

x. 49 CFR Part 41 – Seismic Safety.

FOOTNOTES TO ASSURANCE (C)(1)

[1] These laws do not apply to airport planning sponsors.
[2] These laws do not apply to private sponsors.
[3] 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.
[4] Cost principles established in 2 CFR Part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.
[5] Audit requirements established in 2 CFR Part 200 subpart F are the guidelines for audits.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

4. Good Title.

a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. Subject to 49 U.S.C. 47107(a)(16) and (x), it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for

residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. **Consistency with Local Plans.**

   The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.**

   It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.**

   In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.**

   In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Metropolitan Planning Organization.**

    In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. **Pavement Preventive Maintenance-Management.**

    With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program, and it assures that it will use such program for the useful life of any pavement constructed, reconstructed, or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.**

    For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for

certification of such airport under 49 U.S.C. 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. Minimum Wage Rates.

It shall include, in all contracts in excess of $2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. Veteran's Preference.

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. Conformity to Plans and Specifications.

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary and incorporated into this Grant Agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects.

In carrying out planning projects:

a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

d. It will make such material available for examination by the public and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. Operation and Maintenance.

a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:

1. Operating the airport's aeronautical facilities whenever required;
2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. Hazard Removal and Mitigation.

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:

1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not

conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

   1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

   2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor’s acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

   3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or

transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. 47107.

26. Reports and Inspections.

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

   1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

   2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. Airport Layout Plan.

a. The airport owner or operator will maintain a current airport layout plan of the airport showing:

   1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

   2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;

   3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and

   4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.

b. Subject to subsection 49 U.S.C. 47107(x), the Secretary will review and approve or disapprove the plan and any revision or modification of the plan before the plan, revision, or modification takes effect.

c. The owner or operator will not make or allow any alteration in the airport or any of its facilities unless the alteration—

   1. is outside the scope of the Secretary's review and approval authority as set forth in subsection (x); or

   2. complies with the portions of the plan approved by the Secretary.

d. When the airport owner or operator makes a change or alteration in the airport or the facilities which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:

   1. eliminate such adverse effect in a manner approved by the Secretary; or

   2. bear all costs of relocating such property or its replacement to a site acceptable to the Secretary and of restoring the property or its replacement to the level of safety, utility, efficiency, and cost of operation that existed before the alteration was made, except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d to 2000d-4); creed and sex per 49 U.S.C. 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

a. Using the definitions of activity, facility, and program as found and defined in 49 CFR 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.

b. Applicability

   1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.

   2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

   3. Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, 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.

c. Duration.

   The sponsor agrees that it is obligated to this assurance 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 sponsor, or any transferee for the longer of the following periods:

   1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

   2. So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

   "The (**[Selection Criteria: Sponsor Name]**), in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, all businesses will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of

race, color, national origin (including limited English proficiency), creed, sex , age, or disability in consideration for an award."

e. Required Contract Provisions.

1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3. It will insert non-discrimination contract clauses 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 sponsor.

4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex, age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor 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.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, 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.

g. It 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.

31. Disposal of Land.

a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:

1. Reinvestment in an approved noise compatibility project;

2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. 47117(e);

3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. 47114, 47115, or 47117;
4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:
   1. Reinvestment in an approved noise compatibility project;
   2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. 47117(e);
   3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. 47114, 47115, or 47117;
   4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
   5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.
c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction

management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications.

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars for AIP projects as of [Selection Criteria: Project Application Date].

35. Relocation and Real Property Acquisition.

a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.

b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for

enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. Competitive Access.

a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:

   1. Describes the requests;
   2. Provides an explanation as to why the requests could not be accommodated; and
   3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six-month period prior to the applicable due date.

40. **Access to Leaded Aviation Gasoline**

a. If 100-octane low lead aviation gasoline (100LL) was made available at an airport, at any time during calendar year 2022, an airport owner or operator may not restrict or prohibit the sale of, or self-fueling with 100-octane low lead aviation gasoline.

b. This requirement remains until the earlier of December 31, 2030, or the date on which the airport or any retail fuel seller at the airport makes available an unleaded aviation gasoline that has been authorized for use by the FAA as a replacement for 100-octane low lead aviation gasoline for use in nearly all piston-engine aircraft and engine models; and meets either an industry consensus standard or other standard that facilitates the safe use, production, and distribution of such unleaded aviation gasoline, as determined appropriate by the FAA.

c. An airport owner or operator understands and agrees, that any violation of this grant assurance is subject to civil penalties as provided for in 49 U.S.C. § 46301(a)(8).

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Development Services, Finance

DCM/ACM: Cassey Ogden, Christine Taylor

DATE: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton ratifying the submission of an application to the U.S. Department of Transportation (USDOT) FY 2026 Better Utilizing Investments to Leverage Development (BUILD) Grant Program in the amount of $12,000,000 in grant funding, which will require $3,000,000 in City matching fund for a multimodal enhancement project for railroad crossings at US 377 and Bonnie Brae and US 377 and Johnson Lane (Brush Creek Corridor); and providing an effective date.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

BACKGROUND

The U.S. Department of Transportation's BUILD grant program provides funding for surface transportation infrastructure projects with a significant local or regional impact. Eligible project sponsors include state and local governments, counties, Tribal governments, transit agencies, and port authorities, allowing them to pursue challenging multi-modal and multi-jurisdictional projects that may be difficult to fund through other means. Originally launched as RAISE and TIGER grants under the American Recovery and Reinvestment Act of 2009, the BUILD program was officially authorized in November 2021.

This project is titled "Comprehensive Brush Creek Corridor & UPRR Crossing Improvement Program" which would significantly improve the Brush Creek Corridor for Road Safety and Multimodal enhancements by removing two existing railroad crossings at (i) "Bonnie Brae St and US 377" and at (ii) Johnson Lane and US 377, and by adding a new significantly safer railroad crossing at Brush Creek Corridor. The scope of work will include:

1. Removing existing asphalt pavements
2. Removing existing concrete pavement
3. Removing existing railroad signals
4. Removing existing railway signal cabinets and hardware
5. Removing existing railroad crossing
6. Restoring the two existing locations to working and safe conditions for all modes

Adding the above to the newly proposed railroad crossing at the Brush Creek Corridor, enhancing the entire corridor for multimodal operational safety and vehicular throughput Staff is requesting a total funding of US $12 million, including the required local match of 20% ($3,000,000).

For City Council consideration, Staff would like to highlight specific information in the Notice of Funding Opportunity (NOFO) pgs. 48-49:

Compliance with Federal Law and Policies
Except where prohibited by court order, "The applicant assures and certifies, with respect to any application and awarded Project under this NOFO, that it will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds."

Federal Anti-Discrimination
Except where prohibited by court order, pursuant to Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, as a condition of grant award, each Recipient must agree that its compliance in all respects with all applicable Federal antidiscrimination laws is material to the government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code.

Except where prohibited by court order, pursuant to Executive Order 14173, Ending Illegal Discrimination and Restoring Merit- Based Opportunity, as a condition of grant award, each Recipient must certify that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate any applicable Federal anti-discrimination laws.

To the extent a court order bars the implementation or enforcement of one or more of the provisions with respect to a particular applicant or recipient, the Department will not implement or enforce the relevant provision(s) against that applicant or recipient for as long as the order remains in place.

RECOMMENDATION

Staff recommends approval of the BUILD FY 2026 Grant Program ordinance.

FISCAL INFORMATION

If awarded, the $3,000,000 non-federal match will need to be budgeted in future City of Denton Capital Improvement Program (CIP) funds.

EXHIBITS

Exhibit 1 – Agenda Information Sheet
Exhibit 2 – Ordinance
Exhibit 3 – BUILD Notice of Funding Opportunity

Respectfully submitted:

Farhan Butt, Ph.D., P.E., M. ASCE
Deputy Director of Transportation Services

Matt Hamilton
Chief Financial Officer

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON RATIFYING THE SUBMISSION OF AN APPLICATION TO THE U.S. DEPARTMENT OF TRANSPORTATION (USDOT) FY 2026 BETTER UTILIZING INVESTMENTS TO LEVERAGE DEVELOPMENT (BUILD) GRANT PROGRAM IN THE AMOUNT OF $12,000,000 IN GRANT FUNDING, WHICH WILL REQUIRE $3,000,000 IN CITY MATCHING FUND FOR A MULTIMODAL ENHANCEMENT PROJECT FOR RAILROAD CROSSINGS AT US 377 AND BONNIE BRAE, AND US 377 AND JOHNSON LANE (BRUSH CREEK CORRIDOR); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the U.S. Department of Transportation (USDOT) issued a notice of funding opportunity on December 15, 2025, for entities to apply for funding assistance through the FY 26 Better Utilizing Investments to Leverage Development (BUILD) Grant Program; and

WHEREAS, the BUILD program's goal is to fund projects that will have a significant local or regional impact and improve transportation infrastructure and is funded through the Infrastructure Investment and Jobs Act (IIJA); and

WHEREAS, the BUILD Program requires a local match for projects of 20 percent of total project costs ; and

WHEREAS, the City of Denton is eligible to apply for the funds under the application criteria; and

WHEREAS, the City has developed the necessary application materials and submitted an application on February 24, 2026, due date to the USDOT FY26 BUILD Grant Program; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals set forth above are found to be true and correct legislative and factual determinations of the City of Denton and are hereby approved and incorporated into the body of this Ordinance and made a part hereof for all purposes as if fully set forth herein.

SECTION 2. The application for the USDOT FY 26 BUILD Grant Program in the amount of $12,000,000, which will require City matching funds of $3,000,000 to build multimodal enhancements along the Brush Creek Corridor, is hereby ratified.

SECTION 3. The City Manager, or designee, is designated, delegated, and authorized to request grant funding under the USDOT FY26 BUILD Grant Program, including the submission of USDOT’s application, and act on behalf of the City of Denton in all matters related to the grant application, receipt of funds, and any subsequent grant contracts and grant projects that may result.

SECTION 4. Should the project be funded, then the City of Denton shall comply with the requirements of the USDOT.

SECTION 5. The City of Denton supports funding this project as described in the USDOT FY26 BUILD Grant Application and is willing to commit to the project's development, implementation, construction, maintenance, management, and financing.

SECTION 6. The City of Denton is willing and able to enter into an agreement with USDOT should the project be selected for funding.

SECTION 7. The project funds and any project-funded equipment and facilities will be used solely for the purposes for which they are intended under the grant.

SECTION 8. This ordinance is effective immediately upon its passage.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Susan Keller Digitally signed by Susan Keller Date: 2026.03.10 14:09:31 -05'00'

FY 2026 Notice of Funding Opportunity

Better Utilizing Investments to Leverage Development (BUILD) Grant Program

Office of the Secretary

U.S. Department of Transportation (DOT)

Table of Contents

A. Basic Information 3

1. FY 2026 BUILD Round 4
2. Changes from the FY 2025 NOFO 5

B. Eligibility 6

1. Eligible Applicants 6
2. Minimum Funding Request For Capital Projects 6
3. Application Limit 7
4. Cost Sharing 7
5. Pre-Award Authority 8
6. Location Designations 8
7. Eligible Projects 10
8. Project Components 11
9. Reduced Awards 12
10. Previous BUILD/BUILD/TIGER Recipients 12

C. Program Description 12

1. Program History and Authorization 12
2. Program Goals and Objectives 12
3. Restrictions on Funding 12
4. Availability of Funds 13
5. Performance Goals 13
6. Previous Awards 13

D. Application Content and Format 14

1. Standard Form 424 14
2. Key Information Questions 15
3. Project Description File 16
4. Project Location File 17

5. Project Budget Files 17
6. Merit Criteria File 19
7. Project Readiness File 19
8. Cost effectiveness review: Benefit-Cost Analysis 23
E. Submission Requirements and Deadline 24
1. Address to Request Application Package 24
2. Unique Entity Identifier (UEI) and System for Award Management (SAM) 24
3. Submission Deadline 25
4. Intergovernmental Review 25
5. Compliance with Section 508 of the Rehabilitation Act of 1973 25
F. Application Review Information 26
1. Criteria 26
2. Review and Selection Process 42
G. Award Notices 45
1. How Project Selections Are Announced 45
2. Announcement Dates 45
3. Pre-Award Costs 46
4. Reimbursable Program 46
H. Post-Award Requirements and Administration 46
1. Administrative and National Policy Requirements 46
2. Reporting 49
I. Federal Awarding Agency Contact(s) 50
J. Other Information 51
1. Protection of Confidential Business Information 51
2. Publication and Sharing of Application Information 51

A. BASIC INFORMATION

The Office of the Secretary (OST) announces the intention to hold one round of selections under the FY 2026 Better Utilizing Investments to Leverage Development (BUILD) Grant Notice of Funding Opportunity (NOFO).

Basic Information: Better Utilizing Investments to Leverage Development (BUILD)	
Announcement Type	Notice of Funding Opportunity
Funding Opportunity Title	FY 2026 National Infrastructure Investments
Funding Opportunity Number	DTOS59-26-RA-BUILD
Assistance Listing Number	20.933
Objective	The goal of the program is to fund projects that will have a significant local or regional impact and improve transportation infrastructure.
Program Overview	BUILD grants will be awarded on a competitive basis, per statute, for planning or constructing surface transportation infrastructure projects that will improve safety; environmental sustainability; quality of life; mobility and community connectivity; economic competitiveness and opportunity including tourism; state of good repair; partnership and collaboration; and innovation.
Funding	At least $1.5 billion in FY 2026 IIJA funds
Minimum Award Size	• $1 million for rural capital projects • $5 million for urban capital projects • Planning projects do not have a minimum award size
Maximum Award Size	$25 million
Eligible Applicants	• States and the District of Columbia • Any territory or possession of the United States • A unit of local government • A public agency or publicly chartered authority established by one or more States • A special purpose district or public authority with a transportation function, including a port authority • A Federally recognized Indian Tribe or a consortium of such Indian Tribes • A transit agency • A multi-State or multijurisdictional group of entities that are separately eligible

Eligible Project Types	• highway or bridge projects eligible under title 23; • public transportation projects eligible under chapter 53 title 49; • passenger and freight rail transportation projects; • port infrastructure investments including inland port infrastructure and land ports of entry; • the surface transportation components of an airport project eligible for assistance under part B of subtitle VII; • project investing in surface transportation facilities located on Tribal land, the title or maintenance responsibility of which is vested in the Federal Government; • projects to replace or rehabilitate a culvert or prevent stormwater runoff for the purpose of improving habitat for aquatic species that will advance the goal of the program; • intermodal projects whose components are otherwise an eligible project type; • any other surface transportation infrastructure project that the Secretary considers to be necessary to advance the goals of the program
Submission Requirements and Deadlines	Applications must be submitted online via Valid Eval no later than 5:00 pm eastern on February 24, 2026. • Complete instructions on how to apply can be found at grants.gov and the BUILD program website • Customer support for Valid Eval can be reached at support@valideval.com Selections are expected to be announced no later than June 28, 2026
Prior Awards	• For FY 2025 BUILD Round 2, the Department received 815 eligible applications requesting over $10 billion • 30 projects were awarded a total of $488 million • Awards were made to projects in 27 states Awards ranged from $239,000 to $25 million
Agency Contact Information	Email: BUILDgrants@dot.gov Website: https://www.transportation.gov/BUILDgrants Due to the competitive nature of the program, during the application submittal phase, the Department is unable to accommodate individual meeting requests to discuss the opportunity or specific project ideas, and unable to provide individualized guidance or render opinions about the merit of a specific project.

1. FY 2026 BUILD ROUND

Funding for FY 2026 BUILD Applications

The Department intends to make one round of selections under this NOFO using the $1.5 billion provided by the Infrastructure Investments and Jobs Act (IIJA) for FY 2026 and will include any additional funding appropriated for National Infrastructure Investments in an Appropriations Act.

The Department may also make available through this NOFO funds from recently cancelled or withdrawn RAISE projects.

2. CHANGES FROM THE FY 2025 NOFO

The FY 2026 BUILD NOFO makes the following changes from the FY 2025 BUILD NOFO:

- There will be one round of project selections for the FY 2026 BUILD grant program.

- FY 2025 BUILD applications designated "Projects of Merit" will not be carried over into the FY 2026 BUILD competition. Applicants with an FY 2025 BUILD Project of Merit designation need to submit a new application to be considered under the FY 2026 competition.

- FY 2026 BUILD applications advanced by the Senior Review Team to the Highly Rated List, but that are not awarded, are automatically designated as "Projects of Merit." Projects with this designation will be carried over into FY 2027 BUILD, subject to authorization and appropriations, and considered by the SRT for advancement to the Highly Rated List, along with other FY 2027 applications eligible for advancement to the Highly Rated List.

- Updates Areas of Persistent Poverty to account for the most recent annual Small Area Income Poverty Estimates as estimated by the Bureau of the Census.

- Project elements and benefits under the merit criteria rating rubric have been updated to align with Administration priorities and executive orders.

- Changes priority merit criteria to: safety, quality of life, mobility and community connectivity, and economic competitiveness.

- Changes "Technical Capacity Review" to "Applicant Capacity" and "Environmental Risk Review" to "Project Risk Review" under the Project Readiness review.

- Conforms to the Department's Benefit-Cost Analysis ratings of "High," "Medium-High," "Medium," "Medium-Low," and "Low" instead of "Positive" and "Negative.

  Other selection considerations have been added including: increased cost share, project readiness, projects located in Qualifying Opportunity Zones, and receiving a previous TIGER/RAISE/BUILD grant.

B. ELIGIBILITY

1. ELIGIBLE APPLICANTS

Eligible BUILD grant applicants are:

- States and the District of Columbia
- Any territory or possession of the United States
- A unit of local government
- A public agency or publicly chartered authority established by one or more States
- A special purpose district or public authority with a transportation function, including a port authority
- A Federally recognized Indian Tribe or a consortium of such Indian Tribes
- A transit agency
- A multi-State or multijurisdictional group of entities that are separately eligible

The following are **not** eligible BUILD grant applicants:

- Federal agencies
- Non-profits
- Private entities
- Individuals

Multiple states or jurisdictions may submit a joint application, designating a lead applicant as the primary contact and award recipient. The application should outline each applicant's roles and responsibilities.

DOT expects the applicant to manage and deliver the project. **If the applicant plans to transfer the award to another agency, this should be stated in the application, along with a supporting letter from the designated entity.**

2. MINIMUM FUNDING REQUEST FOR CAPITAL PROJECTS

Capital Grants	Minimum Request
Rural Areas	$1 million
Urban Areas	$5 million

Applicants submitting capital grant applications for projects located in rural areas must request at least $1 million in BUILD funding. Applicants submitting capital grant applications for projects located in urban areas must request at least $5 million in BUILD funding. **Failure to request the minimum funding amount for a capital grant application will result in the application being ineligible.**

There is **no minimum funding** request requirement for planning grant applications.

3. APPLICATION LIMIT

Each applicant can submit up to three applications. Unrelated project components should not be combined in one application to meet this limit. If an applicant submits more than three applications, only the first three will be considered.

4. COST SHARING

Cost sharing means the portion of the project's cost that is not paid by Federal funds. Cost share funds are typically stated as a percentage of the total project cost. The Department considers an application's Federal share to:

- confirm eligibility; and
- may consider it as a competitive selection factor

Project Location	Cost Share Requirement
Urban	Up to 80% Federal Funding
Rural	Up to 100% Federal Funding
Area of Persistent Poverty	
Historically Disadvantaged Community	

The Federal share for BUILD grant projects **shall not exceed 80 percent** unless the project receives one of the following location designations (see Location Designations for definitions):

- Rural
- Area of Persistent Poverty (APP) / Historically Disadvantaged Community (HDC)

Applicants with projects located in one of the designated areas above are eligible to fund the project up to 100 percent with Federal funding. Projects located in an **urban area**, that are not designated APP/HDC, that have **more than 80 percent federal funding will be ineligible**.

Applicants should use the following equation when determining the cost share for their project:

$$\frac{(\boldsymbol{BUILD\ Grant\ Request + Other\ Federal\ Funds})}{\boldsymbol{Total\ Project\ Cost}} = \boldsymbol{Federal\ Cost\ Share}$$

Total Project Cost means the sum of future eligible Federal and non-Federal costs yet to be incurred.

Eligible sources of non-Federal funds include:

- State funds originating from programs funded by State revenue
- Local funds originating from State or local revenue-funded programs
- Private funds
- Tribal transportation program funds under section 202 of title 23
- Federal lands transportation program funds under section 203 of title 23

- TIFIA program funds (as defined in section 601(a) of title 23)
- Railroad Rehabilitation and Improvement Financing Program under chapter 224
- Federal credit assistance (if repaid from non-Federal sources)

Toll credits under 23 U.S.C. 120(i) are considered a Federal source under the BUILD program.

Unless otherwise authorized by statute, funds used to satisfy the cost-share requirements of a different Federal program may **not** be counted as the cost-share for both the BUILD grant and another Federal grant program.

Non-Federal funds are subject to the same Federal requirements as BUILD grant funds.

For each project that receives a BUILD grant award, **the terms of the award will require the recipient to complete the project using at least the amount of non-Federal funding that was specified in the application**. If the actual costs of the project are greater than the costs estimated in the application, the recipient will be responsible for addressing the funding shortfall and maintaining the level of non-Federal funding stated in the application. If the actual costs of the project are less than the costs estimated in the application, the Department will generally reduce the Federal contribution to ensure federal cost share requirements are met.

5. PRE-AWARD AUTHORITY

Unless authorized by the Department in writing after announcement of FY 2026 BUILD awards, **any costs incurred prior to the Department's obligation of funds for a project ("pre-award costs") are ineligible for reimbursement and cost share requirements**.[1] In general, BUILD Program funds are administered on a reimbursement basis. Grant recipients will generally be required to pay project costs upfront using their own funds, and then request reimbursement for those costs. If a recipient cannot complete a project on reimbursement basis, DOT will—on a case-by-case basis—consider recipient requests to use alternate payment methods as described in 2 CFR 200.305(b), including advance payments.

6. LOCATION DESIGNATIONS

i. Urban or Rural

Urban and rural definitions differ across DOT programs. For the BUILD program:

- **Urban**: A project is designated as urban if it is located within (or on the boundary of) a Census-designated urban area that had a population greater than 200,000 in the 2020 Census.[2]

[1] Pre-award costs are costs incurred after award announcement, but directly pursuant to the negotiation of a grant agreement where such costs are necessary for efficient and timely performance of the scope of work, as determined by DOT. Costs incurred under an advance construction (23 U.S.C. 115) authorization before the DOT announces that a project is selected for a FY 2026 BUILD award cannot be charged to FY 2026 BUILD funds. Likewise, costs incurred under an FTA Letter of No Prejudice under Chapter 53 of title 49 U.S.C. before the DOT announces that a project is selected for a FY 2026 BUILD award, cannot be charged to FY 2026 BUILD funds.

[2] For the purpose of this NOFO, the definition of urban and rural is based on the 2020 Census-designated urbanized areas. The Department is required by IIJA to use the most recent decennial census information.

- **Rural**: A project is designated as rural if it is located outside a Census-designated urban area that had a population greater than 200,000 in the 2020 Census.

The Department provides an interactive map to show Census-designated urban areas with populations greater than 200,000 in the 2020 Census.

A project located in both an urban and a rural area will be designated as urban if the majority of the project's costs will be spent in urban areas. Conversely, a project located in both an urban area and a rural area will be designated as rural if the majority of the project's costs will be spent in rural areas. For BUILD planning grants, the location of the project being planned, prepared, or designed will be used for the urban or rural designation.

Urban and rural designations impact the following aspects of the BUILD program:

- Minimum BUILD funding requirements
- Fundings restrictions
- Cost share

ii. Areas of Persistent Poverty and Historically Disadvantaged Communities

The Department provides an interactive map to show Areas of Persistent Poverty and Historically Disadvantaged Communities.

Areas of Persistent Poverty (APP) are defined by BUILD statute:

- Any county that has consistently had greater than or equal to 20 percent of the population living in poverty during the 30-year period preceding November 15, 2021, as measured by the 1990 and 2000 decennial census and the most recent annual Small Area Income Poverty Estimates as estimated by the Bureau of the Census
  - The FY 2026 BUILD NOFO updated county APP designations to utilize the most recent annual Small Area Income Poverty Estimates as estimated by the Bureau of the census.
- Any census tract with a poverty rate of at least 20 percent as measured by the 2014-2018 5-year data series available from the American Community Survey of the Bureau of the Census
- Any territory or possession of the United States

Historically Disadvantaged Communities (HDC) will use the same definition as APP for purposes of this NOFO.

iii. Qualified Opportunity Zones

The Department provides more information as well as an interactive map to show Qualified Opportunity Zones. The Internal Revenue Service (IRS) designates Qualified Opportunity Zones and maintains a list on the IRS website. The Department may consider prioritizing the selection of projects located in designated Qualified Opportunity Zones.

7. ELIGIBLE PROJECTS

i. Capital Projects

Eligible capital projects activities include:

- Highway or bridge projects eligible under title 23, United States Code
- Public transportation projects eligible under chapter 53 of title 49, United States Code
- Passenger and freight rail transportation projects
- Port infrastructure investments (including inland port infrastructure and land ports of entry)
- The surface transportation components of an airport project eligible for assistance under part B of subtitle VII of title 49, United States Code[3]
- Projects investing in surface transportation facilities that are located on Tribal land and for which title or maintenance responsibility is vested in the Federal Government
- Projects to replace or rehabilitate a culvert or prevent stormwater runoff for the purpose of improving habitat for aquatic species while advancing the goals of the BUILD program
- Intermodal projects whose component parts are otherwise an eligible project type
- Any other surface transportation infrastructure project that the Secretary considers to be necessary to advance the goals of the program[4]
    - Public road and non-motorized projects that are not otherwise eligible under title 23, United States Code
    - Surface transportation components of transit-oriented development projects
    - Surface transportation components of mobility on-demand projects that expand access and reduce transportation cost burden

Ineligible projects are:

- Purchasing school buses
- Deploying broadband as a standalone project
- Improving stormwater management as a standalone project
- Creating dedicated facilitates for nursing mothers as a standalone project
- Installing accessible changing tables as a standalone project
- Planning or constructing housing and parks
- Improvements to Federally owned facilities
    - Unless the project is investing in surface transportation facilities that are located on Tribal land and for which title or maintenance responsibility is vested in the Federal Government

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[3] Eligible surface transportation components of eligible airport projects are those projects listed in "Appendix P: Road and Surface Transportation Projects" of the Airport Improvement Program (AIP) handbook. For more details on airport project eligibility, please see the Frequently Asked Questions on the BUILD website.

[4] DOT may award a BUILD grant to pay for the surface transportation components of a broader project that has non-surface transportation components, and applicants are encouraged to apply for BUILD grants to pay for the surface transportation components of these projects. However, costs for non-surface transportation components are not eligible to count as matching funds for the BUILD grant.

If a project type isn't explicitly listed as eligible or ineligible, applicants should explain its necessity for advancing the BUILD program goals in their application. The Department will then determine eligibility individually.

Research, demonstration, or pilot projects are only eligible if they lead to long-term, permanent surface transportation infrastructure with independent utility as defined in the Project Components section.

ii. Planning Projects

Eligible planning projects activities include:

- Planning, preparation, design, or engineering of eligible surface transportation capital projects described in the Capital Projects section that will not result in construction with FY 2026 BUILD funding.
  - Examples include: feasibility studies, benefit-cost analysis, environmental analysis, permitting, and other pre-construction activities
- Development of master plans, comprehensive plans, transportation corridor plans, and integrated economic development, land use, housing, and transportation plans
- Planning activities related to the development of a multimodal freight corridor
- Development of port and regional port planning, including State-wide or multi-port planning within a single jurisdiction or region
- Risk assessments and planning to identify vulnerabilities and address the transportation system's ability to withstand probable occurrence or recurrence of an emergency or major disaster

If an application includes right-of-way acquisition, the project will be considered a capital project.

8. PROJECT COMPONENTS

An application for a BUILD grant can include multiple components, which may be executed by different parties. The Department requires all components, whether or not they receive Federal funding, to be delivered as part of the BUILD project.

Components may be funded individually if they meet the following criteria:

- Independently satisfy minimum award amounts and eligibility requirements.
- Independently align with selection criteria
- Meets National Environmental Policy Act (NEPA) requirements for independent utility – meaning the component must be a usable improvement on its own and ready for use upon completion.

Components in a single application must be related. Each component's status should be clearly outlined, for example, in the project schedule. Applicants should also detail independent components and their costs separately, showing how each one meets selection criteria and benefits on its own, in addition to how the full proposal does. Federal funding for some components might subject others to additional Federal requirements.

9. REDUCED AWARDS

If selected for award, the Department may decrease the BUILD funding amount from the applicant's request if some elements of the project are ineligible or to comply with statutory set asides such as awarding funding evenly between projects located in rural and urban areas.

10. PREVIOUS BUILD/RAISE/TIGER RECIPIENTS

Previous recipients of a BUILD grant may apply for funding to support additional phases of their project.[5] The application should demonstrate the extent to which the previously funded project has met estimated project schedules and budget, as well as the ability to realize the benefits expected for the project. **Receiving a previous BUILD/RAISE/TIGER award may impact the competitiveness of an application under the FY 2026 BUILD competition.**

C. PROGRAM DESCRIPTION

1. PROGRAM HISTORY AND AUTHORIZATION

The Better Utilizing Investments to Leverage Development (BUILD) program, previously known as the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and Transportation Investment Generating Economic Recovery (TIGER) discretionary grants, was established under the American Recovery and Reinvestment Act of 2009 to create jobs and spur economic recovery through transportation infrastructure investments. The Infrastructure Investment and Jobs Act (Pub. L. 117-58, November 15, 2021), authorized and appropriated $1.5 billion annually to be awarded by the Department of Transportation ("DOT") 2022 – FY 2026 for Local and Regional Project Assistance Program Grants under National Infrastructure Investments to fund eligible surface transportation projects with significant local or regional impact. As of July 2025, the program has awarded more than $18 billion in 18 rounds to local governments, Tribes, transit and port authorities, states, and other entities. The program is codified at 49 U.S.C. 6702.

2. PROGRAM GOALS AND OBJECTIVES

The goal of the BUILD program is to fund eligible surface transportation projects that will have a significant local or regional impact. The Department seeks to fund projects that advance the priorities of this Administration as described in DOT's mission statement, and across executive orders.

Note, the **BUILD program can only fund the surface transportation infrastructure** elements of a project that may also include housing, parks, economic development strategies, etc.

3. RESTRICTIONS ON FUNDING

The Department must comply with the following funding restrictions:

Funding Restriction	Amount

[5] Includes recipients of grants under former names of the program (*Rebuilding American Infrastructure with Sustainability and Equity* (RAISE) and *Transportation Investment Generating Economic Recovery* (TIGER)).

Per State	No more than 15% which is $225 million
Rural Projects	No more than 50% which is $750 million
Urban Projects	No more than 50% which is $750 million
Planning Projects	At least 5% which is $75 million
Projects Located in Areas of Persistent Poverty and/or History Disadvantaged Communities	At least 1% which is $15 million

The Department may retain up to $30 million for oversight and administration of grants. Additionally, the Department may use up to 20 percent of available funds (or $300 million) to pay the subsidy and administrative costs of a project receiving credit assistance under the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) or Railroad Rehabilitation and Improvement Financing (RRIF) programs. Note, applicants must apply to both the BUILD program and TIFIA or RRIF loan program to be eligible for the Department to pay for subsidy and administrative costs associated with credit assistance.

Federal funds awarded under this program may not be used to support or oppose union organizing, whether directly or as an offset for other funds.

4. AVAILABILITY OF FUNDS

The table below outlines the obligation and expenditure deadlines for FY 2026 IIJA funding.

Fiscal Year	Obligation Deadline	Expenditure Deadline
FY 2026	September 30, 2030	September 30, 2035

FY 2026 BUILD grant funds must be obligated by September 30, 2030.

- Obligation occurs when a grant recipient and the Department enter into a written grant agreement after the recipient has satisfied applicable local, State and Federal requirements.

FY 2026 BUILD funds must be expended by September 30, 2035.

- Expenditure occurs when a recipient is reimbursed for eligible project costs.
- After this date, unexpended funds are no longer available to the project.

5. PERFORMANCE GOALS

BUILD program performance measures can be found on the BUILD website.

6. PREVIOUS AWARDS

Previous program awards can be seen in Fact Sheets on the BUILD website.

D. APPLICATION CONTENT AND FORMAT

The Department requires the application to include the following files, in this order and with these specific names:

Information	File Name	NOFO Section	Page Limit
SF-424	SF-424	D.1	N/A
SF-LLL	SF-LLL	D.1	N/A
Key Information Questions	N/A	D.2	N/A
Project Description	Project Description	D.3	5 pages
Project Location File	Project Location File	D.4	N/A
Project Budget	Project Budget	D.5	5 pages
Funding Commitment Documentation	Funding Commitments	D.5	N/A
Merit Criteria	Merit Criteria Narrative	D.6	15 pages
Project Readiness	Project Readiness	D.7	5 pages
Benefit-Cost Analysis Narrative (capital projects only)	BCA Narrative	D.8	N/A
Benefit-Cost Analysis Calculations (capital projects only)	BCA Calculations	D.8	N/A
Letters of Support (Optional)	Letters Of Support	D.7	N/A

The Department requires application files to be formatted as follows:

- Single-spaced, 12-point standard font with 1-inch margins.
- PDF unless otherwise specified (e.g., project information form in Excel; location files as Shapefile or KML/KMZ; and BCA calculations in Excel).

Applications should include all necessary information to demonstrate compliance with the Eligibility section and to meet selection criteria in the Criteria section. Applications must be complete at submission; the Department may request additional data, but applicants are not obligated to provide it.

Title page and table of contents are **not** required, but if included, these parts of the document do not count against the page limits.

Supporting documents may be included but are not required to be reviewed by evaluators.

Different evaluation teams review the merit criteria, the benefit-cost analysis, budget, and project readiness files.

The Department expects application files to include the following detailed information:

1. STANDARD FORMS

All applicants must submit the following standard forms:

- SF-424 Application for Federal Assistance
- SF-LLL Disclosure of Lobbying Activities

If the funding amounts differ between the SF-424 and other application materials, the amount in the SF-424 will be used as the project budget. Funding amounts must be in whole numbers (no cents).

2. KEY INFORMATION QUESTIONS

The following questions must be answered in the FY 2026 BUILD application in Valid Eval.

Field	Instructions
Unique Entity Identifier	Enter the Unique Entity Identifier (UEI). This should be the same UEI entered on the SF-424. See Section F.2 for how to obtain a UEI from sam.gov
Project Name	Enter a concise descriptive title. This should be the same title used on the SF-424 and throughout the application.
Project Description	Describe the project to be planned or constructed in no more than 100 words.
BUILD Funding Request	Enter the amount of BUILD funds requested. The maximum request amount is $25 million. The minimum amount for capital projects in rural areas is $1 million and $5 million in urban areas.
Other Federal Funding	Enter the total amount of other Federal funds committed to the project.
Non-Federal Funding	Enter the total amount of non-Federal funding committed to the project.
Total Project Cost	Enter the total BUILD funding request, other Federal funding, and non-Federal funding. The Total Project Cost means total **future** eligible project costs. Do **not** include previously incurred costs.
Project Type	Enter the project primary and secondary type.
Construction Start Date	Enter the estimated construction start date for the capital project.
Planning Project Start Date	Enter the estimated start date for the planning project.
2020 Census-Designated Urban Area	Select the Urban Area the project is located or "not located in an Urban Area" if the project is outside of an Urban Area
Urban or Rural	Identify whether the project is located in a rural or urban area. A project is designated as Urban if it is located in a 2020 Census-designated Urban Area with a population greater than 200,000. If a project is located outside a 2020 Census-designated Urban Area with a population greater than 200,000, it is designated Rural.

Project Zip Code	Enter the 5-digit zip code for the project location. If the project is located in multiple zip codes, identify the zip code in which most of project costs will occur. Please leave blank if the project is located in a territory that does not have zip codes.
County	Select the county (or equivalent jurisdiction) where the project is located. If the project is located in multiple counties, identify the county in which most of project costs will occur.
Additional Counties	Identify additional counties or equivalent jurisdictions.
2020 Census Tract(s)	Identify the 2020 Census tract(s) the project is located.
Area of Persistent Poverty and Historically Disadvantaged Community	Select if the project is located in an Area of Persistent Poverty/Historically Disadvantaged Community as defined by statute.
Project Location Latitude	Enter the project's latitudinal coordinate using decimal degrees (e.g., **38.87586**, -77.00365). Note, that latitude is the **first number** in the example coordinates.
Project Location Longitude	Enter the project's longitudinal coordinate using decimal degrees (e.g., 38.87586, **-77.00365**). Note, that longitudinal is the **second number** in the example coordinates.
Qualified Opportunity Zones	Select if the project is located in a Qualified Opportunity Zone (26 U.S. Code § 1400Z-1)
Previous Submission to BUILD/RAISE/TIGER	If this exact project was submitted in a previous BUILD, RAISE, or TIGER round, please list the name of the round (e.g., BUILD 2025, RAISE 2024, etc.)
Private Corporation Involvement	Does this project involve a private entity or entities that will receive a direct and predictable financial benefit if the project is selected for award? This includes, but is not limited to, private owners of infrastructure facilities being improved and private freight shippers or carriers directly benefitting from completion of the proposed project.
Private Corporation Name(s)	If this project directly involves or benefits a private corporation, please list the corporation(s) separated by a comma.
TIFIA or RRIF	Is the applicant currently or anticipating applying for Transportation Infrastructure Finance and Innovation Act (TIFIA) or Railroad Rehabilitation & Improvement Financing (RRIF) loans to fund the project?

This form is used to determine applicant and project eligibility.

3. PROJECT DESCRIPTION FILE

This file **should** include:

- description of the project to be planned or constructed
- scope of work covering technical and engineering aspects
- current design level
- description of the project location
- map
- "before" and "after" renderings of the project, as appropriate
- transportation challenges project will solve

This file may also include:

- project's history
- how project fits within the applicant's broader transportation infrastructure investments

4. PROJECT LOCATION FILE

Applicants should submit one of the following file types that detail the project's location so the Department can verify location designations: Shapefile (.zip with .shp, .shx, .dbf, and .prj) or KML/KMZ. Google Earth can be used to create KML/KMZ files. The files should only include the project's direct physical location, not a broad service area or area of impact.

Accurate location data is crucial as it affects eligibility for the FY 2026 BUILD grants program.

5. PROJECT BUDGET FILES

This file should describe the budget for the BUILD project using the below table and also include a narrative section. **The budget table should show only future eligible project costs and should not include previously incurred expenses**.

Funding Source	[Component 1]	[Component 2]	Total Funding
BUILD Funds	[$XXX]	[$XXX]	[$XXX]
Other Federal Funds	[$XXX]	[$XXX]	[$XXX]
Non-Federal Funds	[$XXX]	[$XXX]	[$XXX]
Total Project Cost	[$XXX]	[$XXX]	[$XXX]

Note: If there is only a single component, remove "Component 2" column. If there are more than 2 components, add columns.

Cost Classification	BUILD Funds	Other Federal Funds	Non-Federal Funds	Total Project Cost
Preliminary Engineering	[$XXX]	[$XXX]	[$XXX]	[$XXX]
Design	[$XXX]	[$XXX]	[$XXX]	[$XXX]
Environmental	[$XXX]	[$XXX]	[$XXX]	[$XXX]
Construction	[$XXX]	[$XXX]	[$XXX]	[$XXX]
Contingency	[$XXX]	[$XXX]	[$XXX]	[$XXX]
Total Funding	[$XXX]	[$XXX]	[$XXX]	[$XXX]

Note: The cost classifications listed above are for example only. Include Cost Classifications relevant for the project described in the application.

At a minimum, the budget table must show the **total project cost** by project component and the following funding sources:

- BUILD funding request
- Other Federal funds
- Non-Federal Funds

Ideally, project budget table(s) will show project components by cost classification, and funding source. The budget table and narrative must identify the amount, type (e.g., grant, loan, bond, etc.), and source of all other Federal funds and non-Federal funds included in the budget. The budget table should demonstrate compliance with the statutory cost share requirements.

Applicants must also include the three tables listed below in their project budget file. The Department will use these tables to determine where the majority of project costs occur for the purposes of making APP/HDC, and Urban designations. The total project cost listed in each table should match the total project cost listed in the budget table above, in the SF-424 and in Key Information Form. Applicants should reference the BUILD Grant Project Location Verification mapping tool when filling out the below tables.

2020 Census Tract(s)	**Project Costs per Census Tract**
[XX.XX]	$
[XX.XX]	$
[XX.XX]	$
[XX.XX]	$
	Total Project Cost: $

Note: Please reference the Census Tracts (2020 Census) layer in the BUILD Grant Project Location Verification mapping tool. Additional rows may be added if necessary.

Urban and Rural	**Project Costs**
Urban (2020 Census-designated urban area with a population greater than 200,000)	$
Rural (Located outside of a 2020 Census-designated urban area with a population greater than 200,000)	$
	Total Project Cost: $

Note: Please reference the Census Designated Urban Areas with Population Greater Than 200,000 (2020 Census) layer in the BUILD Grant Project Location Verification mapping tool.

The budget narrative should include:

- Sources, Uses, and Availability: Provide complete information on how all capital or planning project funds may be used, their availability, and documented funding commitments. For example, if a source of funds is available only after a condition is satisfied, the application should identify that condition and describe the applicant's control over whether it is satisfied. Similarly, if a source of funds is available for

expenditure only during a fixed period, the application should describe that restriction. Examples of documentation include, but are not limited to, a letter signed by a governing official or chief financial officer confirming the amount and source of funding, a page or pages from the Statewide Improvement Program (STIP) or Transportation Improvement Program (TIP) (please do not include a link to the entire STIP/TIP), a signed city ordinance, or a county administrator committing previously approved general obligation bonds.

- Contingency Amount and Plan: Indicate the specific contingency amount included in the budget to demonstrate there is sufficient funding to cover unanticipated cost increases and describe a plan to address potential cost overruns.
- Level of Design: Indicate the degree of design completion (e.g., no design, 30, 60, 90 percent design) for which the cost was estimated in the case of a capital project;
- Cost Estimates: Indicate how, when, and by whom project costs were estimated. Cost estimates should be no older than a year from the application deadline and include an inflation factor.
- Cost Share: Explain how the project budget satisfies the statutory cost share or non-federal funds matching requirements shown in the project budget table, if applicable.

6. MERIT CRITERIA FILE

This file should demonstrate how the project aligns with each of the 8 statutory merit criteria described in the Merit Criteria section by:

- Organizing the narrative in the order the merit criteria are described in the Merit Criteria section
- Addressing each merit criteria separately by:
  - Identifying the bullet(s) from the rubric the project addresses
  - Identifying the element(s) of the project that address the bullet(s) from the rubric
  - Providing supporting justification using data or descriptive details. Unsupported claims may harm the application's competitiveness.

Insufficient information to assess any criterion will negatively impact the project rating. Merit reviewers will focus on this file and will not be required to reference links or the other files in the application package.

7. PROJECT READINESS FILE

Project readiness describes an applicant's preparedness to move a proposed project forward once it receives a BUILD grant. The Project Readiness file should include information that, when considered with the project budget information, is sufficient for the Department to evaluate whether the project is reasonably expected to begin the project timely and **well in advance the obligation deadline**. For most projects awarded under this NOFO, the obligation deadline will be September 30, 2030; a smaller subset of funds awarded under this NOFO may have an earlier obligation deadline, depending on the specific source of funds. To assist the Department's Project Readiness Review team, the applicant should provide the information requested on project schedule, required approvals and permits, NEPA class of action and status, public involvement,

right-of-way acquisition plans, risk assessment, and risk mitigation strategies. Applicants can see a general Project Readiness checklist on the Department's website. The Project Readiness file should include the sections outlined below. Supporting material that exceeds page limits may be provided as hyperlinks, attachments, or appendices.

i. Planning and Constructability

Applicants should demonstrate that a project that is required to be included in the relevant State, metropolitan, and local planning documents has been or will be included in such documents.

- STIP / TIP / TTIP / TAM Plan: Is the project already listed in the STIP, TIP, Tribal Transportation Improvement Program (TTIP), and/or Transit Asset Management (TAM) Plan, if applicable? If so, provide links or attachments that show the project listing in the applicable plans/programs. If the project is not yet listed, describe any coordination that has/will occur to facilitate listing in the applicable plans/programs and the anticipated date when listing will occur.
- Consistency with Other Plans: Is your proposal listed in and/or consistent with any other plans (e.g., the Long-Range Statewide Transportation Plan and/or Metropolitan Long-Range Plan)? If so, please summarize and provide a link to appropriate project listing.
- Freight Plans: To the extent possible, freight projects should be included in a State Freight Plan and supported by a State Freight Advisory Committee (49 U.S.C. 70201, 70202), if these exist. Applicants should provide links or other documentation supporting this consideration such as letters of support from the State DOT if the project is intended to be included in the State Freight Plan, or results from application of the FHWA Freight Mobility Trends Tool.
- Property Acquisition / Right-of-Way (ROW): Who is the owner of the existing facility? Will any new ROW acquisition be required, and if so, from whom? If acquisition will be required, describe the status and anticipated schedule for the acquisition. Will any special ROW permits or approvals be needed? If so, please describe.
- Construction Techniques and Phasing: Will the proposed improvements require unique construction techniques, non-standard project delivery methods (e.g., approaches other than design-bid-build), and/or phasing? If so, please describe.

ii. Proposed Schedule

- List the completed and/or anticipated dates (calendar month and year, not fiscal year or quarter) for the following key milestones. Dates provided should reflect a realistic amount of time to complete each milestone. Ensure that dates provided here are consistent with dates provided elsewhere in the application.
  - Start and end of preliminary design
  - Start and end of the NEPA process
  - Start and end of obtaining permits/approvals (if required)
  - Project listed in STIP, TIP, TTIP, and/or TAM Plan (as applicable)
  - Start and end of final design
  - Start and end of ROW acquisition (if required)
  - Anticipated finalization of BUILD grant agreement (if awarded)

  - Start and end of construction
- Project Development Phases to be Funded with BUILD: Describe the project development phase(s) proposed to be funded with BUILD funds (if awarded), and whether BUILD funds are proposed to be used for phases other than ROW acquisition and construction (e.g., for design, NEPA, etc.). Typically, milestones for establishing the grant agreement and obligation of funds should be scheduled before any activities/phases that will use BUILD funds.

iii. NEPA and Permitting

- NEPA Class of Action: List the class of action/type of document that has already been or will be prepared to comply with the National Environmental Policy Act (NEPA) of 1969, as amended (e.g., a categorical exclusion, an environmental assessment, an environmental impact statement, or class of action not yet determined/or anticipated). If multiple NEPA documents are being prepared for this proposal, briefly explain why, and complete the prompts below for each document.
- NEPA Status and Milestones: Briefly describe the status of NEPA compliance (e.g., not started, underway, or complete), the anticipated project impacts, and proposed mitigation measures. If the NEPA process has been completed, provide the final approval date for the NEPA document. If the NEPA process has not yet been completed, list the key remaining milestones for the NEPA process, their status, and their anticipated completion dates. Identify any anticipated challenges to timely completing the NEPA process.
- Link to NEPA Documentation: If draft or final NEPA documentation is available, provide a hyperlink, attach it, or append it.
- Reevaluation and Post-Approval Changes: Describe any planned and/or completed efforts to reevaluate the NEPA documentation between the final NEPA approval and beginning of construction. Reevaluation may be warranted based on the passage of time and/or changes in the project scope, setting, impacts, or applicable requirements since the final NEPA approval.
- Permits and Approvals: List any federal, state, or local permits and approvals anticipated to be needed for the project (e.g., Clean Water Act Section 404 permit, Endangered Species Act Section 7 consultation, etc.) and how the need for those permits and approvals was determined. Provide the status of each permit or approval and the date that the permit or approval was obtained or is anticipated to be obtained. Summarize and attach relevant correspondence or documentation of consultation with permitting agencies.
- Coordination with DOT: Identify the federal lead agency for the NEPA process and any joint-lead agencies. Describe any coordination that has occurred with an agency or operating administration of USDOT regarding the project proposal and/or NEPA analysis. Describe any coordination with state, county, or local transportation agencies regarding preliminary design and the NEPA process.

iv. Project Support

- Public and Agency Involvement Process: Summarize the key events and techniques used to engage the public and other stakeholders during the NEPA process. Highlight efforts to engage communities likely to be affected by the project, including details on access for persons with disabilities. These efforts may include public meetings, a public website, presentations to community groups, newsletters, online outreach, etc.
- Public and Agency Involvement Results: Summarize the support, opposition, and/or other notable feedback related to the project from the following groups and describe how stakeholder feedback has been integrated into project development and design:
  - The public, including members of communities affected by the proposal,
  - Elected officials and/or bodies (e.g., federal and state legislators, city and county councils and boards, etc.),
  - Other entities (e.g., members of business or industry, community organizations, advocacy groups, etc.), and
  - Federal, state, or local agencies (reference any relevant information provided in the NEPA and Permitting section above).
- Attach and reference documentation of support as applicable (e.g., letters of support, letters of commitment, resolutions, summaries of public comments, etc.)

v. Risks and Mitigation

Project risks, such as procurement delays, environmental uncertainties, increases in real estate acquisition costs, uncommitted local match (non-federal funding), lack of support from stakeholders or impacted communities, or lack of legislative approval affect the likelihood of successful project start and completion. Project risks can also include the unavailability of vehicles that either comply with Federal Motor Vehicle Safety Standards or are exempt from Federal Motor Vehicle Safety Standards in a manner that allows for their legal acquisition and deployment, and unavailability of domestically manufactured equipment.

- The applicant should identify all material risks and harms to the project and the strategies that the lead applicant and any project partners have undertaken or will undertake to mitigate those risks and describe the potential effects of each risk on meeting the key project delivery schedule milestones presented in the Proposed Schedule. The applicant should assess the greatest risks to the project and identify how the project parties will mitigate those risks.
- If an applicant anticipates pursuing a waiver for relevant domestic preference laws, the applicant should describe steps that have been or will be taken to maximize the use of domestic goods, products, and materials in constructing its project. To the extent the applicant is unfamiliar with the Federal program, the applicant should contact the appropriate DOT operating administration field or headquarters offices, as found in contact information on the BUILD website, for information on the prerequisite steps to obligate Federal funds in order to ensure that their project schedule is reasonable and that there are no risks of delays in satisfying Federal requirements.

vi. Applicant Capacity Review

All applications should include a section in the Project Readiness file that demonstrates their capacity, knowledge, and experience to successfully deliver the project in compliance with applicable Federal requirements including, but not limited to, compliance with Buy America provisions. The applicant should address the following in the applicant capacity section of the Project Readiness file:

- Roles and Responsibilities: provide clear responsibilities and roles within the project, especially to administer the grant and deliver/implement the project.
- Federal Funding: demonstrate experience implementing federally funded transportation projects.
- Federal Regulations: understanding of federal contract and procurement requirements, and other federal requirements including Buy America, Americans with Disabilities Act, Uniform Relocation Assistance and Real Property Acquisition Act, Davis Bacon Act, etc.
- Project Planning: practice incorporating projects into long-range development plans or adding projects to the TIP/STIP through the MPO planning process, if relevant.
- Project Delivery: provide detailed description of successfully delivered projects of similar size, scope, and complexity.

8. COST EFFECTIVENESS REVIEW: BENEFIT-COST ANALYSIS

The purpose of the Benefit-Cost Analysis (BCA) is to enable the Department to evaluate the cost-effectiveness of the proposed project by comparing its expected benefits to its expected costs. These expected benefits and costs are estimated by comparing the world with the proposed project, the "build scenario" with a "baseline" or "no-build alternative" representing the world without the proposed project.

Any benefits claimed for the proposed project, both quantified and unquantified, should be clearly tied to the expected outcomes of the proposed project. While benefits should be quantified wherever possible, applicants may also describe other categories of benefits in the BCA that are more difficult to quantify and/or value in economic terms.

There should be two BCA files included in the application: (1) a narrative description of the BCA; and (2) an unlocked spreadsheet revealing the underlying calculations:

- Narrative Description of Analysis: The BCA narrative should describe the current baseline, the sources of data used to estimate the benefits of the project, explain all assumptions, and the values of key input parameters. Applicants may also provide a table similar to the one shown below summarizing the impacts of the project and how those impacts would translate into expected benefits.

This is shown as an example only:

Baseline / Current Status and Problem to be Addressed	Change to Baseline / Proposed Project to Address Problem	Example Impacts
A bridge has deteriorated to the point where trucks are forced to detour to a nearby bridge	The existing bridge will be rehabilitated to remove restrictions on trucks	Reduced travel time and vehicle operating costs due to a reduction in average truck trip length by X miles
An intersection has a high number of fatal and injury crashes stemming from a deficient design	The existing intersection will be replaced with a roundabout	Reduced fatalities, injuries, and property damage-only crashes by X, Y, and Z per year

- Spreadsheet Revealing Underlying Calculations: The BCA spreadsheet file should be unlocked and present calculations in sufficient detail and transparency to allow evaluators to reproduce the analysis. DOT does not have a prescribed format for the BCA spreadsheet, but the Department has a BCA spreadsheet template that is available to assist applicants in structuring their analysis.

Applicants should review the Department's detailed guidance on how to conduct a BCA. Both the guidance document and spreadsheet template will be available on the BUILD website.

E. SUBMISSION REQUIREMENTS AND DEADLINE

1. ADDRESS TO REQUEST APPLICATION PACKAGE

All application materials may be found on grants.gov and the BUILD website.

2. UNIQUE ENTITY IDENTIFIER (UEI) AND SYSTEM FOR AWARD MANAGEMENT (SAM)

Each applicant must:

- Be registered in SAM.gov before submitting its application;
- Provide a valid unique entity identifier in its application; and
- Continue to maintain an active registration in SAM.gov with current information at all times during which it has an active Federal award or an application under consideration by a Federal agency.

Please note that the SAM registration process takes **several weeks to complete, if not longer**.

i. Submission Instructions

All applications must be submitted electronically through Valid Eval at:

- Capital Project - https://usg.valideval.com/teams/usdot_build_2026_capital/signup

- Planning Projects - https://usg.valideval.com/teams/usdot_build_2026_planning/signup

Capital and Planning projects have different application submission requirements and must be submitted using the appropriate link.

The Department does **not** accept applications via mail, fax machine, email, or other means.

ii. Submission Issues

Email Valid Eval at support@valideval.com for technical assistance with the application portals.

3. SUBMISSION DEADLINE

Applications must be submitted through Valid Eval by 5:00 PM eastern on February 24, 2026. The Valid Eval application portals will **not** accept late applications.

i. Consideration of Applications

Only applicants who comply with all submission deadlines described in this notice and electronically submit valid, on-time applications through Valid Eval will be eligible for evaluation and possible selection for award.

ii. Late Applications

The Department does **not** accept late BUILD grant applications. Applicants are strongly encouraged to complete submissions days, if not weeks, in advance of the deadline. Applicants facing technical issues are advised to email Valid Eval at support@valideval.com well in advance of the deadline.

4. INTERGOVERNMENTAL REVIEW

This program is not subject to EO 12372, Intergovernmental Review of Federal Programs.

5. COMPLIANCE WITH SECTION 508 OF THE REHABILITATION ACT OF 1973

The Department encourages applicants to submit documents that are compliant with Section 508 of the Rehabilitation Act of 1973 (see Section 508 guidelines).

F. APPLICATION REVIEW INFORMATION

1. CRITERIA

This section describes the statutory merit criteria, cost effectiveness test, and project readiness review the Department will use to evaluate applications.

TIER 1 All Eligible Applications
Merit Criteria Review
TIER 2 All applications rated "Highly Recommended" under the merit criteria review automatically advance for second tier analysis. The Senior Review Team (SRT) can advance applications rated "Recommended" for second-tier analysis.
Project Readiness Review
Project Risk Review (capital projects only)
Applicant Capacity Review
Financial Completeness Review
Benefit-Cost Analysis (capital projects only)

The Department will review the statutory merit criteria for all applications. Highly Recommended capital applications will automatically advance to receive second-tier analysis consisting of three Project Readiness reviews: (1) Project Risk Review; (2) Applicant Capacity Review; and (3) Financial Completeness Review, as well as a Benefit-Cost Analysis (BCA). Highly Recommended planning applications will automatically advance to receive second-tier analysis consisting of an: (a) Applicant Capacity Review; and (2) Financial Completeness Review. The SRT can advance select Recommended capital and planning applications for second-tier analysis under the circumstances described in the Review and Selection Process section.

i. Merit Criteria

The Department will evaluate whether the application uses data-driven and evidence-based methods to demonstrate that the project will provide the anticipated benefits for each statutory merit criterion and will assign individual ratings of: **High, Medium, Low, or Non-Responsive**.

Individual Merit Criteria Ratings	
High	The criterion must be addressed as a primary project purpose (not an ancillary or incidental consideration), must include clear, direct, data-driven (capital projects only), and significant benefits, and must align with at least one of the benefits described in the high column of the merit criteria rubric. For the Partnership and Innovation criteria, the project has, or demonstrates plans to, support one or more of the activities in the merit criteria rubric.
Medium	The criterion may not be a primary project purpose, or the project benefits do not meet at least one of the requirements for a High rating, as described in the merit criteria rubric.
Low	The application contains insufficient information to assess that criterion's benefits.
Non-Responsive	The proposed project negatively affects the criterion, or the application does not address the criterion.

Planning grant applications will be evaluated against the same merit criteria as capital grants. Planning grant applications should include data on the problem intended to be addressed, but information does not need to be as driven by data as a capital project when estimating benefits of the implemented project since data is often an outcome of the project to be planned. The Department will consider how the plan, once implemented, will ultimately further the merit criteria.

Merit Criteria	Non-Responsive	Low	Medium	High

Safety	Application did not address the Safety criterion
	
	OR
	
	Project negatively affects safety
		Application contains insufficient information to assess safety benefit	The project has one or more of the following safety benefits, but safety may not be a primary project purpose or does not meet the description(s) of a High rating:
			• Reduce any number of fatalities and/or serious injuries
				Safety is a primary project purpose AND the project has clear, direct, **data-driven** (for capital projects only), and significant benefits that targets a known, documented safety problem, by doing one or more of the following:
				• Implement autonomous systems designed to improve safety outcomes
				• Prevent fatalities and serious injuries by:
				  ○ Eliminating at-grade crossings; or
				  ○ Facilitating the separation of freight and passenger traffic
				• Protect motorized and non-motorized travelers from safety risks; or
				• Reduce fatalities and/or serious injuries in the project area to bring them below the state-wide average; or
				• Incorporate and cite specific actions and activities identified in FTA's Safety Advisory 23-1: Bus-to-Person Collisions; or
				• Incorporate specific safety improvements that are part of a documented safety risk mitigation strategy and that have, for example, corridor, port-wide, or transit system impact.

Merit Criteria	Non-Responsive	Low	Medium	High
Environmental Sustainability	Application did not address the Environmental Sustainability criterion OR Project negatively affects environmental sustainability	Application contains insufficient information to assess environmental sustainability benefits	Project has one or more of the following environmental sustainability benefits, but environmental sustainability may not be a primary project purpose or does not meet the description(s) of a High rating: • Make basic stormwater improvements; or • Remove, replace, or restore culverts for the purpose of improving habitat for aquatic species	Environmental sustainability is a primary project purpose AND the project has clear, direct, **data-driven** (for capital projects only), and significant by doing one or more of the following: • Improve the resilience of at-risk infrastructure to be resilient to extreme weather events and natural disasters including the construction of parallel or redundant alternatives if appropriate; or • Include project in a resilience improvement plan that considers risk across transportation modes, regions, and critical interdependent sectors or similar plan; or • Incorporate permeable pavements, bioswales, vegetated swales and berms, urban tree canopies, stone breakwaters, etc., as appropriate.
Quality of Life	Application did not address the Quality of Life criterion OR Project negatively affects quality of life	Application contains insufficient information to assess quality of life benefits	Project has one or more of the following quality of life benefits but quality of life may not be a primary project purpose or does not meet the description(s) of a High rating: • Reduce transportation and housing cost burdens by integrating mixed-use development and	Quality of life is a primary project purpose AND the project has clear, direct, **data-driven** (for capital projects only) and significant benefits, by doing one or more of the following: • Beautify transportation infrastructure (e.g. engaging landscape, shade trees) with context-appropriate design that enhance user experience while maintaining safety and operational efficiency; or

Merit Criteria	Non-Responsive	Low	Medium	High
			a variety of housing types, including affordable housing, with multimodal transportation infrastructure; or • Coordinate and integrate land use, affordable housing, and transportation planning in order to create more livable communities; or • Implement transit-oriented development.	• Improve the travel experience for families (e.g., dedicated facilities for mothers such as nursing/pumping spaces, improved accommodations for strollers, accessible changing tables, intuitive design elements, small parks, playground-inspired edging); or • Improves wayfinding and user experience (clear signage, intuitive layouts, and predictable operations for caregivers); or • Makes transportation more affordable.
Mobility and Community Connectivity	Application did not address the Mobility and Community Connectivity criterion OR Project negatively affects mobility and community connectivity	Application contains insufficient information to assess mobility and community connectivity benefits	Project has one or more of the following mobility and community connectivity benefits, but mobility and community connectivity may not be a primary project purpose or does not meet the description(s) of a High rating: • Decrease roadway traffic congestion and does not propose limits on roadway capacity for motor	Mobility and community connectivity is a primary project purpose AND the project has clear, direct, **data-driven** (for capital projects only) and significant benefits, by doing one or more of the following: • Improve vehicular roadway capacity; or • Enhance the accessibility of the transportation system for families and Americans with disabilities using Universal Design; or • Remove physical barriers for individuals by reconnecting

Merit Criteria	Non-Responsive	Low	Medium	High
			vehicles or create artificial chokepoints for motor vehicles; or • Incorporate Americans with Disabilities Act improvements	communities to direct, affordable transportation options; or • Include transportation features that increase the accessibility for non-motorized travelers in underserved communities; or • Provides additional options for intermodal and multimodal freight shippers; or • Consider last-mile freight plans in a multimodal approach.
Economic Competitiveness and Opportunity	Application did not address the Economic Competitiveness and Opportunity criterion OR Project negatively affects economic competitiveness and opportunity	Application contains insufficient information to assess economic competitiveness and opportunity benefits	Project has one or more of the following economic competitiveness and opportunity benefits, but economic competitiveness and opportunity may not be a primary project purpose or does not meet the description(s) of a High rating: • Reduce travel time or improve travel time reliability; or • Improve the safety, security, or efficiency of the movement of goods; or	Economic competitiveness is a primary project purpose AND the project has clear, direct, **data-driven** (for capital projects only), and significant benefits, by doing one or more of the following: • Advance the nation's domestic energy sector, in accordance with Executive Order 14154 Unleashing American Energy; or • Revitalize and restore domestic maritime industries, in accordance with Executive Order 14269 Restoring America's Maritime Dominance; or • Promote economic growth, and other broader economic and fiscal benefits; or • Promote or reshore industries of national interest, including the

Merit Criteria	Non-Responsive	Low	Medium	High
			• Create jobs related to the project's delivery and on-going operations	critical minerals, steel, the defense industrial base, and pharmaceutical manufacturing; or • Includes union participation or project labor agreements which promote cost-effectiveness and open competition; or • Improve intermodal and/or multimodal freight mobility; or • Address a freight bottleneck, as identified in the National Freight Strategic Plan, a State Freight Plan, or as measured by relevant freight industry associations (ATRI, e.g.); or • Support growth and expansion of American exports; or • Expand access to safe truck parking; or • Facilitate tourism opportunities.

Merit Criteria	Non-Responsive	Low	Medium	High
State of Good Repair	Application did not address the State of Good Repair criterion OR Project negatively affects state of good repair	Application contains insufficient information to assess state of good repair benefits	Project has one or more of the following state of good repair benefits but state of good repair may not be a primary project purpose or does not meet the description(s) of a High rating: • Routine or deferred maintenance; or • Identify the party responsible for maintenance and describe how the new or improved asset(s) will be maintained in a state of good repair.	State of good repair is a primary project purpose AND the project has clear, direct, **data-driven** (for capital projects only) and significant benefits, by doing one or more of the following: • Restore and modernize the existing core infrastructure assets that have met their useful life; or • Prioritize improvement of the condition and safety of existing transportation infrastructure, particularly infrastructure with high cost of failure, such as bridges with lengthy detours; or • Reduce construction and maintenance burdens through efficient and well-integrated design; or • Create new infrastructure in remote communities that will be maintained in a state of good repair; or • Address current or projected transportation system vulnerabilities.
Partnership and Collaboration	Application did not address the Partnership and Collaboration criterion OR	Application contains insufficient information to assess the partnership and collaboration benefits	Project has one or more of the following partnership and collaboration benefits but partnership and collaboration may not be a primary project purpose or does not meet the description(s) of a High rating:	Project has, or demonstrates plans to, support one or more of the following: • Engage residents and community-based organizations to ensure those who live and work in the project area are meaningfully engaged throughout the lifecycle of the project; or

Merit Criteria	Non-Responsive	Low	Medium	High
	Project negatively affects partners or community members (e.g., negative impacts from ROW acquisition, lack of support for the project, etc.)		• Collaborate with public and/or private entities; or • Document support from local, regional, or national levels	• Establish formal public-private partnerships or joint ventures to restore, expand, or create new infrastructure; or • Coordinate with other types of projects such as economic development, commercial or residential development, power/electric infrastructure projects, or broadband deployment; or • Partner with high-quality workforce development programs to help train, place, and retain people in good-paying jobs or registered apprenticeships.
Innovation	Application did not address the Innovation criterion. OR Includes non-innovative practices or components	Application contains insufficient information to assess innovation benefits	Project has one or more of the following innovation benefits but does not meet the description(s) of a High rating: • Deploy technologies, project delivery, or financing methods that are <u>new or innovative to the applicant or community</u>	Project has, or demonstrates plans for, one or more of the following innovative benefits. Innovative Technologies • Advance the development and deployment of autonomous vehicles • Enhance the environment for connected or automated vehicles to improve the detection and mitigation of safety risks; or • Deploy innovative and emerging transportation technologies; or • Improve safety using Advanced Driver Assistance Systems on public transit vehicles, including functions

Merit Criteria	Non-Responsive	Low	Medium	High
				such as precision docking; lane keeping or lane centering; or • Use sensors or small unmanned aerial vehicles to enhance infrastructure inspection and asset management processes; or • Use sensors to monitor real-time conditions of pavement quality, signage, crosswalks, transit headways, or other public infrastructure; or • Use caps, land bridges, or underdecks; or • Use active grade crossing detection systems to enable responsive traffic management; or • Use detection systems on railroads to target and deter trespassing; or • Deploy technology to: o digitize curb management to optimize use across purposes and modes, including freight, pick-up/drop-off, and transit usage; or o support more efficient freight operating practices; or o help combat cargo theft through enhanced prevention and recovery; or Innovative Project Delivery • Use practices that facilitate accelerated project delivery such as

Merit Criteria	Non-Responsive	Low	Medium	High
				single contractor design-build arrangements, Advanced Digital Construction Management, Accelerated Bridge Construction, Digital as-builts, or an up-to-date programmatic agreement between an environmental resource agency and a state DOT, or other NEPA lead agency, that establishes a streamlined process for environmental consultations and permits for commonly encountered project types. Innovative Financing • Secure TIFIA, RRIF, or private activity bond financing; or • Use congestion pricing or other demand management strategies

Safety
The Department will evaluate whether and how the project demonstrates safety benefits. For this assessment, the Department will consider, for example, the extent to which the project improves safety outcomes by implementing autonomous systems; prevents fatalities and serious injuries by eliminating at-grade crossings or facilitating the separation of freight and passenger traffic; protects motorized and non-motorized travelers from safety risks; reduces fatalities and/or serious injuries in the project area to bring them below the state-wide average; incorporates specific actions and activities identified in FTA's Safety Advisory 23-1: Bus-to-Person Collisions; or incorporate specific safety improvements that are part of a documented safety risk mitigation strategy and that have, for example, corridor, port-wide, or transit system impact.

Environmental Sustainability
The Department will evaluate whether and how the project demonstrates environmental sustainability benefits. For this assessment, the Department will consider, for example, to the extent to which the project improves the resilience of at-risk infrastructure to be resilient to extreme weather events and natural disasters including the construction of parallel or redundant alternatives if appropriate; includes the project in a resilience improvement plan that considers risk across transportation modes, regions, and critical interdependent sectors or similar plan; or incorporates permeable pavements, bioswales, vegetated swales and berms, urban tree canopies, or stone breakwaters, etc., as appropriate. If applicable, applicants are encouraged to make floodplain upgrades consistent with the Federal Flood Risk Management Standard, to the extent consistent with current law.

Quality of Life
The Department will consider the extent to which the project beautifies transportation infrastructure (e.g. engaging landscape, shade trees) with context-appropriate design that enhance user experience while maintaining safety and operational efficiency; improves the travel experience for families (e.g., dedicated facilities for mothers such as nursing/pumping spaces, improved accommodations for strollers, accessible changing tables, intuitive design elements, small parks, playground-inspired edging, improves wayfinding and user experience (clear signage, intuitive layouts, and predictable operations for caregivers); or makes transportation more affordable. The inclusion of dedicated facilities for mothers such as nursing/pumping spaces, accessible changing tables, and improved accommodations for strollers are **not** eligible as standalone projects and need to be included as elements within an eligible surface transportation infrastructure project. **Note: Parks and housing are not eligible project costs under the BUILD grant program.** They **cannot** be included in the total project cost.

Mobility and Community Connectivity
The Department will assess whether and how the project will improve mobility and community connectivity. For this assessment, the Department will consider how the project will improve vehicular roadway capacity; enhance the accessibility of the transportation system for families

and Americans with disabilities using Universal Design; [6] remove physical barriers for individuals by reconnecting communities to direct, affordable transportation options; include transportation features that increase the accessibility for non-motorized travelers in underserved communities; provides additional options for intermodal and multimodal freight shippers; or consider last-mile freight plans in a multimodal approach.

Economic Competitiveness and Opportunity
The Department will assess whether and how the project will improve economic competitiveness and opportunity. For this assessment, DOT will consider the extent to which the project will advance the nation's domestic energy sector, in accordance with Executive Order 14154 Unleashing American Energy; revitalize and restore domestic maritime industries, in accordance with Executive Order 14269 Restoring America's Maritime Dominance; promote economic growth, and other broader economic and fiscal benefits; promote or reshore industries of national interest, including the critical minerals, steel, the defense industrial base, and pharmaceutical manufacturing; includes union participation or project labor agreements which promote cost-effectiveness and open competition; improve intermodal and/or multimodal freight mobility; address a freight bottleneck, as identified in the National Freight Strategic Plan, a State Freight Plan, or as measured by relevant freight industry associations (ATRI, e.g.); support growth and expansion of American exports; expand access to safe truck parking; or facilitate tourism opportunities.

State of Good Repair
The Department will assess whether and to what extent the project improves state of good repair. For this assessment, DOT will consider the extent to which the project will restore and modernize the existing core infrastructure assets that have met their useful life; or prioritize improvement of the condition and safety of existing transportation infrastructure; or reduce construction and maintenance burdens through efficient and well-integrated design; or create new infrastructure in remote communities that will be maintained in a state of good repair; or address current or projected transportation system vulnerabilities.

Partnership and Collaboration
The Department will consider the extent to which the project has or will support and engage people and communities. For this assessment, DOT will consider how the project has or will engage residents and community-based organizations to ensure those who live and work in the project area are meaningfully engaged throughout the lifecycle of the project; establish formal public-private partnerships or joint ventures to restore, expand, or create new infrastructure; coordinate with other types of projects such as economic development, commercial or residential development, power/electric infrastructure projects, or broadband deployment; or partner with high-quality workforce development programs to help train, place, and retain people in good-paying jobs or registered apprenticeships.

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6 Definition for "Universal Design" found on the General Services Administration's Section508.gov website and states, "Universal design is a concept in which products and environments are designed to be usable by all people, to the greatest extent possible, without the need for adaption or specialized design."

DOT will assess the level of detail and description provided about the partnerships listed above. **Applications that provide more details and descriptions about the project partnership will be rated higher than those that do not, in alignment with the merit rating rubric.**

Innovation

The Department will assess the extent to which the applicant uses innovative: (1) technologies; (2) project delivery; or (3) financing. If this project is the first time the applicant or community will deploy specific innovations, the Department will consider them innovative, to the extent applicants provide enough detail to determine whether the innovations being deployed are new or innovative to the applicant or community regardless of whether other applicants or communities have implemented these innovations.

- Innovative Technologies: The Department will consider how the project advances the development and deployment of autonomous vehicles; enhances the environment for connected or automated vehicles to improve the detection and mitigation of safety risks; deploys innovative and emerging transportation technologies; improves safety using Advanced Driver Assistance Systems on public transit vehicles, including functions such as precision docking; lane keeping or lane centering; uses sensors or small unmanned aerial vehicles to enhance infrastructure inspection and asset management processes; uses sensors to monitor real-time conditions of pavement quality, signage, crosswalks, transit headways, or other public infrastructure; or uses caps, land bridges, or underdecks; uses active grade crossing detection systems to enable responsive traffic management; uses detection systems on railroads to target and deter trespassing; or digitalizes curb management to optimize use across purposes and modes, including freight, pick-up drop-off, and transit usage.

    - Please note that all innovative technology must follow 2 CFR § 200.216. If an applicant is proposing to deploy autonomous vehicles or other innovative motor vehicle technology, the Department will consider whether and how the applicant demonstrates that all vehicles will comply with applicable safety requirements, including those administered by the National Highway Traffic Safety Administration (NHTSA) and Federal Motor Carrier Safety Administration (FMCSA). Specifically, the Department will consider whether the vehicles acquired for the proposed project will comply with applicable Federal Motor Vehicle Safety Standards (FMVSS) and Federal Motor Carrier Safety Regulations (FMCSR). If the vehicles may not comply, the Department will consider applications that do one of the following more competitive than applications that do not: either (1) show that the vehicles and their proposed operations are within the scope of an exemption or waiver that has already been granted by NHTSA, FMCSA, or both agencies or (2) directly address whether the project will require exemptions or waivers from the FMVSS, FMCSR, or any other regulation and, if the project will require exemptions or waivers, present a plan for obtaining them.

- Innovative Project Delivery: The Department will consider the extent to which the project uses practices that facilitate accelerated project delivery such as single contractor design-build arrangements, project bundling, Advanced Digital Construction Management, Accelerated Bridge Construction, Digital as-builts, or an up-to-date programmatic agreement between an environmental resource agency and a state DOT, or other NEPA lead agency, establishing a streamlined process for environmental consultations and permits for commonly encountered project types.

- Innovative Financing: The Department will assess the extent to which the project incorporates innovations in transportation funding and finance, for example through private sector funding or financing, using congestion pricing or other demand management strategies to address congestion, securing a TIFIA or RRIF loan, or receiving an allocation for private activity bonds through DOT's Build America Bureau.

DOT will assess the level of detail and description provided about the Innovative elements listed above. **Applications that provide more details and descriptions about the innovative technology, project delivery, or financing will be rated higher than those that do not, in alignment with the merit rating rubric**.

ii. Project Readiness

Capital project applications that receive second-tier analysis will be reviewed for Project Readiness and assigned three evaluation ratings:

- Project Risk Review
- Applicant Capacity Review
- Financial Completeness Review

Planning project applications that receive second-tier analysis will be reviewed for Project Readiness and assigned two evaluation ratings:

- Applicant Capacity Review
- Financial Completeness Review

Low ratings in any of these readiness areas do not disqualify projects from award, but competitive applications clearly and directly describe achievable risk mitigation strategies.

Project Risk Review
The Project Risk Review evaluates information provided in the Project Readiness file. The review analyzes the likelihood of the project to meet major milestones including the timely obligation and expenditure of grant funds given the constructability of the project, the current level of design, the extent to which the applicant has secured necessary environmental permits and approvals, whether acquiring right-of-way and/or a railway agreement is needed, if there is support for the project, and other considerations outlined in Section F.2.v. The review considers all elements relevant to the project and assigns a risk rating of: **High Risk, Moderate Risk, or Low Risk.**

Applicant Capacity Review

The Applicant Capacity Review evaluates only the information provided in the Project Readiness file. The review evaluates the extent to which the applicant has the knowledge, experience, and capacity to successfully deliver the project in compliance with applicable Federal requirements as well as the recipient's experience working with Federal funds, civil rights compliance, and previous experience delivering infrastructure projects. Applicant Capacity ratings will be one of the following: **Certain, Somewhat Certain, or Uncertain.**

DOT will assign the highest rating of Certain, if the application demonstrates that the applicant has:

- experience managing Federal funds;
- extensive experience completing projects with similar scope;
- resources to deliver the project; and
- knowledge of all applicable Federal requirements including, but not limited to, Buy America provisions, ADA regulations, Civil Rights requirements, Federal Motor Vehicle Safety Standards, and/or the Federal Motor Carrier Safety Regulations.

If an applicant is proposing to adopt innovative technology or other innovative practices, DOT will assess whether the applicant's capacity to implement those innovations, the applicant's understanding of applicable Federal requirements and whether the innovations may require extraordinary permitting, approvals, exemptions, waivers, or other procedural actions, and the effects of those innovations on the project delivery timeline.

Financial Completeness Review

The Financial Completeness Review reviews the project budget to confirm the availability of funding for the project and whether the applicant presented a complete funding package based on reasonable cost estimates. Financial Completeness ratings are: **Complete, Partially Complete, or Incomplete**.

DOT will assign the highest rating of Complete if the application:

- identifies all funding sources for the project budget;
- documents all funding is available and committed to the project;
- includes contingency amount and source in the project budget;
- describes a plan to address potential cost overruns;
- provides cost estimates prepared according to industry standards and/or DOT guidance; and
- includes an inflation factor.

Projects with funding gaps, estimates that are based on early stages of design (e.g., less than 30 percent design), or outdated cost estimates without specified budget contingencies will receive a lower rating. **All applicants, including those requesting 100 percent grant funding, should describe a plan to address potential cost overruns.**

iii. Benefit-Cost Analysis

For capital projects that receive second-tier analysis, the Department will consider the costs and benefits of projects seeking BUILD grant funding in determining the extent to which a project is cost effective. To the extent possible, the Department will rely on quantitative, evidenced-based and data-supported analysis to assess how well a project addresses this criterion, including an assessment of the project's estimated benefit-cost ratio (BCR) based on the applicant-supplied BCA described in the Cost effectiveness review: Benefit-Cost Analysis section.

Based on the Department's assessment, the Department will assign BCA rating of: **High, Medium-High, Medium, Medium-Low, or Low**

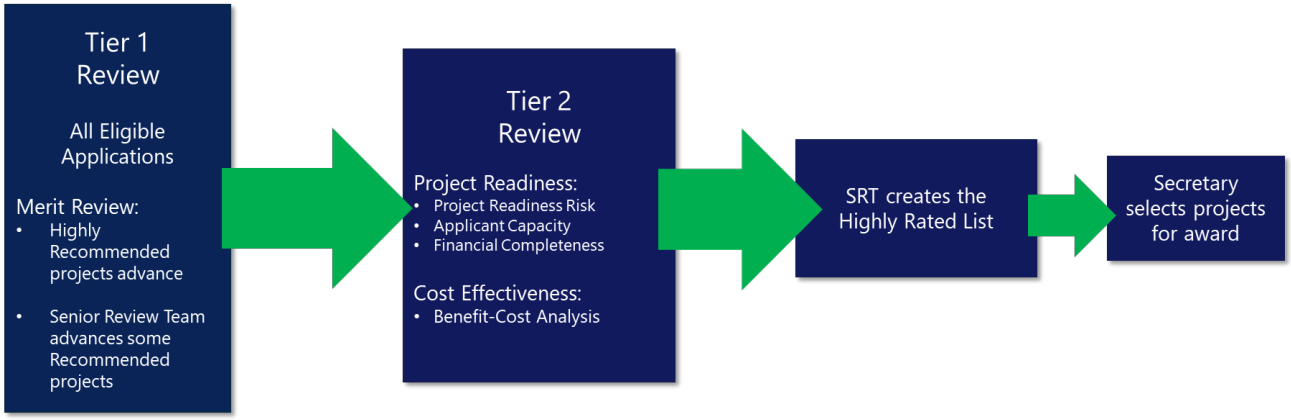
BCA Ratings	
High	The project's benefits will exceed its costs, with a benefit-cost ratio of at least 2.0
Medium-High	The project's benefits will exceed its costs
Medium	The project's benefits are likely to exceed its costs
Medium-Low	The project's costs are likely to exceed its benefits
Low	The project's costs will exceed its benefits

2. REVIEW AND SELECTION PROCESS

This section addresses the IIJA requirement to describe the methodology for evaluation in the NOFO, including how applications advance through the evaluation process and the other considerations made during selection. The BUILD grant application review and selection process consist of eligibility reviews, merit criteria review, second-tier analysis, Senior Review, and selection by the Secretary.

i. Eligibility Review

DOT staff will review all applications to determine eligibility based on requirements outlined in Section C. This process confirms the applicant is an eligible entity, the project type is eligible, and the requested non-Federal cost share is eligible. DOT staff will also verify the project location to verify eligibility to request up to 100 percent federal funding. Applicants may only submit up to three applications. Any applications submitted above the limit will be marked as ineligible.



ii. First-Tier: Merit Criteria Review

All eligible BUILD grant applications receive a Merit Criteria Review to see how well the project described in the application aligns with the eight statutorily required merit criteria listed in Section F.1. Merit Review teams will evaluate the significance of the benefits and the extent to which the project is likely to achieve the benefits described in the application.

Each criterion is assigned an individual rating: **High, Medium, Low, and Non-Responsive**. The individual ratings are tallied to calculate an overall merit rating of: **Highly Recommended, Recommended, Not Recommended.**

Overall Merit Rating	
Highly Recommended	six or more of the eight merit criteria ratings are "high" none of the merit criteria ratings are "non-responsive"
Recommended	one to five of the merit criteria ratings are "high" no more than three of the merit criteria ratings are "low" none are "non-responsive"
Not Recommended	Ratings that do not fit within the definitions of Highly Recommended or Recommended

- **Highly Recommended** - Automatically advance for second-tier analysis.
- **Recommended** - The Senior Review Team (SRT) reviews all Recommended projects to determine if the benefits of a particular criterion are so significant that the project merits advancing for second-tier analysis. The SRT can advance a Recommended project if:

    - The project received a High in one or more of the priority criteria of **safety, quality of life, mobility and community connectivity, and economic competitiveness** and the benefits in that criterion are exceptional; or

    - The SRT provides additional information to demonstrate that a criterion has benefits that are aligned with a High rating for one or more of the priority merit criteria listed

above (whether the Merit Review Team assigned a High rating) and the benefits in that criterion would be exceptional.

- **Not Recommended** - Do **not** advance and are not considered for selection.

iii. Second-Tier: Project Cost Effectiveness and Readiness Review

Second-tier analysis consists of:

- **Capital Projects**
  - Cost Effectiveness Review in the form of a Benefit-Cost Analysis (BCA)
  - Project Readiness Review evaluates:
    - risk of project not meeting obligation and construction timeline;
    - applicant capacity and experience to deliver the project; and
    - financial completeness of project funding.

- **Planning Projects**
  - Project Readiness Review evaluates:
    - applicant capacity and experience to deliver the project; and
    - financial completeness of project funding

iv. Senior Review

The SRT reviews the outcomes of second-tier analysis to determine which projects are designated as Highly Rated. SRT will prioritize projects that can be delivered quickly and efficiently.

- **Capital Projects with the following ratings can be designated Highly Rated:**
  - Medium to High BCA Rating
  - Favorable Project Readiness Ratings
  - Begin construction within 18 months of selection

- **Planning Projects with the following ratings can be designated Highly Rated:**
  - Favorable Project Readiness Ratings
  - Begin project within 6 months of selection

The SRT can justify rating projects as Highly Rated that do not meet all items listed above if the project proposes exceptional benefits in priority merit criteria. The SRT advances all Highly Rated projects to the Highly Rated List given to the Secretary.

v. Selections

Using the discretionary authority provided in statute, the Secretary selects projects from the Highly Rated List for award consistent with the selection criteria and statutory set asides that require:

- 50 percent of funds be awarded to projects located in rural areas and 50 percent of funds be awarded to projects located in urban area;
- At least 5 percent of funds be awarded to planning projects; and
- At least 1 percent of funds be awarded to projects located in Areas of Persistent Poverty/Historically Disadvantaged Communities.

Statute also requires the Secretary to consider geographic and modal diversity in making selections. The Secretary may, depending on the pool of qualified applications, seek to award at least one project per state or territory. Per statute, "not more than 15 percent of the funds available to carry out the program for a fiscal year may be awarded to eligible projects in a single state during that fiscal year."

The Secretary may prioritize the selection of projects that:

- can begin construction within 18 months of selection; or
- are located in a designated Qualified Opportunity Zone (26 U.S. Code § 1400Z-1); or
- have a higher percent of non-federal funding committed to the project; or
- have not received a BUILD/RAISE/TIGER grant previously.

Projects for which an FY 2026 BUILD application is advanced by the Senior Review Team to the Highly Rated List, but that are not awarded, are automatically designated as "Projects of Merit." Projects with this designation will be carried over into FY 2027 BUILD, subject to authorization and appropriation, and considered by the SRT for advancement to the Highly Rated List, along with other FY 2027 applications eligible for advancement to the Highly Rated List.

Due to overwhelming demand, the Department is unable to provide a BUILD award to every competitive project that applies. Consistent with past practice and statute, the Department offers debriefs to applicants not selected for award to receive information about the BUILD project's evaluation.

G. AWARD NOTICES

1. HOW PROJECT SELECTIONS ARE ANNOUNCED

The Department emails each successful applicant and posts all selections in Fact Sheets as well as an excel file on the BUILD website.

- Notice of selection is **not** authorization to begin or to incur costs for the proposed project.
- Following that announcement, the BUILD program Office and relevant Operating Administration will contact the point of contact listed on the SF-424 to initiate development of the grant agreement.

2. ANNOUNCEMENT DATES

- Selections will be announced no later than June 28, 2026, per statute.

3. PRE-AWARD COSTS

Unless authorized by the Department in writing after announcement of FY 2026 BUILD selections, any costs incurred prior to the Department's obligation of funds for a project are ineligible for reimbursement and are ineligible cost share requirements.[7]

- Project costs incurred before project selections are announced cannot be paid for with funds from this competition.
- Funds must be used only for the specific purposes as outlined in the award letter and/or authorized by the Department.

4. REIMBURSABLE PROGRAM

Recipients of BUILD Grant awards will not receive lump-sum cash disbursements at the time of award announcement or obligation of funds.

In general, BUILD Program funds are administered on a reimbursement basis. Grant recipients will generally be required to pay project costs upfront using their own funds, and then request reimbursement for those costs.

- BUILD funds will reimburse recipients only after a grant agreement has been executed, allowable expenses are incurred, and valid requests for reimbursement are submitted.
- Obligation occurs when a selected applicant and the Department enter into a written grant agreement after the applicant has satisfied applicable local, State and Federal requirements.

If a recipient cannot complete a project on reimbursement basis, DOT will—on a case-by-case basis—consider recipient requests to use alternate payment methods as described in 2 CFR 200.305(b), including advance payments.

H. POST-AWARD REQUIREMENTS AND ADMINISTRATION

1. ADMINISTRATIVE AND NATIONAL POLICY REQUIREMENTS

i. Administrative Requirements

Please visit the BUILD website for the General Terms and Conditions for FY 2025 BUILD awards. The FY 2026 BUILD Terms and Conditions will be similar to the FY 2025 BUILD Terms and Conditions, but it will include relevant updates consistent with this notice.

All awards will be administered pursuant to the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards found in 2 C.F.R part 200, as adopted by

[7] Pre-award costs are costs incurred after award announcement, but directly pursuant to the development of a grant agreement where such costs are necessary for efficient and timely performance of the scope of work, as determined by DOT. Costs incurred under an advance construction (23 U.S.C. 115) authorization before the DOT announces that a project is selected for a FY 2026 BUILD award cannot be charged to FY 2026 BUILD funds. Likewise, costs incurred under an FTA Letter of No Prejudice under Chapter 53 of title 49 U.S.C. before the DOT announces that a project is selected for a FY 2026 BUILD award, cannot be charged to FY 2026 BUILD funds.

DOT at 2 C.F.R part 1201. Federal wage rate requirements included in subchapter IV of chapter 31 of title 40, U.S.C., apply to all projects receiving funds under this program, and apply to all parts of the project, whether funded with BUILD Grant funds, other Federal funds, or non-Federal funds.

In connection with any program or activity conducted with or benefiting from funds awarded under this notice, recipients of funds must comply with all applicable requirements of Federal law, including, without limitation, the Constitution of the United States; the conditions of performance, non-discrimination requirements, and other assurances made applicable to the award of funds in accordance with regulations of the Department of Transportation; and applicable Federal financial assistance and contracting principles promulgated by the Office of Management and Budget. In complying with these requirements, recipients, in particular, must ensure that no concession agreements are denied or other contracting decisions made on the basis of speech or other activities protected by the First Amendment. If DOT determines that a recipient has failed to comply with applicable Federal requirements, DOT may terminate the award of funds and disallow previously incurred costs, requiring the recipient to reimburse any expended award funds.

Additionally, applicable Federal laws, rules and regulations of the relevant operating administration administering the project will apply to the projects that receive BUILD grant awards, including planning requirements, Service Outcome Agreements, Stakeholder Agreements, Buy America compliance, and other requirements under DOT's other highway, transit, rail, and port grant programs. For projects that are eligible under BUILD but are not eligible under DOT's other programs or projects that are eligible under multiple DOT programs, the BUILD program will determine the appropriate requirements to ensure the project is delivered consistent with program and Department goals. In particular, Executive Order 14005 directs the Executive Branch Departments and agencies to maximize the use of goods, products, and materials produced in, and services offered in, the United States through the terms and conditions of Federal financial assistance awards. If selected for an award, grant recipients must be prepared to demonstrate how they will maximize the use of domestic goods, products, and materials in constructing their project. BUILD grant projects involving vehicle acquisition must involve only vehicles that comply with applicable Federal Motor Vehicle Safety Standards and Federal Motor Carriers Safety Regulations, or vehicles that are exempt from Federal Motor Vehicle Safety Standards or Federal Motor Carrier Safety Regulations in a manner that allows for the legal acquisition and deployment of the vehicle or vehicles.

For projects administered by FHWA, applicable Federal laws, rules, and regulations set forth in Title 23 U.S.C. and Title 23 C.F.R generally apply, including the 23 U.S.C. 129 restrictions on the use of toll revenues, and Section 4(f) preservation of parklands and historic properties requirements under 23 U.S.C. 138. For an illustrative list of the other applicable laws, rules, regulations, executive orders, polices, guidelines, and requirements as they relate to a BUILD grant project administered by the FHWA, please see the BUILD website.

For BUILD projects administered by the Federal Transit Administration and partially funded with Federal transit assistance, all relevant requirements under chapter 53 of title 49 U.S.C.

apply. For transit projects funded exclusively with BUILD grant funds, some requirements of chapter 53 of title 49 U.S.C. and chapter VI of title 49 CFR apply.

For projects administered by the Federal Railroad Administration, all relevant requirements under 49 U.S.C. § 22905 apply.

ii. Program Requirements

Critical Infrastructure Security, Cybersecurity and Resilience
It is the policy of the United States to strengthen the security and resilience of its critical infrastructure against all hazards, including physical and cyber risks, consistent with National Security Memorandum (NSM-22) on Critical Infrastructure Security and Resilience, and the National Security Memorandum on Improving Cybersecurity for Critical Infrastructure Control Systems. Each applicant selected for Federal funding must demonstrate, prior to the signing of the grant agreement, effort to consider and address physical and cyber security risks relevant to the transportation mode and type and scale of the project. Projects that have not appropriately considered and addressed physical and cyber security and resilience in their planning, design, and project oversight, as determined by the Department and the Department of Homeland Security, will be required to do so before receiving funds.

Domestic Preference Requirements
As expressed in Executive Order 14005, 'Ensuring the Future Is Made in All of America by All of America's Workers' (86 FR 7475), the executive branch should maximize, consistent with law, the use of goods, products, and materials produced in, and services offered in, the United States. Funds made available under this notice are subject to domestic preference requirements based on the Operating Administration that administers the project, including 23 U.S.C. 313 (FHWA projects); 49 U.S.C. 5323(j) (FTA projects); 49 U.S.C. 22905(a) (FRA projects); and section 70914(a) of the Build America, Buy America Act (all projects). The Department expects all applicants to comply with that requirement.

Compliance with Federal Law and Policies
Except where prohibited by court order "the applicant assures and certifies, with respect to any application and awarded Project under this NOFO, that it will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds."

Federal Anti-Discrimination
- Except where prohibited by court order, pursuant to Executive Order 14173, Ending Illegal Discrimination and Restoring Merit-Based Opportunity, as a condition of grant award, each Recipient must agree 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
- Except where prohibited by court order, pursuant to Executive Order 14173, Ending Illegal Discrimination and Restoring Merit- Based Opportunity, as a condition of grant award, each

Recipient must certify that it does not operate any programs promoting diversity, equity, and inclusion (DEI) initiatives that violate any applicable Federal anti-discrimination laws.

To the extent a court order bars the implementation or enforcement of one or more of the provisions with respect to a particular applicant or recipient, the Department will not implement or enforce the relevant provision(s) against that applicant or recipient for as long as the order remains in place.

Civil Rights and Title VI

As a condition of a grant award, grant recipients should demonstrate that the recipient has a plan for compliance with civil rights obligations and nondiscrimination laws, including Title VI of the Civil Rights Act of 1964 and implementing regulations (49 CFR § 21), the Americans with Disabilities Act of 1990 (ADA), and Section 504 of the Rehabilitation Act, all other civil rights requirements, and accompanying regulations. This should include a current Title VI plan, completed Community Participation Plan, and a plan to address any legacy infrastructure or facilities that are not compliant with ADA standards. DOT's and the applicable Operating Administrations' Office of Civil Rights may work with awarded grant recipients to ensure full compliance with Federal civil rights requirements.

2. REPORTING

i. Progress Reporting on Grant Activities

Each applicant selected for BUILD grant funding must submit quarterly progress reports and Federal Financial Reports (SF-425) to monitor project progress and ensure accountability and financial transparency in the BUILD grant program.

ii. Performance Reporting

Each applicant selected for BUILD grant funding must collect and report to the DOT information on the project's performance based on performance indicators DOT identifies related to program goals (e.g., travel time savings, greenhouse gas emissions, passenger counts, level of service, etc.) and other information as requested by DOT. Performance indicators should include measurable goals or targets that DOT will use internally to determine whether the project meets program goals, and grant funds achieve the intended long-term outcomes of the BUILD Grant Program. To the extent possible, performance indicators used in the reporting should align with the measures included in the application and should relate to at least one of the selection criteria defined in the Criteria section. Performance reporting continues for several years after project construction is completed, and DOT does not provide BUILD grant funding specifically for performance reporting. BUILD grant performance measures are posted on the BUILD website.

iii. Program Evaluation

As a condition of grant award, BUILD grant recipients may be required to participate in an evaluation undertaken by DOT, or another agency or partner. The evaluation may take different forms such as an implementation assessment across grant recipients, an impact and/or outcomes

analysis of all or selected sites within or across grant recipients, or a benefit/cost analysis or assessment of return on investment. The Department may require applicants to collect data elements to aid the evaluation. As a part of the evaluation, as a condition of award, grant recipients must agree to: (1) make records available to the evaluation contractor; (2) provide access to program records, and any other relevant documents to calculate costs and benefits; (3) in the case of an impact analysis, facilitate the access to relevant information as requested; and (4) follow evaluation procedures as specified by the evaluation contractor or DOT staff.

Recipients and sub-recipients are also encouraged to incorporate program evaluation including associated data collection activities from the outset of their program design and implementation to meaningfully document and measure the effectiveness of their projects and strategies. Title I of the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act), Pub. L. No. 115–435 (2019) urges Federal awarding agencies and Federal assistance recipients and subrecipients to use program evaluation as a critical tool to learn, to improve equitable delivery, and to elevate program service and delivery across the program lifecycle. Evaluation means "an assessment using systematic data collection and analysis of one or more programs, policies, and organizations intended to assess their effectiveness and efficiency" (codified at 5 U.S.C. § 311). For grant recipients, evaluation expenses are allowable costs (either as direct or indirect), unless prohibited by statute or regulation, and such expenses may include the personnel and equipment needed for data infrastructure and expertise in data analysis, performance, and evaluation (2 CFR § 200). Credible program evaluation activities are implemented with relevance and utility, rigor, independence and objectivity, transparency, and ethics (OMB Circular A-11, Part 6 Section 290).

iv. Reporting of Matters Related to Recipient Integrity and Performance

If the total value of a selected applicant's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds $10,000,000 for any period of time during the period of performance of this Federal award, then the applicant during that period of time must maintain the currency of information reported to the SAM that is made available in FAPIIS about civil, criminal, or administrative proceedings described in paragraph 2 of this award term and condition. This is a statutory requirement under section 872 of Public Law 110-417, as amended (41 U.S.C. 2313). As required by section 3010 of Public Law 111-212, all information posted in the designated integrity and performance system on or after April 15, 2011, except past performance reviews required for Federal procurement contracts, will be publicly available.

I. FEDERAL AWARDING AGENCY CONTACT(S)

For further information concerning this notice please contact the BUILD grant program staff via e-mail at BUILDgrants@dot.gov. In addition, DOT will post answers to questions and requests for clarifications on the BUILD website. To ensure applicants receive accurate information about eligibility or the program, the applicant is encouraged to contact DOT directly, rather than through intermediaries or third parties, with questions. DOT staff may also conduct briefings on the BUILD grant selection and award process upon request.

J. OTHER INFORMATION

1. PROTECTION OF CONFIDENTIAL BUSINESS INFORMATION

All information submitted as part of or in support of any application shall use publicly available data or data that can be made public and methodologies that are accepted by industry practice and standards, to the extent possible. If the applicant submits information that the applicant considers to be a trade secret or confidential commercial or financial information, the applicant must provide that information in a separate document, which the applicant may cross-reference from the application narrative or other portions of the application. For the separate document containing confidential information, the applicant must do the following: (1) state on the cover of that document that it "Contains Confidential Business Information (CBI);" (2) mark each page that contains confidential information with "CBI;" (3) highlight or otherwise denote the confidential content on each page; and (4) at the end of the document, explain how disclosure of the confidential information would cause substantial competitive harm. DOT will protect confidential information complying with these requirements to the extent required under applicable law. If DOT receives a Freedom of Information Act (FOIA) request for the information that the applicant has marked in accordance with this section, DOT will follow the procedures described in its FOIA regulations at 49 CFR § 7.29. Only information that is in the separate document, marked in accordance with this section, and ultimately determined to be confidential under § 7.29 will be exempt from disclosure under FOIA.

2. PUBLICATION AND SHARING OF APPLICATION INFORMATION

Following the completion of the selection process and announcement of awards, the Department intends to publish a list of all applications received along with the names of the applicant organizations and funding amounts requested. Except for the information properly marked as described in the Protection of Confidential Business Information section. The Department may make application narratives publicly available or share application information within the Department or with other Federal agencies if the Department determines that sharing is relevant to the respective program's objectives.

Sean P. Duffy

Issued in Washington D.C. on December 15, 2025

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **City Attorney's Office**

CM/ DCM/ ACM: **Mack Reinwand, City Attorney**

AGENDA DATE: **March 24, 2026**

SUBJECT

Consider adoption of an ordinance of the City of Denton approving a Settlement Agreement and Release implementing the terms of the settlement in litigation styled *"*26-0500-442 styled *"Alejandro Turco vs. Kyle Bishop and City of Denton"* pending in the 442nd Judicial District Court, Denton County, Texas; and directing the City Manager or designee and the City's attorneys to effectuate as necessary and appropriate the terms of a Settlement Agreement and Release to effectuate this approval; and declaring an effective date.

BACKGROUND

On 2/11/26, The City Secretary's Office was served with Plaintiff's Original Petition. Plaintiff is alleging injuries and seeking damages up to $250,000 from a collision with a fire department service vehicle that occurred on 7/27/24.

OPTIONS

Given the City's liability exposure, the costs to defend the matter, and Plaintiff's damages, I recommend that we settle this matter for $27,500.00. Settlement of this matter within previously delegated settlement authority, and the option is to formally ratify and approve the settlement.

RECOMMENDATION

Proceed with formal approval.

EXHIBITS

Exhibit 1 – AIS
Exhibit 2 – Ordinance and Settlement Agreement and Release

Respectfully submitted:

/s/ Devin Q. Alexander
Deputy City Attorney

Prepared by:
Amy Hoffee
Paralegal

Legal Staff Contact:
Devin Alexander

ORDINANCE NO. _____

AN ORDINANCE APPROVING A SETTLEMENT AGREEMENT AND RELEASE IMPLEMENTING THE TERMS OF THE SETTLEMENT IN LITIGATION STYLED *"ALEJANDRO TURCO vs. KYLE BISHOP AND THE CITY OF DENTON;"* CAUSE NO. 26-0500-442, PENDING IN THE 442ND JUDICIAL DISTRICT COURT, DENTON COUNTY, TEXAS; AND DIRECTING THE CITY MANAGER OR DESIGNEE AND THE CITY'S ATTORNEYS TO EFFECTUATE AS NECESSARY AND APPROPRIATE THE TERMS OF A SETTLEMENT AGREEMENT AND RELEASE TO EFFECTUATE THIS APPROVAL; AND DECLARING AN EFFECTIVE DATE.

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Council hereby ratifies and approves the proposed settlement of litigation styled "*Alejandro Turco vs. Kyle Bishop and The City of Denton;"* Cause No. 26-0500-442, pending in the 442nd Judicial District Court, Denton County, Texas, under terms set forth in the attached Settlement Agreement and Release.

SECTION 2. The City Manager or designee and the City's Attorneys are hereby authorized to act on the City's behalf in approving and executing any and all documents necessary or appropriate to effectuate the terms of the settlement, and to take other actions necessary to finalize the settlement.

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 _____. This Ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Devin Q. Alexander

EXHIBIT "A"

Settlement Agreement and Release

CAUSE NO. 26-0500-442

ALEJANDRO TURCO	§	**IN THE DISTRICT COURT**
Plaintiff,	§	
	§	
vs.	§	**442nd JUDICIAL DISTRICT**
	§	
KYLE BISHOP AND	§	
THE CITY OF DENTON	§	
Defendants.	§	**DENTON COUNTY, TEXAS**

COMPROMISE SETTLEMENT AGREEMENT AND RELEASE

STATE OF TEXAS	)	
	)	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF DENTON	)	

1. That I, Camri J. Austin, the undersigned authorized representative of Alejandro Turco (hereinafter the "Plaintiff") for and in consideration of the sum of TWENTY-SEVEN THOUSAND and FIVE-HUNDRED DOLLARS AND 00/100 ($27,500.00) cash paid to Plaintiff and the Godsey Law Firm P.C., by the City of Denton (hereinafter the "City"), the receipt of which is hereby acknowledged, do by these presents acknowledge the full and complete settlement of Plaintiff's claim(s) against the City, and hereby release and forever discharge the City and its employees including but not limited to Kyle Bishop from any and all damages sustained by Plaintiff resulting from the automobile accident on or about July 27, 2024, at or near Denton, Texas, which allegations are set out more fully in the Plaintiff's Original Petition in this matter filed in the 442nd Judicial District Court in Denton County, Texas.

2. It is the intention of the undersigned to acknowledge the satisfaction in full of all damages of any nature whatsoever which have occurred to the Plaintiff as a result of the above described accident, whether fully developed at this time or not. It is understood that the

considerations stated cover the contingency of a greater or lesser damage to the Plaintiff, whether known or unknown at this time, fully developed or otherwise.

3. The undersigned must deliver settlement payment to the Godsey Law Firm P.C. within 30 days of receipt of the original fully executed Agreement to the Office of the City Attorney, 215 E. McKinney, Denton, Texas 76201. To be considered fully executed, the Agreement must be signed and dated by the City's representative before a notary public, signed and dated by the City's legal counsel, signed and dated by a representative of Godsey Law Firm P.C. and signed and dated by Plaintiff before a notary public.

4. Plaintiff warrants and represents that he is the sole owner of the claims and causes of action asserted and such claims have not been further assigned, sold, pledged or otherwise encumbered in any way.

5. It is further understood that this settlement is a compromise of a disputed claim, and that payment is not to be construed as an admission of liability on the part of the City and its officers, agents, or employees by whom liability is expressly denied.

6. For the aforesaid consideration, Plaintiff further agrees to dismiss with prejudice Cause No. 24-4150-481, pending in the 442nd District Court in Denton County, Texas, styled "*Alejandro Turco vs. Kyle Bishop and the City of Denton*". All claims Plaintiff has in such suit being hereby released by the undersigned as authorized representative of Plaintiff.

7. It is understood and agreed that this Release contains the entire agreement between the parties and supersedes any and all prior agreements, arrangements, or understandings between the parties relating to the subject matter. No oral understandings, statements, promises or inducements contrary to the terms of this Release exists. This Release cannot be changed or terminated orally.

8. In making this agreement of compromise and settlement, Plaintiff has not relied upon any statement or representation pertaining to this matter made by the persons, firms, organizations or corporations who are hereby released, or by any person or persons representing them.

9. It is understood and agreed that this Release shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns.

10. It is understood and agreed that this Release shall be governed by, construed and enforced in accordance with, and subject to, the laws of the State of Texas.

11. It is understood and agreed that this Release may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

12. The undersigned, further states that in entering into this Settlement Agreement and Release, she has relied upon the legal advice of her attorney, who is the attorney of her own choice, and that the terms of this Settlement Agreement have been completely read and explained to the undersigned by her attorney and that the terms are fully understood and voluntarily accepted by the undersigned.

PLAINTIFF SIGNATURE:

Turco, Alejandro
ALEJANDRO TURCO

Date of Signature: Mar 5, 2026 | 5:00:49 PM CST

BEFORE ME, the undersigned authority, on this day personally appeared Alejandro Turco, who is known to me to be the person whose name is subscribed to the foregoing instrument, who is personally known by me or by providing ID as qualifying identification.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 5 DAY OF March, 2026.

Notary Public – State of Texas

APPROVED AS TO LEGAL FORM
CAMRI J. AUSTIN, ATTORNEY FOR PLAINTIFF

BY: _____
Camri J. Austin

AISHA KHAN
Notary Public, State of Texas
Comm. Expires 04-16-2028
Notary ID 134854567

DEFENDANT SIGNATURE:

CITY OF DENTON, TEXAS
SIGNATURE:

S Hensley
SARA HENSLEY, CITY MANAGER
On behalf of the City of Denton, Texas
Per delegated authority

Date of Signature: 3-10-2026

BEFORE ME, the undersigned authority, on this day personally appeared Sara Hensley, known to me to be the person whose name is subscribed to the foregoing instrument, who is personally known to me or by providing ID as qualifying identification.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 10th DAY OF March, 2026.

CLARICE MARIE HOUSDEN
My Notary ID # 132065325
Expires June 25, 2027

Clarice Housden
Notary Public – State of Texas

APPROVED AS TO LEGAL FORM
MACK REINWAND, CITY ATTORNEY

BY: Devin Q. Alexander
Devin Q. Alexander

docusign

Certificate Of Completion

Envelope Id: F28E6ED4-C6CC-46E7-8523-12456116F5D2
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Document Pages: 5
Certificate Pages: 4
AutoNav: Enabled
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Time Zone: (UTC-06:00) Central Time (US & Canada)

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Dallas, TX 75225
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Signer Events	Signature	Timestamp
Turco, Alejandro alexturco77lopez@gmail.com Security Level: Email, Account Authentication (None)	Turco, Alejandro Signature Adoption: Pre-selected Style Using IP Address: 2600:6c56:7d00:1b23:591f:5d60:8f87:19ee Signed using mobile	Sent: 3/5/2026 11:40:17 AM Viewed: 3/5/2026 4:58:00 PM Signed: 3/5/2026 5:00:49 PM
Electronic Record and Signature Disclosure: Accepted: 3/5/2026 4:58:00 PM ID: 02ac1e6f-2928-4b56-9585-e035bc1382b4		
In Person Signer Events	**Signature**	**Timestamp**
Editor Delivery Events	**Status**	**Timestamp**
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Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/5/2026 11:40:17 AM
Certified Delivered	Security Checked	3/5/2026 4:58:00 PM
Signing Complete	Security Checked	3/5/2026 5:00:49 PM
Completed	Security Checked	3/5/2026 5:00:49 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Godsey-Martin Law Firm (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 the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents 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. Further, you will no longer be able to use the DocuSign system 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 the DocuSign system 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 Godsey-Martin Law Firm:

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 advise Godsey-Martin Law Firm of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Godsey-Martin Law Firm

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 email to and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Godsey-Martin Law Firm

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to mthompson@gmfirm.com and in the body of such request you must state your email, full name, mailing address, and telephone 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

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents 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 confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email 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 as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Godsey-Martin Law Firm as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Godsey-Martin Law Firm during the course of your relationship with Godsey-Martin Law Firm.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8957 for the Denton Downtown Square Cleaning Services for the Parks and Recreation Department; and providing an effective date (RFP 8957).

INFORMATION/BACKGROUND

The Parks and Recreation Department oversees the downtown square cleaning contract for the City of Denton. The requested service was to clean and power wash selected downtown sidewalks and curblines along the business fronts.

A total of six (6) bids were received, with annual costs ranging from $60,000 to $414,000. The department's current budget allocation for this service is $45,000 per year. Given the wide variance in pricing and all bids exceed the available budget, staff recommends revisiting and refining the scope of work.
Upon completing this review, staff intends to reissue the solicitation to ensure a more competitive and cost-aligned bidding process.

The Parks and Recreation Department is utilizing an existing City of Denton contractor to maintain service levels until a revised and competitively bid solicitation can be completed.

In accordance with the Local Government Code 252.043, the City Council may reject any and all bids.

RECOMMENDATION

Staff recommends rejection of all proposals for Denton Downtown Square Cleaning Services for the Parks and Recreation Department.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Russell Koch, 940-349-8412.

Legal point of contact: Leah Bush at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, REJECTING ANY AND ALL COMPETITIVE PROPOSALS UNDER RFP 8957 FOR THE DENTON DOWNTOWN SQUARE CLEANING SERVICES FOR THE PARKS AND RECREATION DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (RFP 8957).

WHEREAS, the City has solicited, received, and tabulated competitive proposals to evaluate Denton Downtown Square Cleaning Services (RFP 8957) in accordance with the procedures of state laws and the City's ordinances; and

WHEREAS, the City staff recommends, and the City Council has determined, that it is in the best interest of the City that the herein described proposals should be rejected; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. All competitive proposals, as described in the "Request for Proposal", "Bid Proposals", or plans and specifications on file in the Office of the City's Purchasing Agent filed according to the bid number assigned herein (RFP 8957 – Denton Downtown Square Cleaning Services) are hereby rejected.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute all necessary documents for the rejection of said proposals. The City Manager, or their designee, is hereby authorized, in their discretion, to re-advertise to receive competitive bids, or proceed otherwise, to procure goods and services described in RFP 8957.

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 the RFP 8957 to reject said proposals to the City Manager, 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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: March 24, 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 Professional Services Agreement with Freese and Nichols, Inc., for the Lake Lewisville Water Treatment Plant Ozone Building Air Conditioning Installation Support for the Water Utilities Department as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8213-016 – Professional Services Agreement for support services awarded to Freese and Nichols, Inc., in the not-to-exceed amount of $114,984.00). The Public Utilities Board recommends approval (5 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The Lake Lewisville Water Treatment Plant uses ozone as a highly effective disinfectant to eliminate bacteria, viruses, and other harmful microorganisms. Produced on-site and injected directly into the water, ozone rapidly oxidizes contaminants without leaving behind toxic chemical byproducts. This treatment enhances water clarity, taste, and odor, and is commonly used as a primary disinfectant or as part of advanced treatment processes to meet strict water quality standards.

The plant's ozone building contains sensitive electrical and mechanical systems essential to the disinfection process. Because ozone generation produces substantial heat, proper climate control is critical. Excessive temperature and humidity can damage equipment, shorten system lifespan, and increase the likelihood of unexpected failures. Installing a dedicated air conditioning unit is necessary to maintain a stable indoor environment that protects equipment from overheating and corrosion, ensuring long-term reliability and operational efficiency.

Water Utilities staff are requesting approval of a Professional Services Agreement with Freese and Nichols, Inc. (FNI) for the Lake Lewisville Water Treatment Plant Ozone Building Air Conditioning Installation Support project. The proposed scope includes evaluating the existing ventilation system, designing electrical controls, and providing support throughout the installation process.

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 March 9, 2026, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award a contract with Freese and Nichols, Inc., for the Lake Lewisville Water Treatment Plant Ozone Building Air Conditioning Installation Support for the Water Utilities Department, in a not-to-exceed amount of $114,984.

PRINCIPAL PLACE OF BUSINESS

Freese and Nichols, Inc.
Denton, TX

SUSTAINABILITY MEASURES

This agreement supports the design and installation of a dedicated air conditioning unit for the Ozone Building, ensuring optimal operating conditions for critical treatment equipment. Temperature and humidity control will safeguard sensitive systems, improve energy efficiency, and ensure safe, reliable operations throughout the water treatment process.

ESTIMATED SCHEDULE OF PROJECT

The design will take approximately four (4) months from the Notice to Proceed.

FISCAL INFORMATION

These services will be funded through the FY 2026 Capital Improvement Program account 630585523.1360.21100. Requisition #174019 has been entered into the Purchasing software system for $114,984. The budgeted amount for this item is $114,984.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: David Brown, 940-349-8030.

Legal point of contact: Leah Bush at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH FREESE AND NICHOLS, INC., FOR THE LAKE LEWISVILLE WATER TREATMENT PLANT OZONE BUILDING AIR CONDITIONING INSTALLATION SUPPORT FOR THE WATER UTILITIES DEPARTMENT AS SET FORTH IN THE CONTRACT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 8213-016 – PROFESSIONAL SERVICES AGREEMENT FOR SUPPORT SERVICES AWARDED TO FREESE AND NICHOLS, INC., IN THE NOT-TO-EXCEED AMOUNT OF $114,984.00).

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 Freese and Nichols, Inc., for the Lake Lewisville Water Treatment Plant Ozone Building Air Conditioning Installation Support for the Water Utilities 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 _____ and seconded by _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

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Docusign City Council Transmittal Coversheet

PSA	8213-016
File Name	LLWTP Ozone Air Conditioning Installation Support
Purchasing Contact	Gabby Leeper
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

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 Freese and Nichols, Inc. with its corporate office at 801 Cherry St,. Suite 2800, Fort Worth TX, 76102 and authorized to do business in Texas, ("ENGINEER"), for a PROJECT generally described as: LLWTP Ozone Building HVAC System (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 $114,984 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 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

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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.

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

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.

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

Duly executed by each party's designated representative to be effective on _____.

BY:
CITY OF DENTON, TEXAS

_____
Sara Hensley, City Manager

BY:
ENGINEER
Freese Nichols, Inc.

Signed by:
_____
25682...
Authorized Agent, Title

Full Name: James Naylor

2026-1417285
_____
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by:
Stephen D Gay
_____
FEB...
Signature

General Manager
_____
Title

Water Utilities and Street Operations
_____
Department

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Signed by:
BY: Leah Bush
_____
2A936B08B5D7485...

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www.freese.com

Attachment A

December 19, 2025

David Brown
City of Denton
901-B Texas St.
Denton, TX 76209

Re: LLWTP Ozone Building HVAC System

Mr. Brown:
Pursuant to your request for proposal (RFP) and our site visit on September 9, 2025, Freese and Nichols, Inc. (FNI) is pleased to provide the City of Denton (Owner) with this proposal for providing professional engineering services for the above referenced project. Caleb Barlow, PE will serve as project manager for this project.

Scope of Services:

A detailed scope of services in included as Attachment SC.

Time of Completion:

A detailed schedule of the activities, milestones and deliverables is included as Attachment A.

Compensation:

FNI proposes to furnish professional services as described in Attachment SC for a total lump sum fee of $114,984. The breakdown of our services is shown below:

Basic Services		FEE
1	Project Management	$24,111
2	Feasibility Assessment	$25,418
3a	Mechanical Design Phase Services	$30,293
3b	Electrical Design Phase Services	$13,115
4	Construction Phase General Representation	$22,047
	Total Basic Services	$114,984

We appreciate the opportunity to assist the City of Denton with this project. If additional information or clarification is desired, please do not hesitate to contact us.

If you are in agreement with the services described and would like us to proceed with this assignment, please initiate contract proceedings.

Sincerely,

James Naylor, PE, BCEE
Principal/Vice President

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

ATTACHMENT SC

SCOPE OF SERVICES AND RESPONSIBILITIES OF CLIENT

PROJECT UNDERSTANDING

The City of Denton (Client) desires to engage Freese and Nichols, Inc. (FNI) to evaluate, design, and provide construction-phase support for the replacement of the existing heating-only ventilation unit serving the Ozone Building at the Lake Lewisville Water Treatment Plant (LLWTP). The Client has procured a 30-ton air conditioning unit, which may serve as the replacement system. Based on discussions with the Client and preliminary site visit conducted on September 9, 2025, the project will include the following major work elements as part of the Basic Service

A. Mechanical:
   1. Analyze the feasibility of utilizing an existing, unused 30-ton HVAC unit procured by the City as a replacement for the current heating-only ventilator system.
   2. Evaluate the suitability of the existing ductwork for use with the proposed HVAC system.
   3. If the existing ductwork is determined to be inadequate, design new ductwork appropriate for the project application.
   4. Assess the applicable building and mechanical codes to determine if ventilation operation limited to alarm-only conditions is permissible.
   5. Develop the HVAC control sequence and coordinate design requirements with the electrical upgrades to ensure proper system operation and integration.

B. Electrical:
   1. Evaluate existing electrical system serving the heating ventilator system for the ability to serve the 30-ton HVAC unit.
   2. Design for power circuiting from the existing electrical system for accommodating the new unit.
   3. Ensure system meets current code and requirements.
   4. Design for relay based chemical detection power cut off to new HVAC unit. Dry contacts to be provided to the existing RTU PLC for remote monitoring of the system status.

FNI will accomplish the scope in three phases. The detailed scope of services is provided in Article I of this attachment.

- Feasibility Analysis Phase
- Design Phase
- Construction Phase

ARTICLE I

BASIC SERVICES: FNI shall render the following professional services in connection with the development of the Project:

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

A. Project Management:

1. Perform general administrative duties associated with the Project, including progress monitoring and monthly progress reporting, scheduling, general correspondence, documentation, office administration, and invoice preparation for the scope items identified below. Documentation shall be in accordance with the regulatory requirements for the Project. These duties include maintaining regular contact with the City to help meet the needs of the City in a timely manner and executing the work per the work plan, budget, and schedule.

B. Project Kick-off

a. Conduct a project kick-off meeting with the Client and the Client's Facilities team to 1) verify Client's requirements for the project, and 2) review the scope of services, schedule of deliverables, and other relevant information.
b. FNI will provide detailed agenda before the project kick-off meeting and meeting minutes after the meeting.

C. Feasibility Analysis Phase

FNI shall provide professional services in this phase as follows:

a. Site Visit and Data Collection
Conduct a field visit to verify existing conditions, including the current HVAC equipment layout, duct routing, electrical service panels, and control connections in the Ozone Building.

b. Load Analysis
Perform a detailed load calculation to determine heating and cooling requirements for the space. Analysis will consider occupancy, process heat loads, equipment, ventilation rates, and envelope conditions.

c. Equipment Compatibility Review
Review the specifications of the Client-provided air-conditioning unit to determine its suitability and compatibility with existing building conditions and the identified load requirements.

d. Existing Infrastructure Evaluation
    i. Assess the condition and capacity of the existing ductwork to determine whether it can be reused or requires modification.
    ii. Review electrical capacity and controls infrastructure to evaluate if existing systems can accommodate the new air-conditioning unit.
    iii. Identify any modifications needed to support installation, start-up, and operation.

e. Feasibility Report and Opinion of Probable Construction Cost (OPCC)
    i. Develop a feasibility report summarizing findings, system compatibility, and recommendations for the proposed replacement.
    ii. Develop a Class 4 opinion of probable construction cost per AACE International cost estimating standards.
    iii. Submit the report to the Client for review and approval prior to proceeding with design.

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

D. Design Phase:

Upon Client's approval of the Feasibility Report, FNI shall proceed with detailed design of the proposed improvements.

a. Design Documents
Prepare plans, specifications, and technical details necessary to remove the existing heating-only ventilation unit and install the new 30-ton air-conditioning system. Drawings will address:
   i. Equipment placement
   ii. Ductwork modifications
   iii. Electrical power
   iv. Control system integration and interlocks
   v. Condensate management and airflow balancing

b. Deliverables
Prepare drawings, specifications, Construction Contract Documents, designs, and layouts of improvements to be constructed. FNI shall submit design deliverables for Client review and comment at the following stages:
   i. 75% Design Submittal
   ii. 100% Final Signed Design Package for use in contractor procurement and construction.

c. Furnish Client one (1) electronic copy (.pdf format) of drawings, specifications, and Opinions of Probable Construction Cost marked "Preliminary" for approval by Client, for each design submittal as described above. Upon final approval by Client, FNI will provide Client one (1) set of reproducible "Final" drawings and specifications in PDF format.

d. OPCC Updates
Provide updated Opinions of Probable Construction Cost at each submittal milestone.

e. Exclusions
   i. FNI will not provide procurement or bid-phase services. FNI will respond to design related questions during these phases.
   ii. FNI will not provide permitting services. Permitting and permit related fees will be the responsibility of the Client
   iii. Construction Phase services are limited and include only the items listed below.
   iv. The existing electrical system is assumed to have sufficient capacity and breaker space to support the new HVAC equipment. FNI will not provide significant upgrades, replacement or modifications to the existing electrical distribution system.

E. Bid or Negotiation Phase: Not Included

D. Construction Phase General Representation: Upon completion of the bid or negotiation phase services, FNI will proceed with the performance of construction phase general representation services as described below.

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

In performing these services, it is understood that FNI does not guarantee the City selected Contractor's performance, nor is FNI responsible for the supervision of the City selected Contractor's operation and employees. FNI shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the City selected Contractor, or any safety precautions and programs relating in any way to the condition of the premises, the work of the City selected Contractor or any Subcontractor. FNI shall not be responsible for the acts or omissions of any person (except its own employees or agents) at the Project site or otherwise performing any of the work of the Project.

These services are based on the use of Client's standard General Conditions for construction projects. Modifications to these services required by use of other general conditions or contract administration procedures are an additional service. Client agrees to include provisions in the construction contract documents that will require the construction City selected Contractor to include FNI and their subconsultants on this project to be listed as 1) an additional insured and in any waiver of subrogation rights with respect to such liability insurance purchased and maintained by City selected Contractor for the Project (except workers' compensation and professional liability policies); and (2) an indemnified party in the City selected Contractor's indemnification provisions where the Client is named as an indemnified party. Construction Phase services are based on a construction duration of ten (10) months from the date of City selected Contractor's notice to proceed.

1. Make two (2) visits to the construction site to observe the progress and the quality of work and to attempt to determine in general if the work is proceeding in accordance with the Construction Contract Documents. FNI will report any observed defects or deficiencies in the work to Client. Visits to the site in excess of the specified number are an Additional Service.

2. Notify the Client of non-conforming work observed on site visits. Review quality related documents provided by the City selected Contractor such as test reports, equipment installation reports or other documentation required by the Construction contract documents.

3. Interpret the drawings and specifications for Client and City selected Contractor(s). Investigations, analyses, and studies requested by the City selected Contractor(s) and approved by Client, for substitutions of equipment and/or materials or deviations from the drawings and specifications is an additional service.

4. Conduct, in company with Client's representative, a final review of the Project for conformance with the design concept of the Project and general compliance with the Construction Contract Documents. Prepare a list of deficiencies to be corrected by the City selected Contractor before recommendation of final payment. Visiting the site to review completed work in excess of one (1) trip is an Additional Service.

ARTICLE II

SPECIAL SERVICES: Not Applicable.

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

ARTICLE III

ADDITIONAL SERVICES: Electrical design needed for upgrades if it is determined that the existing system is insufficient. All design activities will be coordinated with, and receive prior approval from, the City of Denton before work proceeds.

ARTICLE IV

TIME OF COMPLETION: FNI is authorized to commence work on the Project upon execution of this Agreement and agrees to complete the services in accordance with the schedule in **Attachment A.**

If FNI's services are delayed through no fault of FNI, FNI shall be entitled to adjust contract schedule consistent with the number of days of delay. These delays may include but are not limited to delays in Client or regulatory reviews, delays on the flow of information to be provided to FNI, governmental approvals, etc. These delays may result in an adjustment to compensation as outlined on the face of this Agreement and in Attachment CO.

ARTICLE V

RESPONSIBILITIES OF CLIENT: Client shall perform the following in a timely manner so as not to delay the services of FNI:

A. Client recognizes and expects that change orders may be required to be issued during construction. The responsibility for the costs of change orders will be determined on the basis of applicable contractual obligations and professional liability standards. FNI will not be responsible for any change order costs due to unforeseen site conditions, changes made by or due to the Client or City selected Contractor, or any change order costs not caused by the negligent errors or omissions of FNI. Nothing in this provision creates a presumption that, or changes the professional liability standard for determining if, FNI is liable for change order costs. It is recommended that the Client budget a minimum of 5% for new construction and a minimum of 10% for construction that includes refurbishing existing structures.

B. Designate in writing a person to act as Client's representative with respect to the services to be rendered under this Agreement. Such person shall have contract authority to transmit instructions, receive information, interpret and define Client's policies and decisions with respect to FNI's services for the Project.

C. Provide all criteria and full information as to Client's requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations; and furnish copies of all design and construction standards which Client will require to be included in the drawings and specifications.

D. Assist FNI by placing at FNI's disposal all available information pertinent to the Project including previous reports and any other data relative to design or construction of the Project.

E. Arrange for access to and make all provisions for FNI to enter upon public and private property as required for FNI to perform services under this Agreement.

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F. Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by FNI, obtain advice of an attorney, insurance counselor and other consultants as Client deems appropriate for such examination and render in writing decisions pertaining thereto within a reasonable time so as not to delay, or cause rework in, the services of FNI.

G. Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

H. Client shall make or arrange to have made all subsurface investigations, including but not limited to borings, test pits, soil resistivity surveys, and other subsurface explorations. Client shall also make or arrange to have made the interpretations of data and reports resulting from such investigations. All costs associated with such investigations shall be paid by Client.

I. Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as Client may require or FNI may reasonably request with regard to legal issues pertaining to the Project including any that may be raised by City selected Contractor(s), such auditing service as Client may require to ascertain how or for what purpose any City selected Contractor has used the moneys paid under the construction contract, and such inspection services as Client may require to ascertain that City selected Contractor(s) are complying with any law, rule, regulation, ordinance, code or order applicable to their furnishing and performing the work.

J. If Client designates a person to serve in the capacity of Resident Project Representative who is not FNI or FNI's agent or employee, the duties, responsibilities and limitations of authority of such Resident Project Representative(s) will be set forth in an Attachment attached to and made a part of this Agreement before the Construction Phase of the Project begins. Said attachment shall also set forth appropriate modifications of the Construction Phase General Representation services as defined in Attachment SC, Article I, D, together with such adjustment of compensation as appropriate.

K. Attend the pre-bid conference, bid opening, preconstruction conferences, construction progress and other job-related meetings and substantial completion inspections and final payment inspections.

L. Give prompt written notice to FNI whenever Client observes or otherwise becomes aware of any development that affects the scope or timing of FNI's services, or any defect or nonconformance of the work of any City selected Contractor.

M. Furnish, or direct FNI to provide, Additional Services as stipulated in Attachment SC, Article III of this Agreement or other services as required.

N. Bear all costs incident to compliance with the requirements of this Article V.

ARTICLE VI

DESIGNATED REPRESENTATIVES: FNI and Client designate the following representatives:

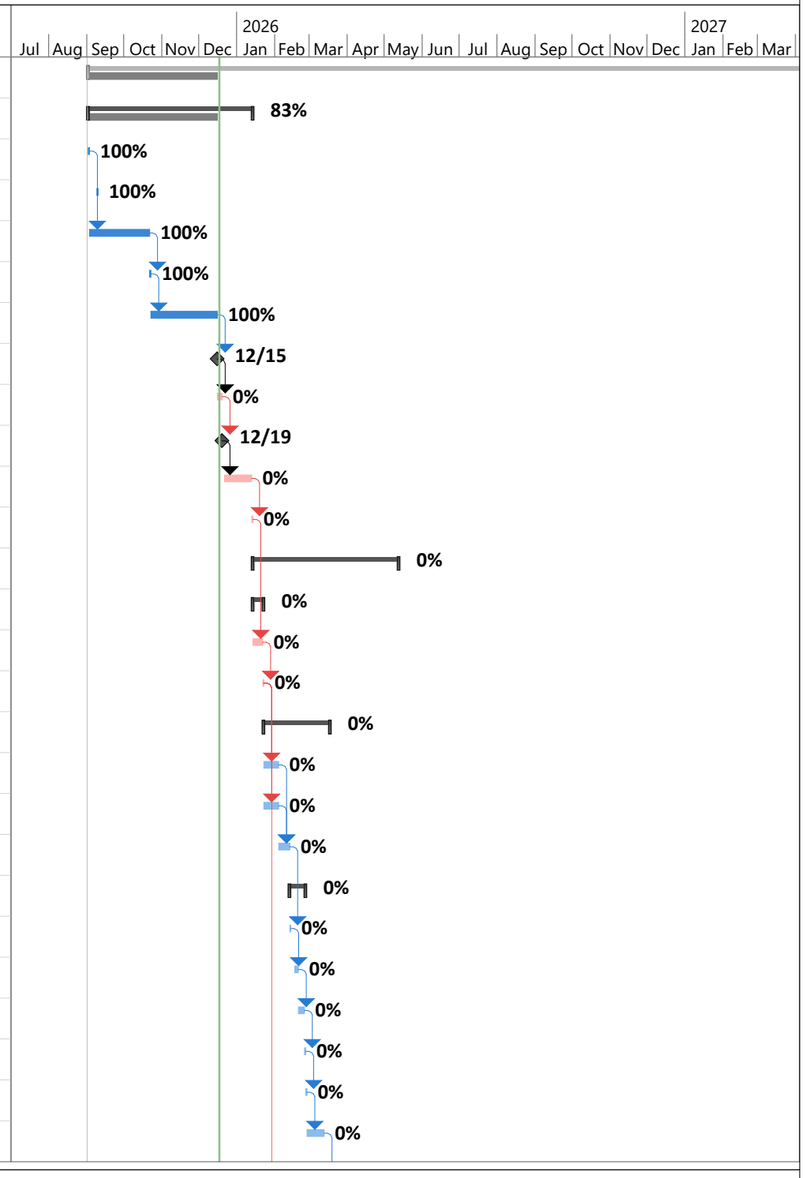
Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

Owner's Designated Representative –	David Brown, Project Manager Water Utilities David.Brown@cityofdenton.com 940-349-8480 901-B Texas Street Denton, Texas 76209
FNI's Designated Representative –	James Naylor james.naylor@freese.com 214-217-2223 817-874-4187 101 S. Locust Street, Suite 202 Denton, Texas 76201
FNI's Accounting Representative –	Misty Ballard misty.ballard@freese.com 817-735-7290 801 Cherry Street, Suite 2800 Ft Worth, Texas 76102

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

Denton - Lake Lewisville Ozone Building HVAC Improvements

ID	Task Mode	Task Name	Duration	% Complete	Start	Finish	Predecessors	Successors
0		Denton LLWTP Ozone Building HVAC	464 days	16%	Tue 9/2/25	Tue 7/20/27		
1		Proposal	86 days	83%	Tue 9/2/25	Tue 1/13/26		
2	✓	Receive RFP	1 day	100%	Tue 9/2/25	Tue 9/2/25		4
3	✓	Site Visit for proposal scoping	1 day	100%	Tue 9/9/25	Tue 9/9/25		
4	✓	Develop Proposal	34 days	100%	Wed 9/3/25	Tue 10/21/25	2	5
5	✓	Submit Proposal	1 day	100%	Wed 10/22/25	Wed 10/22/25	4	6
6	✓	Proposal Review	35 days	100%	Thu 10/23/25	Mon 12/15/25	5	7
7	✓	Receive Proposal Comment from City	0 days	100%	Mon 12/15/25	Mon 12/15/25	6	8
8		Update Proposal	4 days	0%	Tue 12/16/25	Fri 12/19/25	7	9
9		Submit Revised Proposal	0 days	0%	Fri 12/19/25	Fri 12/19/25	8	10
10		Revise Proposal Review	10 days	0%	Mon 12/22/25	Mon 1/12/26	9	11
11		Notice to Proceed	1 day	0%	Tue 1/13/26	Tue 1/13/26	10	14
12		**Design**	**83 days**	**0%**	**Wed 1/14/26**	**Tue 5/12/26**		
13		**Project Setup**	**6 days**	**0%**	**Wed 1/14/26**	**Thu 1/22/26**		
14		Project setup / schedule addt'l site visit if needed	5 days	0%	Wed 1/14/26	Wed 1/21/26	11	15
15		Kickoff Meeting	1 day	0%	Thu 1/22/26	Thu 1/22/26	14	29,17,18
16		**Feasibility Study**	**37 days**	**0%**	**Fri 1/23/26**	**Tue 3/17/26**		
17		Evaluate HVAC use of existing equipment	8 days	0%	Fri 1/23/26	Tue 2/3/26	15	19
18		Evaluate controls	8 days	0%	Fri 1/23/26	Tue 2/3/26	15	19
19		Develop tech memo of findings and recommenda	7 days	0%	Wed 2/4/26	Thu 2/12/26	17,18	21
20		**Quality check**	**8 days**	**0%**	**Fri 2/13/26**	**Wed 2/25/26**		
21		Submit documents to internal QC	1 day	0%	Fri 2/13/26	Fri 2/13/26	19	22
22		Internal QC period	3 days	0%	Tue 2/17/26	Thu 2/19/26	21	23
23		Pick up comments	3 days	0%	Fri 2/20/26	Tue 2/24/26	22	24
24		Backcheck	1 day	0%	Wed 2/25/26	Wed 2/25/26	23	25
25		Compile and submit tech memo	1 day	0%	Thu 2/26/26	Thu 2/26/26	24	26
26		Client review period	10 days	0%	Fri 2/27/26	Thu 3/12/26	25	27FS+2 days



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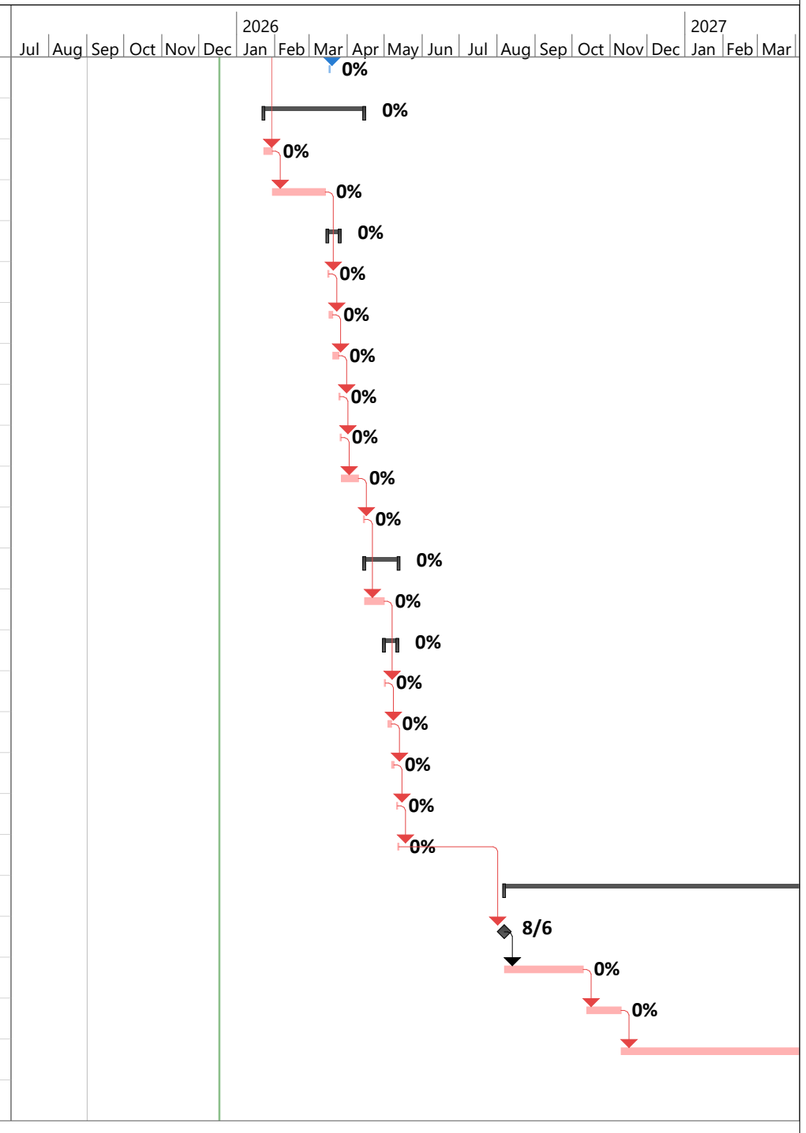
Critical	Task Progress	Baseline	Summary	Inactive Task	
Critical Split	Manual Task	Baseline Split	Manual Summary	Inactive Milestone	
Critical Progress	Start-only	Baseline Milestone	Project Summary	Inactive Summary	
Task	Finish-only	Milestone	External Tasks	Deadline	
Split	Duration-only	Summary Progress	External Milestone		

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

Denton - Lake Lewisville Ozone Building HVAC Improvements

ID	Task Mode	Task Name	Duration	% Complete	Start	Finish	Predecessors	Successors
27		Virtual review meeting	1 day	0%	Tue 3/17/26	Tue 3/17/26	26FS+2 days	
28		**75% Design**	**57 days**	**0%**	**Fri 1/23/26**	**Tue 4/14/26**		
29		Model and sheet setup	5 days	0%	Fri 1/23/26	Thu 1/29/26	15	30
30		Develop drawings & specs	30 days	0%	Fri 1/30/26	Fri 3/13/26	29	32
31		**Quality check**	**8 days**	**0%**	**Mon 3/16/26**	**Wed 3/25/26**		
32		Submit documents to internal QC	1 day	0%	Mon 3/16/26	Mon 3/16/26	30	33
33		Internal QC period	3 days	0%	Tue 3/17/26	Thu 3/19/26	32	34
34		Pick up comments	3 days	0%	Fri 3/20/26	Tue 3/24/26	33	35
35		Backcheck	1 day	0%	Wed 3/25/26	Wed 3/25/26	34	36
36		Compile and submit electronic documents	1 day	0%	Thu 3/26/26	Thu 3/26/26	35	37
37		Client review period	10 days	0%	Fri 3/27/26	Thu 4/9/26	36	38FS+2 days
38		Virtual review meeting	1 day	0%	Tue 4/14/26	Tue 4/14/26	37FS+2 days	40
39		**100% Design (Final signed and sealed)**	20 days	0%	Wed 4/15/26	Tue 5/12/26		
40		Finalize drawings & specs	12 days	0%	Wed 4/15/26	Thu 4/30/26	38	42
41		**Quality check**	**7 days**	**0%**	**Fri 5/1/26**	**Mon 5/11/26**		
42		Submit documents to internal QC	1 day	0%	Fri 5/1/26	Fri 5/1/26	40	43
43		Internal QC period	3 days	0%	Mon 5/4/26	Wed 5/6/26	42	44
44		Pick up comments	2 days	0%	Thu 5/7/26	Fri 5/8/26	43	45
45		Backcheck	1 day	0%	Mon 5/11/26	Mon 5/11/26	44	46
46		Compile and submit electronic documents	1 day	0%	Tue 5/12/26	Tue 5/12/26	45	48FS+60 days
47		**Construction**	**235 days**	**0%**	**Thu 8/6/26**	**Tue 7/20/27**		
48		Construction NTP	0 days	0%	Thu 8/6/26	Thu 8/6/26	46FS+60 days	49
49		Submittals	45 days	0%	Fri 8/7/26	Fri 10/9/26	48	50
50		Mobilize	20 days	0%	Tue 10/13/26	Mon 11/9/26	49	51
51		Construction	140 days	0%	Tue 11/10/26	Fri 6/4/27	50	52
52		Close out	30 days	0%	Mon 6/7/27	Tue 7/20/27	51	



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Critical	Task Progress	Baseline	Summary	Inactive Task	
Critical Split	Manual Task	Baseline Split	Manual Summary	Inactive Milestone	
Critical Progress	Start-only	Baseline Milestone	Project Summary	Inactive Summary	
Task	Finish-only	Milestone	External Tasks	Deadline	
Split	Duration-only	Summary Progress	External Milestone		

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.**

Freese and Nichols, 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:

250287AF3C534C4...

Signature of vendor doing business with the governmental entity

2/9/2026

Date

Docusign Envelope ID: 7FA7B6DE-F629-4453-B34E-4264631A3BDF

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

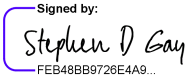
Envelope Id: 7FA7B6DE-F629-4453-B34E-4264631A3BDF
Status: Sent
Subject: Please DocuSign: City Council Contract 8213-016 LLWTP Ozone Air Conditioning Installation support
Source Envelope:
Document Pages: 31
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Gabby Leeper
901B Texas Street
Denton, TX 76209
Gabby.Leeper@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
1/23/2026 10:39:52 AM
Holder: Gabby Leeper
Gabby.Leeper@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Gabby Leeper Gabby.Leeper@cityofdenton.com Senior Buyer City of Denton Security Level: Email, Account Authentication (None)	**Completed** Using IP Address: 198.49.140.10	Sent: 1/23/2026 10:49:57 AM Viewed: 1/23/2026 10:51:23 AM Signed: 1/23/2026 10:52:26 AM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None)	Initial LH Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 1/23/2026 10:52:29 AM Viewed: 1/23/2026 11:10:23 AM Signed: 1/23/2026 11:10:54 AM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Leah Bush leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None)	Signed by: Leah Bush 2A936B08B5D7485... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 1/23/2026 11:12:09 AM Viewed: 1/23/2026 3:50:12 PM Signed: 1/23/2026 4:20:30 PM
Electronic Record and Signature Disclosure: Accepted: 1/23/2026 3:50:12 PM ID: 926f1acd-9552-438a-b8e2-4ef72674405b		
James Naylor james.naylor@freese.com Principal/Vice President Security Level: Email, Account Authentication (None)	Signed by: 250287AF3C534C4... Signature Adoption: Uploaded Signature Image Using IP Address: 198.211.208.110	Sent: 1/23/2026 4:20:33 PM Viewed: 1/26/2026 9:53:04 AM Signed: 2/9/2026 1:04:47 PM
Electronic Record and Signature Disclosure: Accepted: 1/30/2026 3:52:14 PM ID: f8b1e448-7f2f-4f7c-9325-1ad7f474eff2		

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: 2/9/2026 1:08:45 PM ID: 242f8ffe-3cbc-44fc-b2a9-39c9837689ea	Signed by:  FEB48BB9726E4A9... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/9/2026 1:04:50 PM Viewed: 2/9/2026 1:08:45 PM Signed: 2/9/2026 1:24:20 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: 2/9/2026 1:24:24 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingred Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 1/23/2026 10:52:29 AM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 1/23/2026 11:12:11 AM

Carbon Copy Events	Status	Timestamp
Electronic Record and Signature Disclosure: Not Offered via Docusign		
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: 2/9/2026 1:24:24 PM Viewed: 2/10/2026 12:54:28 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
David Brown David.Brown@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 10/2/2025 10:49:22 AM ID: ae29c722-3235-4146-98a2-e5c5378d30ca		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	1/23/2026 10:49:57 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: March 24, 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 4X Construction Group, LLC, for the Cell 6 Construction Project at the Landfill for the Solid Waste and Recycling Department; providing for the expenditure of funds therefor; and providing an effective date (CSP 8907 – awarded to 4X Construction Group, LLC, in the not-to-exceed amount of $4,872,755.00). The Public Utilities Board recommends approval (5 - 0).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Promote Sustainability and the Environment.

INFORMATION/BACKGROUND

Cell 4 is the current landfill cell the Solid Waste & Recycling Department is utilizing for disposal and is forecasted to be approximately 90% full by March 2026. The new Cell 6 is approximately 16 acres and is located East of Cell 4. Cell 6 will be excavated to an elevation of approximately 562 feet above sea level and lined with a 60 mil HDPE liner and the protective cover system. The total projected excavated quantity will be approximately 300,000 cubic yards, which will be stored on site and used for cover. Available airspace for disposal will be approximately 2.2M cubic yards or six (6) years of capacity.

The Cell 6 Construction Project has a total estimated project construction cost of $4,872,755. This estimate includes a $4,640,719.25 total base bid amount and a contingency of $232,035.75. The contingency allowance is for the sole use of the City and will be subject to written authorization by the City's Project Manager and Program Manager.

Competitive Sealed Proposals were sent to 1,344 prospective suppliers of this item, including 84 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertise in the local newspaper. Two (2) proposals were received, references were checked, and proposals were evaluated based upon published criteria, including personnel, quality and reputation, schedule, safety record, and price. Best and Final Offers (BAFO) were requested from the top firms. Based upon this evaluation, 4X Construction Group, LLC was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	911, 912, 913, and 914
Notifications sent for Solicitation sent in IonWave:	1,344
Number of Suppliers that viewed Solicitation in IonWave:	47
HUB-Historically Underutilized Business Invitations sent out:	162
SBE-Small Business Enterprise Invitations sent out:	424
Responses from Solicitation:	2

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 9, 2026, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award a contract with 4X Construction Group, LLC, for the Cell 6 Construction Project at the Landfill for the Solid Waste and Recycling Department, in a not-to-exceed amount of $4,872,755.

PRINCIPAL PLACE OF BUSINESS

4X Construction Group, LLC
Mansfield, TX

ESTIMATED SCHEDULE OF PROJECT

Delivery of the items will occur within 270 days after receipt of order.

FISCAL INFORMATION

These services will be funded from Cell 6 Project account 660270595.1365.40100. Requisition #173955 has been entered into the Purchasing software system in the amount of $4,640,719.25. The budgeted amount for this item is for a total of $4,872,755.

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: Randall Morris, 940-349-8049.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2
CSP 8907 - Pricing Evaluation for Cell 6 Construction Project

Respondent's Business Name:	**4X Construction Group, LLC**	FCS Construction
Principal Place of Business (City and State):	**Mansfield, TX**	Frisco, TX
Total Base Bid	**$4,640,719.25**	$4,668,007.95

Contingency:	**$232,035.75**
Total Contract NTE Amount:	**$4,872,755.00**

Evaluation		
Scoring Critera	**4X Construction Group, LLC**	FCS Construction
Offeror's Key Personnel - 10%	**8.00**	6.67
Quality, Reputation, and Ability to Complete Similar Projects on Schedule and Within Budget - 10%	**6.67**	7.33
Detailed Schedule and Written Plan - 25%	**20.00**	16.67
Offeror's Safety Record - 5%	**4.33**	4.33
Price, Total Cost of Ownership - 50%	**50.00**	49.71
Total Score:	**89.00**	84.71

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH 4X CONSTRUCTION GROUP, LLC, FOR THE CELL 6 CONSTRUCTION PROJECT AT THE LANDFILL FOR THE SOLID WASTE AND RECYCLING DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (CSP 8907 – AWARDED TO 4X CONSTRUCTION GROUP, LLC, IN THE NOT-TO-EXCEED AMOUNT OF $4,872,755.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for the Cell 6 Construction Project at the Landfill for the Solid Waste and Recycling 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 competitive sealed 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 competitive sealed proposal for materials, equipment, supplies, or services shown in the "Competitive Sealed 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 competitive sealed proposal.

CSP NUMBER	CONTRACTOR	AMOUNT
8907	4X Construction Group, LLC	$4,872,755.00

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

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Docusign City Council Transmittal Coversheet

FILE	8907
File Name	CELL 6 CONSTRUCTION PROJECT
Purchasing Contact	Crystal Westbrook
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

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SECTION 00 52 44
AGREEMENT - CSP

THIS AGREEMENT, authorized on _____ is made by and between the City of Denton, a Texas home rule municipal corporation**,** acting by and through its duly authorized City Manager**,** ("City"), and 4X CONSTRUCTION GROUP, LLC, authorized to do business in Texas, acting by and through its duly authorized representative, ("Contractor").

City and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1. WORK

Contractor shall complete all Work as specified or indicated in the Contract Documents for the Project identified herein.

Article 2. PROJECT

The project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows:

Cell 6 Excavation and Liner & 1590 Separation Liner Construction

Proposal Number 8907

Article 3. CONTRACT PRICE

City agrees to pay Contractor for performance of the Work in accordance with the Contract Documents an amount, in current funds, of four million six hundred forty thousand seven hundred nineteen dollars and twenty-five Cents ($4,640,719.25). At the sole option of the City, five (5) percent contingency in the amount of two hundred thirty-two thousand thirty-five dollars and seventy-five Cents ($232,035.75) may be used for a total not-to-exceed amount of four million eight hundred seventy-two thousand seven hundred fifty-five Dollars ($4,872,755.00).

Article 4. CONTRACT TIME

4.1 Time is of the essence.

All time limits for Milestones, if any, Substantial Completion and Final Acceptance as stated in the Contract Documents are of the essence to this Contract.

4.2 Substantial Completion.

The Work will be Substantially Complete, as defined in the Supplementary Conditions, within 240 Days after the date when the Contract Time commences to run, which is the day indicated in the Notice to Proceed, plus any extension thereof allowed in accordance with Article 11 of the General Conditions.

4.3 Final Acceptance.

The Work will be complete for Final Acceptance within 270 Days after the date when the Contract Time commences to run, which is the day indicated in the Notice to Proceed, plus any extension thereof allowed in accordance with Article 11 of the General Conditions.

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4.5 Liquidated Damages:

A. Contractor recognizes that time is of the essence to achieve Milestones, Substantial Completion, and Final Acceptance of the Work, and City will suffer financial and other losses if the Work is not completed within the times specified in the Contract Documents. The Contractor also recognizes the delays, expense and difficulties involved in proving, in a legal or arbitration proceeding, the actual loss suffered by the City if the Work related to the Milestones, Substantial Completion, or Final Acceptance is not completed on time. Accordingly, instead of requiring any such proof, Contractor agrees that liquidated damages for delay (but not as a penalty):

1. Substantial Completion: If the Contractor neglects, refuses, or fails to achieve Substantial Completion, as defined in the Supplementary Conditions, within the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.2, Contractor shall pay City Five Hundred Dollars ($500.00) for each day that expires after such time, until Substantial Completion is achieved.
2. Final Acceptance: If Contractor neglects, refuse, or fails to complete the Work within the time (as duly adjusted pursuant to the Contract) specified in Paragraph 4.3, for completion and readiness for Final Payment, Contractor shall pay City One Thousand Dollars ($1,000.00) for each day that expires after such time, until the date determined by City as stated in the City-issued Letter of Final Acceptance.

Article 5. CONTRACT DOCUMENTS

5.1 CONTENTS:

A. The Contract comprises the entire agreement between City and Contractor concerning the Work and consists of this Agreement and the items set forth below. The Contract Documents consist of all items below other than this Agreement:

1. Attachments to this Agreement:
   a. Proposal Form
      1) Proposal Form
      2) Unit Price Proposal Form
      3) Vendor Compliance to State Law Non-Resident Offeror
   b. Current Prevailing Wage Rate Table
   c. Worker's Compensation Affidavit
   d. General Conditions.
   e. Supplementary Conditions.
2. The following located in File Purchasing file number 8907 at:

   https://lfpubweb.cityofdenton.com/MaterialsManagement/Browse.aspx?id=19&dbid=0&repo=MaterialsManagement&cr=1

   a. Specifications described in the Table of Contents (Section 00 00 00) of the Project's Contract Documents.
   b. Drawings.
   c. Addenda.
   d. Documentation submitted by Contractor prior to Notice of Award.
3. The following which shall be issued after the Effective Date of this Agreement and delivered to the City within ten (10) days of the Effective Date and before beginning Work:

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a. Payment Bond
b. Performance Bond
c. Maintenance Bond
d. Power of Attorney for the Bonds
e. Form 1295 – Certificate of Interested Parties (email to City's Materials Management department)
f. Insurance Certificate

4. Specifications specifically made a part of the Contract Documents by attachment or, if not attached, as incorporated by reference and described in the Table of Contents of the Project's Contract Documents.

5. The following which may be delivered or issued after the Effective Date of the Agreement and, if issued, become an incorporated part of the Contract Documents:
   a. Notice to Proceed.
   b. Field Orders.
   c. Change Orders.
   d. Letter of Final Acceptance.

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Article 6. INDEMNIFICATION

6.1 Contractor covenants and agrees to indemnify, hold harmless and defend, at its own EXPENSE, THE CITY, ITS OFFICERS, ELECTED AND APPOINTED OFFICIALS, AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS FOR PERSONAL INJURY OR DEATH, ARISING OUT OF, OR ALLEGED TO ARISE OUT OF, RELATED TO OR IN CONNECTION WITH THE WORK AND SERVICES TO BE PERFORMED BY THE CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES OR INVITEES UNDER THIS CONTRACT. THIS INDEMNIFICATION PROVISION IS SPECIFICALLY INTENDED TO OPERATE AND BE EFFECTIVE EVEN IF IT IS ALLEGED OR PROVEN THAT ALL OR SOME OF THE DAMAGES BEING SOUGHT WERE CAUSED, IN WHOLE OR IN PART, BY ANY ACT, OMISSION OR NEGLIGENCE OF THE CITY. THIS INDEMNITY PROVISION IS INTENDED TO INCLUDE, WITHOUT LIMITATION, INDEMNITY FOR ANY AND ALL COSTS, EXPENSES AND LEGAL FEES INCURRED BY THE CITY IN DEFENDING AGAINST SUCH CLAIMS AND CAUSES OF ACTIONS.

6.2 CONTRACTOR COVENANTS AND AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND, AT ITS OWN EXPENSE, THE CITY, ITS OFFICERS, SERVANTS AND EMPLOYEES, FROM AND AGAINST ANY AND ALL CLAIMS FOR, LOSS OF, DAMAGE TO, OR DESTRUCTION OF, PROPERTY OF THE CITY OR OF A THIRD PARTY, ARISING OUT OF, OR ALLEGED TO ARISE OUT OF, RELATED TO OR IN CONNECTION WITH THE WORK AND SERVICES TO BE PERFORMED BY THE CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES OR INVITEES UNDER THIS CONTRACT. THIS INDEMNIFICATION PROVISION IS SPECIFICALLY INTENDED TO OPERATE AND BE EFFECTIVE EVEN IF IT IS ALLEGED OR PROVEN THAT ALL OR SOME OF THE DAMAGES BEING SOUGHT WERE CAUSED, IN WHOLE OR IN PART, BY ANY ACT, OMISSION OR NEGLIGENCE OF THE CITY. THIS INDEMNITY PROVISION IS INTENDED TO INCLUDE, WITHOUT LIMITATION, INDEMNITY FOR ANY AND ALL COSTS, EXPENSES AND LEGAL FEES INCURRED BY THE CITY IN DEFENDING AGAINST SUCH CLAIMS AND CAUSES OF ACTIONS.

Article 7. MISCELLANEOUS

7.1 Capitalized Terms.

Unless otherwise stated herein, capitalized terms used in this Agreement which are defined in Article 1 of the General Conditions will have the meanings indicated in the General Conditions.

7.2 Assignment of Contract.

This Agreement, including all of the Contract Documents may not be assigned by the Contractor without the advance express written consent of the City.

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7.3 Successors and Assigns.

City and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, in respect to all covenants, agreements and obligations contained in the Contract Documents.

7.4 Severability.

Any provision or part of the Contract Documents held to be unconstitutional, void or unenforceable by a court of competent jurisdiction shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon City and Contractor.

7.5 Venue and Waiver of Sovereign Immunity.

This Agreement, including all of the Contract Documents is performable in the State of Texas. Venue shall be in the state district courts of Denton County, Texas. The City's sovereign immunity is waived only to the extent set forth and in accordance with the provisions of Subchapter I, Chapter 271 of the Texas Local Government Code or as otherwise specifically waived by law. The City does not waive its sovereign immunity to suit in federal court.

7.6 Authority to Sign.

Contractor hereby certifies that the person signing the Agreement on its behalf is the duly authorized signatory of the Contractor.

7.7 Prohibition on Contracts with Companies Boycotting Israel.

Contractor acknowledges that in accordance with Chapter 2270 of the Texas Government Code, the 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.**

7.8 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 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.

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7.9 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.

8.0 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.

8.1 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.

7.8 Immigration Nationality Act.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Contractor 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, Contractor shall provide City with copies of all I-9 forms and supporting eligibility documentation for each employee who performs work under this Agreement. Contractor 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 Contractor employee who is not legally eligible to perform such services. **CONTRACTOR SHALL INDEMNIFY CITY AND HOLD CITY HARMLESS FROM ANY PENALTIES, LIABILITIES, OR LOSSES DUE TO VIOLATIONS OF THIS PARAGRAPH BY CONTRACTOR, CONTRACTOR'S EMPLOYEES, SUBCONTRACTORS, AGENTS, OR LICENSEES.** City, upon written notice to Contractor, shall have the right to immediately terminate this Agreement for violations of this provision by Contractor.

7.9 No Third-Party Beneficiaries.

This Agreement gives no rights or benefits to anyone other than the City and the Contractor and there are no third-party beneficiaries.

7.10 No Cause of Action Against Engineer.

Contractor, its 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. 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 to Contractor or any other entity for those duties that belong to the City, and do not relieve Contractor or any other entity of its obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for performing, coordinating and completing all portions of the Work in accordance with the Contract Documents and any health or safety precautions required by such 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.

SIGNATURE PAGE TO FOLLOW

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

IN WITNESS WHEREOF, City and Contractor have each executed this Agreement to be effective as of the date subscribed by the City's City Manager or his designee ("Effective Date").

CITY OF DENTON

BY: _____

TITLE: _____

DATE: _____

CONTRACTOR
4X CONSTRUCTION GROUP, LLC

DocuSigned by:
BY: Jeff Parrish
C84CE2E734CB491...
AUTHORIZED AGENT

Jeff Parrish
NAME

Managing Member
TITLE

817-779-3290
PHONE NUMBER

jeff.parrish@4xconstruction.com
EMAIL ADDRESS

_____
TEXAS ETHICS COMMISSION
1295 CERTIFICATE NUMBER

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 & Recycling
DEPARTMENT

ATTEST:

_____

_____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Signed by:
Leah Bush
2A036B08B5D7485...

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

SECTION 00 41 01
PROPOSAL FORM - CSP

TO: *City of Denton*
c/o: Purchasing Division
901-B Texas Street
Denton, Texas 76209

FOR: *Cell 6 Excavation and Liner & 1590 Separation Liner Construction*

1 Enter into Agreement

The undersigned Offeror proposes and agrees, if this Proposal is accepted, to enter into an Agreement with City in the form included in the Proposal Documents to perform and furnish all Work as specified or indicated in the Contract Documents for the Unit Price Proposal and within the Contract Time indicated in this Proposal and in accordance with the other terms and conditions of the Contract Documents.

2 OFFEROR Acknowledgements and Certification

2.1 In submitting this Proposal, Offeror accepts all of the terms and conditions of the INVITATION TO OFFORERS and INSTRUCTIONS TO OFFORERS, including without limitation those dealing with the disposition of Offeror's Bond.

2.2 Offeror is aware of all costs to provide the required insurance, will do so pending contract award, and will provide a valid insurance certificate meeting all requirements within 14 days of notification of award.

2.3 Offeror certifies that this Proposal is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation.

2.4 Offeror has not directly or indirectly induced or solicited any other Offeror to submit a false or sham Proposal.

2.5 Offeror has not solicited or induced any individual or entity to refrain from proposing.

2.6 Offeror has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this Paragraph:

a. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the proposal process.

b. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the proposal process to the detriment of City (b) to establish proposal prices at artificial non-competitive levels, or (c) to deprive City of the benefits of free and open competition.

c. "collusive practice" means a scheme or arrangement between two or more Offerors, with or without the knowledge of City, a purpose of which is to establish proposal prices at artificial, non-competitive levels.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

d. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the proposal process or affect the execution of the Contract.

2.7 The Offeror acknowledges and agrees to comply with the requirements of City Ethics Ordinance No. 18-757.

3 Time of Completion

3.1 The Work will be Substantially Complete as defined in the Supplementary Conditions within *240 days* after the date when the Contract Time commences to run, which is the day indicated in the Notice to Proceed, plus any extension thereof allowed in accordance with Article 11 of the General Conditions.

3.2 The Work will be complete for Final Acceptance within *270 days* after the date when the Contract Time commences to run, which is the day indicated in the Notice to Proceed, plus any extension thereof allowed in accordance with Article 11 of the General Conditions.

3.3 Offeror accepts the provisions of the Agreement as to Liquidated Damages in the event of failure to obtain Milestones (if applicable), Substantial Completion, and Final Acceptance within the times specified in the Agreement.

4 Attached to this Proposal

4.1 The following documents are attached to and made a part of this Proposal:

a. Section 00 35 14 – Conflict of Interest Affidavit – CSP
b. Section 00 41 01 – This Proposal Form – CSP
c. Section 00 42 44 – Unit Price Proposal Form – CSP – Excel Electronic Copy (either included in the hard copy Proposal, or submitted via Ionwave)
d. Section 00 43 14 – Required Offeror's Bond – CSP, issued by a surety meeting the requirements of Paragraph 6.01 of the General Conditions.
e. Section 00 43 38 – Proposed Subcontractors Form – CSP
f. Section 00 43 39 – Vendor Compliance to State Law Non-Resident Offeror – CSP
g. Section 00 45 14 – Safety Record Questionnaire – CSP
h. Section 00 45 27 – Contractor Compliance with Workers Compensation Law – CSP
i. Section 00 45 44 – Corporate Resolution of Authorized Signatories – CSP
j. Any additional documents required by Paragraph 12 of Section 00 21 16 – Instructions to Offerors

5 Total Proposal Amount

5.1 Offeror will complete the Work in accordance with the Contract Documents for the following proposal amount. In the space provided below, please enter the total proposed amount for this project. This figure will be read publicly by the City at the proposal opening.

5.2 It is understood and agreed by the Offeror in signing this proposal that the total proposed amount entered below is subject to verification and/or modification by multiplying the unit prices for each pay item by the respective estimated quantities shown in this proposal and then totaling all of the extended amounts.

Total Proposal Amount: $ 4,759,699.00

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

6 Proposal Submittal

6.1 It is understood by Offeror that submission of the total proposal amount is only one of the factors for the City's evaluation process, and that any award of contract will be based on the complete evaluation of the Proposal and Offeror by City under the terms provided in the Instructions to Offerors or any validly issued amendments or addenda.

6.2 This Proposal is submitted on November 5, 2025 by the entity named below.

Respectfully submitted,

By: _____
(Signature)

Jeff Parrish
(Printed Name)

Title: Managing Member

Company: 4X Construction Group, LLC

Address: 99 Regency Parkway, Suite 303
Mansfield, TX 76063

State of Incorporation: DE

Email: jeff.parrish@4xconstruction.com

Phone: 817-779-3290

Receipt is acknowledged of the following Addenda:	Initial
Addenda No. 1:	JP
Addenda No. 2:	JP
Addenda No. 3:	JP
Addenda No. 4:	
Addenda No. 5:	

END OF SECTION

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

BAFO PROPOSAL FORM ATTACHMENT

To: Crystal Westbrook
c/o: Purchasing Division
901-B Texas Street
Denton, Texas 76209

FOR: CSP 8907 Cell 6 Construction Project

The undersigned Offeror hereby submits this Proposal Form Revision and Best and Final Offer (this "BAFO") for CSP 8907 Cell 6 Construction Project and confirms that this BAFO Proposal is based on the project requirements per the CSP documents and any subsequent addenda.

1 Total BAFO Proposal Amount

1.1 Offeror will complete the Work in accordance with the Contract Documents for the following BAFO proposal amount. In the space provided below, please enter the total proposed BAFO amount for this project.

1.2 It is understood and agreed by the Offeror in signing this proposal that the total proposed BAFO amount entered below is subject to verification and/or modification by multiplying the unit prices for each pay item by the respective estimated quantities shown in this proposal and then totaling all of the extended amounts.

Total BAFO Proposal Amount: $ 4,640,719.25

2 BAFO Proposal Submittal

2.1 It is understood by Offeror that submission of the total BAFO proposal amount is only one of the factors for the City's evaluation process, and that any award of contract will be based on the complete evaluation of the Proposal and Offeror by City under the terms provided in the Instructions to Offerors or any validly issued amendments or addenda.

2.2 This BAFO Proposal is submitted on December 5, 2025 by the entity named below.

Respectfully submitted,

By: _____
(Signature)

Jeff Parrish
(Printed Name)

Title: Managing Member

Company: 4X Construction Group, LLC

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Address: 99 Regency Parkway, Suite 303

Mansfield, TX 76063

State of Incorporation: DE

Email: jeff.parrish@4xconstruction.com

Phone: 817-779-3290

END OF SECTION

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

SECTION 00 42 44 - UNIT PRICE PROPOSAL FORM - CSP 8907

To: City of Denton - Capital Projects
901-B Texas Street
Denton, TX 76209
Crystal Westbrook/Purchasing Dept.

From: 4X Construction Group, LLC
99 Regency Parkway, Ste 303
Mansfield, TX
Jeff Parrish
817-779-3290
jeff.parrish@4Xconstruction.com

PROJ.: **Cell 6 Excavation and Liner Construction & 1590 Separation Liner**

RFP:
ENG
PMO:

OFFEROR'S APPLICATION - UNIT PRICE PROPOSAL

Item No.	Spec. Section No.	Description	UOM	BID QTY	Unit Price	Extended Price
1	01 22 00 & 01 70 00	Mobilization (3% Max.)	LS	1	$ 139,035.00	$ 139,035.00
2	01 22 00 & 01 57 13	Erosion Control, Furnish and Install Temporary Sediment and All Related Items, Complete and in Place as Required.	LS	1	$ 24,375.00	$ 24,375.00
3	01 22 00	Groundwater Underdrain - Phase I (as shown on Sheet C-006) & dewatering; including all labor, equipment, materials, and all other appurtenances	LS	1	$ 34,125.00	$ 34,125.00
4	01 22 00	Groundwater Underdrain System - Phase II (as shown on Sheet C-006A); including all labor, equipment, materials, and all other appurtenances (if required, based upon field conditions)	LS	1	$ 394,875.00	$ 394,875.00
5	01 22 00	Groundwater Underdrain Sump, Riser & Headwall	LS	1	$ 58,500.00	$ 58,500.00
6	01 22 00, 31 05 13, & 31 23 00	Excavation (including hauling and stockpiling the excavated material) from Cell 6 & 1590 Separation Liner Area	CY	300,000	$ 2.25	$ 675,000.00
7	01 22 00, 31 05 13, & 31 23 00	Subgrade Fill (at 95% standard proctor density as per Section 31 23 00) for Cell 6 & 1590 Separation Liner Area	CY	4,250	$ 1.95	$ 8,287.50
8	01 22 00	Cell 6 Subgrade Preparation - Floor (vertical tolerance -0.2 ft to +0.0 ft)	SF	608,300	$ 0.18	$ 109,494.00
9	01 22 00	Cell 6 Subgrade Preparation - Side Slope (vertical tolerance -0.2 ft to +0.0 ft)	SF	120,550	$ 0.20	$ 24,110.00
10	01 22 00 & 31 90 33	2-ft Compacted Clay Liner for Cell 6 & 1590 Separation Liner, measured perpendicular to the subgrade, Prepared for Geomembrane, inclusive of Hauling from on-site Stockpiles, Complete in Place (vertical tolerance 0.0 ft to +0.2 ft)	SY	145,500	$ 2.25	$ 327,375.00
11	01 22 00 & 31 90 33	Hauling Clay from North stockpile (Haul Distance is 1.00 miles from the Northeast corner of Cell 6) for Constructing Cell 6 and 1590 Separation Liner CCL, this line item is for additional length of haul only, as needed and if needed	CY	29,695	$ 1.65	$ 48,996.75
12	01 22 00 & 31 90 34	60 Mil HDPE Geomembrane - Textured for Cell 6, Complete in Place (no additional quantity paid for overlap, anchor trench and/or sacrificial liner)	SF	728,850	$ 0.60	$ 437,310.00
13	01 22 00 & 31 05 19.26	Geocomposite Drainage Layer for Cell 6 Composite Liner, Complete in Place	SF	728,850	$ 0.62	$ 451,887.00
14	01 22 00 & 31 90 30	2 ft thick Protective Soil Cover, measured perpendicular from the liner, Complete in Place for Cell 6 & Separation Liner (vertical tolerance 0.0 ft to +0.2 ft)	SY	145,500	$ 1.95	$ 283,725.00
15	01 22 00 & 31 05 19.13	Geotextile Fabric - 8oz, Complete in Place (including all labor, equipment, materials, and all other appurtenances)	SF	23,100	$ 0.50	$ 11,550.00

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Item No.	Spec. Section No.	Description	UOM	BID QTY	Unit Price	Extended Price
16	01 22 00 & 31 90 20	Gravel Drainage Material	CY	430	$ 102.50	$ 44,075.00
17	01 22 00 & 31 90 40.10	Leachate Collection Trench including Drainage Gravel and 12-Inch LCS Pipe, Complete in Place (including all labor, equipment, materials, and all other appurtenances)	LF	1,030	$ 63.40	$ 65,302.00
18	01 22 00 & 31 90 40.10	18-Inch Riser Pipe, Complete in Place (including all labor, equipment, materials, and all other appurtenances)	LF	70	$ 171.00	$ 11,970.00
19	01 22 00 & 31 90 40.10	2-Inch Flush Lines, Complete in Place (including all labor, equipment, materials, and all other appurtenances)	EA	2	$ 1,950.00	$ 3,900.00
20	01 22 00 & 22 14 29	Wheeled Sump Drainer (EPG SurePump™, 45 gpm at 45 ft TDH), Control panel, flow meter, and all appurtenances, includes both leachate sump pump and groundwater underdrain pump	EA	2	$ 35,000.00	$ 70,000.00
21	01 22 00	Electrical Power to Sump	LS	1	$ 27,500.00	$ 27,500.00
22	01 22 00	Leachate Connection to the Forcemain & Gas Line	LS	1	$ 4,875.00	$ 4,875.00
23	01 22 00	Sump Access Structure & Headwall	EA	1	$ 17,550.00	$ 17,550.00
24	01 22 00 & 31 23 16.13	Anchor Trench for Cell 6 Bottom Liner and 1590 Separation Liner, Complete in Place (including all labor, equipment, materials, and all other appurtenances)	LF	2,800	$ 8.75	$ 24,500.00
25	01 22 00	Liner Tie-in (New Composite Liner to Existing Composite Liner)	LF	1,260	$ 14.50	$ 18,270.00
26	01 22 00	Liner Tie-in (New Separation Liner to Existing Separation Liner)	LF	780	$ 14.50	$ 11,310.00
27	01 22 00 & 31 90 35	Cell 1590 Subgrade Preparation for Separation Liner	SF	630,770	$ 0.15	$ 94,615.50
28	01 22 00	Separation Liner Geocomposite Gas Venting Layer, Complete in Place (including all labor, equipment, materials, and all other appurtenances)	SF	600,300	$ 0.48	$ 288,144.00
29	01 22 00 & 31 05 19.26	Separation Liner Geocomposite Drainage Layer, Complete in Place (including all labor, equipment, materials, and all other appurtenances)	SF	650,000	$ 0.62	$ 403,000.00
30	01 22 00 & 31 90 35	Separation Liner 40 Mil LLDPE Geomembrane (no additional quantity paid for overlap and/or sacrificial liner)	SF	650,000	$ 0.47	$ 305,500.00
31	01 22 00 & 31 90 30	Protective Cover Berm (including all labor, equipment, materials, and all other appurtenances)	LF	3,350	$ 8.75	$ 29,312.50
32	01 22 00	SLER/GLER/Grid Marker, Complete in Place	EA	16	$ 475.00	$ 7,600.00
33	01 22 00	Traffic Control Signage	LS	1	$ 4,300.00	$ 4,300.00
34	01 22 00, 31 05 13, & 31 23 00	East Pond Excavation	CY	65,000	$ 2.70	$ 175,500.00
35	--	East Pond - Remove Existing Riprap and Place Rock Riprap	LS	1	$ 4,850.00	$ 4,850.00
					TOTAL BASE PROPOSAL:	**$4,640,719.25**

Alternate Proposal

1A					$ -	$ -
2A					$ -	$ -
3A					$ -	$ -
					TOTAL ALT. Proposal:	**$0.00**

TOTAL BASE PLUS ALTERNATE PROPOSAL: $4,640,719.25

Cell 6 Excavation and Liner Construction & 1590 Separation Liner **TOTAL PROPOSAL: $4,640,719.25**

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

SECTION 00 43 39

VENDOR COMPLIANCE TO STATE LAW NON-RESIDENT OFFEROR - CSP

Texas Government Code Chapter 2252 was adopted for the award of contracts to nonresident offerors. This law provides that, in order to be awarded a best value contract where the offeror also offered the lowest proposal price, nonresident offerors (out-of-state contractors whose corporate offices or principal place of business are outside the State of Texas) propose on projects for construction, improvements, supplies or services in Texas at an amount lower than the lowest Texas resident offeror by the same amount that a Texas resident offeror would be required to underbid a nonresident offeror in order to obtain a comparable contract in the State which the nonresident's principal place of business is located.

The appropriate blanks in Section A must be filled out by all nonresident offerors in order for your proposal to meet specifications. The failure of nonresident offerors to do so will automatically disqualify that offeror. Resident offerors must check the box in Section B.

A. Nonresident offerors in the State of _____, our principal place of business, are required to be _____ percent lower than resident offerors by State Law. A copy of the statute is attached.

Nonresident offerors in the State of _____, our principal place of business, are not required to underbid resident Offerors.

B. The principal place of business of our company or our parent company or majority owner is in the State of Texas. [X]

OFFEROR:

4X Construction Group, LLC
Company

By: Jeff Parrish
(Please Print)

99 Regency Parkway, Suite 303
Address

Signature: [signature]

Mansfield, TX 76063
City/State/Zip

Title: Managing Member
(Please Print)

Date: 11/5/2025

END OF SECTION

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

"General Decision Number: TX20240025 01/05/2024

Superseded General Decision Number: TX20230025

State: Texas

Construction Type: Highway

Counties: Archer, Callahan, Clay, Collin, Dallas, Delta, Denton, Ellis, Grayson, Hunt, Johnson, Jones, Kaufman, Parker, Rockwall, Tarrant and Wise Counties in Texas.

HIGHWAY CONSTRUCTION PROJECTS (excluding tunnels, building structures in rest area projects & railroad construction; bascule, suspension & spandrel arch bridges designed for commercial navigation, bridges involving marine construction; and other major bridges).

Note: Contracts subject to the Davis-Bacon Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026 or Executive Order 13658. Please note that these Executive Orders apply to covered contracts entered into by the federal government that are subject to the Davis-Bacon Act itself, but do not apply to contracts subject only to the Davis-Bacon Related Acts, including those set forth at 29 CFR 5.1(a)(1).

If the contract is entered into on or after January 30, 2022, or the contract is renewed or extended (e.g., an option is exercised) on or after January 30, 2022:	. Executive Order 14026 generally applies to the contract. . The contractor must pay all covered workers at least $17.20 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in 2024.
If the contract was awarded on or between January 1, 2015 and January 29, 2022, and the contract is not renewed or extended on or after January 30, 2022:	. Executive Order 13658 generally applies to the contract. . The contractor must pay all covered workers at least $12.90 per hour (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on that contract in 2024.

The applicable Executive Order minimum wage rate will be adjusted annually. If this contract is covered by one of the Executive Orders and a classification considered necessary for performance of work on the contract does not appear on this wage determination, the contractor must still submit a conformance request.

Additional information on contractor requirements and worker protections under the Executive Orders is available at

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

http://www.dol.gov/whd/govcontracts.

Modification Number 0 | Publication Date 01/05/2024

SUTX2011-007 08/03/2011

	Rates	Fringes
CONCRETE FINISHER (Paving and Structures)	$ 14.12 **	
ELECTRICIAN	$ 19.80	
FORM BUILDER/FORM SETTER		
Paving & Curb	$ 13.16 **	
Structures	$ 13.84 **	
LABORER		
Asphalt Raker	$ 12.69 **	
Flagger	$ 10.06 **	
Laborer, Common	$ 10.72 **	
Laborer, Utility	$ 12.32 **	
Pipelayer	$ 13.24 **	
Work Zone Barricade Servicer	$ 11.68 **	
POWER EQUIPMENT OPERATOR:		
Asphalt Distributor	$ 15.32 **	
Asphalt Paving Machine	$ 13.99 **	
Broom or Sweeper	$ 11.74 **	
Concrete Pavement Finishing Machine	$ 16.05 **	
Concrete Saw	$ 14.48 **	
Crane Operator, Lattice Boom 80 Tons or Less	$ 17.27	
Crane Operator, Lattice Boom over 80 Tons	$ 20.52	
Crane, Hydraulic 80 Tons or Less	$ 18.12	
Crawler Tractor	$ 14.07 **	
Excavator, 50,000 pounds or less	$ 17.19 **	
Excavator, over 50,000 pounds	$ 16.99 **	
Foundation Drill , Truck Mounted	$ 21.07	
Foundation Drill, Crawler Mounted	$ 17.99	
Front End Loader 3 CY or Less	$ 13.69 **	
Front End Loader, over 3 CY	$ 14.72 **	
Loader/Backhoe	$ 15.18 **	
Mechanic	$ 17.68	
Milling Machine	$ 14.32 **	
Motor Grader, Fine Grade	$ 17.19 **	
Motor Grader, Rough	$ 16.02 **	
Pavement Marking Machine	$ 13.63 **	
Reclaimer/Pulverizer	$ 11.01 **	
Roller, Asphalt	$ 13.08 **	
Roller, Other	$ 11.51 **	
Scraper	$ 12.96 **	
Small Slipform Machine	$ 15.96 **	
Spreader Box	$ 14.73 **	

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Servicer.....$ 14.58 **

Steel Worker (Reinforcing).....$ 16.18 **

TRUCK DRIVER
Lowboy-Float.....$ 16.24 **
Off Road Hauler.....$ 12.25 **
Single Axle.....$ 12.31 **
Single or Tandem Axle Dump Truck.....$ 12.62 **
Tandem Axle Tractor with Semi Trailer.....$ 12.86 **
Transit-Mix.....$ 14.14 **

WELDER.....$ 14.84 **

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

==========

** Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 ($17.20) or 13658 ($12.90). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to any contract or subcontract to which the states of Texas, Louisiana, or Mississippi, including their agencies, are a party.

Note: Executive Order (EO) 13706, Establishing Paid Sick Leave for Federal Contractors applies to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2017. If this contract is covered by the EO, the contractor must provide employees with 1 hour of paid sick leave for every 30 hours they work, up to 56 hours of paid sick leave each year. Employees must be permitted to use paid sick leave for their own illness, injury or other health-related needs, including preventive care; to assist a family member (or person who is like family to the employee) who is ill, injured, or has other health-related needs, including preventive care; or for reasons resulting from, or to assist a family member (or person who is like family to the employee) who is a victim of, domestic violence, sexual assault, or stalking. Additional information on contractor requirements and worker protections under the EO is available at https://www.dol.gov/agencies/whd/government-contracts.

Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29CFR 5.5 (a) (1) (iii)).

The body of each wage determination lists the classification and wage rates that have been found to be prevailing for the cited type(s) of construction in the area covered by the wage determination. The classifications are listed in alphabetical order of ""identifiers"" that indicate whether the particular

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

rate is a union rate (current union negotiated rate for local), a survey rate (weighted average rate) or a union average rate (weighted union average rate).

Union Rate Identifiers

A four letter classification abbreviation identifier enclosed in dotted lines beginning with characters other than ""SU"" or ""UAVG"" denotes that the union classification and rate were prevailing for that classification in the survey. Example: PLUM0198-005 07/01/2014. PLUM is an abbreviation identifier of the union which prevailed in the survey for this classification, which in this example would be Plumbers. 0198 indicates the local union number or district council number where applicable, i.e., Plumbers Local 0198. The next number, 005 in the example, is an internal number used in processing the wage determination. 07/01/2014 is the effective date of the most current negotiated rate, which in this example is July 1, 2014.

Union prevailing wage rates are updated to reflect all rate changes in the collective bargaining agreement (CBA) governing this classification and rate.

Survey Rate Identifiers

Classifications listed under the ""SU"" identifier indicate that no one rate prevailed for this classification in the survey and the published rate is derived by computing a weighted average rate based on all the rates reported in the survey for that classification. As this weighted average rate includes all rates reported in the survey, it may include both union and non-union rates. Example: SULA2012-007 5/13/2014. SU indicates the rates are survey rates based on a weighted average calculation of rates and are not majority rates. LA indicates the State of Louisiana. 2012 is the year of survey on which these classifications and rates are based. The next number, 007 in the example, is an internal number used in producing the wage determination. 5/13/2014 indicates the survey completion date for the classifications and rates under that identifier.

Survey wage rates are not updated and remain in effect until a new survey is conducted.

Union Average Rate Identifiers

Classification(s) listed under the UAVG identifier indicate that no single majority rate prevailed for those classifications; however, 100% of the data reported for the classifications was union data. EXAMPLE: UAVG-OH-0010 08/29/2014. UAVG indicates that the rate is a weighted union average rate. OH indicates the state. The next number, 0010 in the example, is an internal number used in producing the wage determination. 08/29/2014 indicates the survey completion date for the classifications and rates under that identifier.

A UAVG rate will be updated once a year, usually in January of each year, to reflect a weighted average of the current negotiated/CBA rate of the union locals from which the rate is based.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can be:

* an existing published wage determination
* a survey underlying a wage determination
* a Wage and Hour Division letter setting forth a position on a wage determination matter
* a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour National Office because National Office has responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

==========

END OF GENERAL DECISION"

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

SECTION 00 43 39

VENDOR COMPLIANCE TO STATE LAW NON-RESIDENT OFFEROR - CSP

Texas Government Code Chapter 2252 was adopted for the award of contracts to nonresident offerors. This law provides that, in order to be awarded a best value contract where the offeror also offered the lowest proposal price, nonresident offerors (out-of-state contractors whose corporate offices or principal place of business are outside the State of Texas) propose on projects for construction, improvements, supplies or services in Texas at an amount lower than the lowest Texas resident offeror by the same amount that a Texas resident offeror would be required to underbid a nonresident offeror in order to obtain a comparable contract in the State which the nonresident's principal place of business is located.

The appropriate blanks in Section A must be filled out by all nonresident offerors in order for your proposal to meet specifications. The failure of nonresident offerors to do so will automatically disqualify that offeror. Resident offerors must check the box in Section B.

A. Nonresident offerors in the State of _____, our principal place of business, are required to be _____ percent lower than resident offerors by State Law. A copy of the statute is attached.

Nonresident offerors in the State of _____, our principal place of business, are not required to underbid resident Offerors.

B. The principal place of business of our company or our parent company or majority owner is in the State of Texas. [X]

OFFEROR:

4X Construction Group, LLC
Company

By: Jeff Parrish
(Please Print)

99 Regency Parkway, Suite 303
Address

Signature: [signature]

Mansfield, TX 76063
City/State/Zip

Title: Managing Member
(Please Print)

Date: 11/5/2025

END OF SECTION

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

TABLE OF CONTENTS

Page

ARTICLE 1 – DEFINITIONS AND TERMINOLOGY 1
1.01 Defined Terms 1
1.02 Terminology 6
ARTICLE 2 – PRELIMINARY MATTERS 7
2.01 Delivery of Performance and Payment Bonds; Evidence of Insurance 7
2.02 Copies of Documents 7
2.03 Before Starting Construction 7
2.04 Preconstruction ConferenceMeeting 8
2.05 Public Meeting 8
2.06 Initial Acceptance of Schedules 8
2.07 Electronic Submittals and Transmittals 8
ARTICLE 3 – CONTRACT DOCUMENTS: INTENT, REQUIREMENTS, REUSE 8
3.01 Intent 8
3.02 Reference Standards 9
3.03 Reporting and Resolving Discrepancies 9
3.04 Requirements of the Contract Documents 10
3.05 Reuse of Documents 10
ARTICLE 4 – COMMENCEMENT AND PROGRESS OF THE WORK 11
4.01 Commencement of Contract Time; Notice to Proceed 11
4.02 Starting the Work 11
4.03 Delays in Contractor's Progress 11
ARTICLE 5 – SITE; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS 12
5.01 Availability of Lands 12
5.02 Use of Site and Other Areas 13
5.03 Subsurface and Physical Conditions 14
5.04 Differing Subsurface or Physical Conditions 15
5.05 Underground Facilities 16
5.06 Hazardous Environmental Conditions at Site 17

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

ARTICLE 6 – BONDS AND INSURANCE 18
6.01 Licensed Sureties and Insurers 18
6.02 Performance, Payment, and Maintenance Bonds 18
6.03 Certificates of Insurance 19
6.04 Contractor's Insurance 21
6.05 Acceptance of Bonds and Insurance; Option to Replace 22
ARTICLE 7 – CONTRACTOR'S RESPONSIBILITIES 22
7.01 Contractor's Means and Methods of Construction 22
7.02 Supervision and Superintendence 22
7.03 Labor; Working Hours 23
7.04 Services, Materials, and Equipment 23
7.05 Project Schedule 24
7.06 "Or Equals" 24
7.07 Substitutions 25
7.08 Concerning Subcontractors and Suppliers 27
7.09 Wage Rates 28
7.10 Patent Fees and Royalties 29
7.11 Permits and Utilities 29
7.12 Taxes 30
7.13 Laws and Regulations 30
7.14 Record Documents 31
7.15 Safety and Protection 31
7.16 Hazard Communication Programs 32
7.17 Emergencies and/or Rectification 32
7.18 Submittals 33
7.19 Continuing the Work 34
7.20 Contractor's General Warranty and Guarantee 34
7.21 Indemnification 35
7.22 Delegation of Professional Design Services 36
7.23 Right to Audit 36
7.24 Nondiscrimination 37
ARTICLE 8 – OTHER WORK AT THE SITE 37
8.01 Other Work 37
8.02 Coordination 38

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

8.03 Legal Relationships 38
ARTICLE 9 – CITY'S RESPONSIBILITIES 39
9.01 Communications to Contractor 39
9.02 Furnish Data 39
9.03 Pay When Due 39
9.04 Lands and Easements; Reports, Tests, and Drawings 39
9.05 Change Orders 39
9.06 Inspections, Tests, and Approvals 39
9.07 Limitations on City's Responsibilities 39
9.08 Undisclosed Hazardous Environmental Condition 39
9.09 Compliance with Safety Program 39
ARTICLE 10 – CITY'S OBSERVATION DURING CONSTRUCTION 40
10.01 City's Project Manager or Duly Authorized Representative 40
10.02 Visits to Site 40
10.03 Determinations for Work Performed 40
10.04 Decisions on Requirements of Contract Documents and Acceptability of Work 40
ARTICLE 11 – CHANGES IN THE WORK; CLAIMS; EXTRA WORK 41
11.01 Amending and Supplementing the Contract 41
11.02 Execution of Change Orders 41
11.03 Field Orders 41
11.04 Authorized Changes in the Work – Extra Work 41
11.05 Unauthorized Changes in the Work 41
11.06 Dispute of Extra Work 42
11.07 Contract Claims Process 42
11.08 Change of Contract Price 43
11.09 Change of Contract Time 44
11.10 Notification to Surety 44
ARTICLE 12 – COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK; PLANS QUANTITY MEASUREMENT 45
12.01 Cost of the Work 45
12.02 Allowances 48
12.03 Unit Price Work 48
12.04 Plans Quantity Measurement for Unclassified Excavation or Embankment 49

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

ARTICLE 13 – TESTS AND INSPECTIONS; CORRECTION, REMOVAL, OR ACCEPTANCE OF DEFECTIVE WORK 50
13.01 Access to Work 50
13.02 Tests, Inspections 50
13.03 Defective Work 51
13.04 Rejecting Defective Work 51
13.05 Acceptance of Defective Work 52
13.06 Uncovering Work 52
13.07 City May Stop the Work 52
13.08 City May Correct Defective Work 53
ARTICLE 14 – PAYMENTS TO CONTRACTOR; COMPLETION; CORRECTION PERIOD 53
14.01 Progress Payments 53
14.02 Contractor's Warranty of Title 56
14.03 Partial Utilization 56
14.04 Final Inspection 57
14.05 Final Acceptance 57
14.06 Final Payment 57
14.07 Final Completion Delayed and Partial Retainage Release 58
14.08 Waiver of Claims 58
14.09 Correction Period 58
ARTICLE 15 – SUSPENSION OF WORK AND TERMINATION 59
15.01 City May Suspend Work 59
15.02 City May Terminate for Cause 60
15.03 City May Terminate for Convenience 61
ARTICLE 16 – FINAL RESOLUTION OF DISPUTES 63
16.01 Methods and Procedures 63
ARTICLE 17 – MISCELLANEOUS 64
17.01 Giving Notice 64
17.02 Computation of Times 64
17.03 Cumulative Remedies 64
17.04 Limitation of Damages 64
17.05 No Waiver 65
17.06 Survival of Obligations 65
17.07 Assignment of Contract 65

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

17.08 Successors and Assigns 65
17.09 Headings 65

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

ARTICLE 1 – DEFINITIONS AND TERMINOLOGY

1.01 *Defined Terms*

A. Wherever used in the Contract or in other Contract Documents, the terms listed below have the meanings indicated which are applicable to both the singular and plural thereof, and words denoting gender shall include the masculine, feminine and neuter. When used in a context consistent with the definition of a listed-defined term, the term shall have a meaning as defined below whether capitalized or italicized or otherwise. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.

1. *Addenda*—Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents.

2. *Agreement*—The written instrument titled "Agreement", "Agreement – CSP", or "Agreement – Unit Price Bid" executed by the City and Contractor for the Work, setting forth the name of the Project, Contract Price, Contract Time and the items included in the Contract.

3. *Application for Payment*—The form acceptable to City which is to be used by Contractor during the course of the Work in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract.

4. *Asbestos*—Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

5. *Award*—Authorization by the City Council for the City to enter into an Agreement.

6. *Bid*—The offer or proposal of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed. The term "Bid" shall be defined to include the term "Proposal" in those instances where the City utilizes a Request for Proposal rather than an Invitation for Bid.

7. *Bidder*—The individual or entity that submits a Bid directly to City. The term "Bidder" shall be defined to include the terms "Proposer" or "Offeror" in those instances where the City utilizes a Request for Proposal rather than an Invitation for Bid.

8. *Bidding Documents*—The Bidding Requirements and the proposed Contract Documents (including all Addenda). The term "Bidding Documents" shall be defined to include the terms "Proposal Documents" in those instances where the City utilizes a Request for Proposal rather than an Invitation for Bid.

9. *Bidding Requirements*—The Advertisement or Invitation to Bid, Instructions to Bidders, Bid Bond or other Bid security, if any, the Bid Form, and the Bid with any attachments. The term "Bidding Requirements" shall be defined to include the terms "Proposal Requirements" in those instances where the City utilizes a Request for Proposal rather than an Invitation for Bid and will include the Request for Proposal or Invitation to Offerors, Instructions to Offerors, Offerors Bond or other Proposal security, if any, the Proposal Form, and the Proposal with any attachments.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

10. *Business Day*—A day that the City conducts normal business, generally Monday through Friday, except for federal or state holidays observed by the City.
11. *Calendar Day*—A day consisting of 24 hours measured from midnight to the next midnight.
12. *Change Order*—A document which is prepared by the Contractor or City, approved by the City, and signed by Contractor and City, authorizing an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Time, issued on or after the Effective Date of the Agreement.
13. *City*—The City of Denton is, a Texas home-rule municipal corporation acting by its City Council through its City Manager or his or her designee.
14. *City Attorney*—The officially appointed City Attorney of the City of Denton or his or her designee.
15. *City Council*—The duly elected and qualified governing body of the City of Denton.
16. *City Manager*—The officially appointed authorized City Manager of the City of Denton.
17. *Contract*—The entire and integrated set of written instruments between the City and Contractor concerning the Work comprised of the Agreement and all Contract Documents, which written instruments supersede all prior negotiations, representations, or agreements, whether written or oral, concerning the Work.
18. *Contract Claim*—A demand or assertion by City or Contractor seeking an adjustment of Contract Price or Contract Time, or both, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Contract Claim.
19. *Contract Documents*—Those items so designated as "Contract Documents." in the Agreement at Paragraph 5.1.A. Approved Submittals, other Contractor submittals, and the reports and drawings of subsurface and physical conditions are not Contract Documents.
20. *Contract Price*—The moneys payable by City to Contractor for completion of the Work in accordance with the Contract Documents as stated in the Agreement (subject to the provisions of Paragraph 12.03 in the case of Unit Price Work). The Contract Price does not include any "Incentive", if applicable.
21. *Contract Time*—The number of days or the dates stated in the Agreement to: (a) achieve Milestones, if any and (bb) complete the Work so that it is ready for Final Acceptance.
22. *Contractor*—The individual or entity with whom City has entered into the Agreement.
23. *Cost of the Work*—See Paragraph 12.01 of these General Conditions for definition.
24. *Damage Claims*—A demand for money or services arising from the Project or Site from a third party, City or Contractor exclusive of a Contract Claim.
25. *Day* or day—A day, unless otherwise defined, shall mean a Calendar Day.
26. *Drawings*—The part of the Contract Documents prepared or approved by an Engineer that graphically shows the scope, extent, and character of the Work to be performed by Contractor. Submittals, as defined, are not considered Drawings as so defined here.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

27. *Effective Date of the Agreement*—The date, indicated in the Agreement, on which it becomes effective,, but if no such date is indicated, it means the date on which the Agreement is signed and delivered by the City.
28. *Electronic Document*—Any Project-related correspondence, attachments to correspondence, text, data, documents, drawings, information, or graphics, including but not limited to Shop Drawings and other Submittals, that are in an electronic or digital format.
29. *Electronic Means*—Electronic mail (email), upload/download from a secure Project website, or other communications methods that allow: (a) the transmission or communication of Electronic Documents; (b) the documentation of transmissions, including sending and receipt; (c) printing of the transmitted Electronic Document by the recipient; (d) the storage and archiving of the Electronic Document by sender and recipient; and (e) the use by recipient of the Electronic Document for purposes permitted by the Contract. Electronic Means does not include the use of text messaging, or of Facebook, Twitter, Instagram, or similar social media services for transmission of Electronic Documents.
30. *Engineer*—The licensed professional engineer or engineering firm registered in the State of Texas performing professional services for the City.
31. *Extra Work*—Additional work made necessary by City-approved changes or alterations to the Contract Documents. Extra Work shall be part of the Work.
32. *Field Order*—A written directive issued by City that requires changes in the Work but does not involve a change to the Contract Price, Contract Time, or Drawings, Plan, or Shop Drawings.
33. *Final Acceptance*—The written notice given by the City to the Contractor that the Work specified in the Contract Documents has been completed to the satisfaction of the City.
34. *Final Inspection*—The inspection performed by the City to determine whether the Contractor has completed each and every part or appurtenance of the Work fully, entirely, and in conformance with the Contract Documents.
35. *General Requirements*—Sections of The information set forth in "Division 101 – General Requirements" of the Standard Construction Specification Documents.
36. *Hazardous Environmental Condition*—The presence at the Site of Asbestos, P C B s, Petroleum, Hazardous Waste, Radioactive Material, or any other substance, product, waste or materials, in such quantities or circumstances that may present a substantial danger to persons or property exposed thereto.
37. *Hazardous Waste*—Any solid waste listed as hazardous or which possesses one or more hazardous characteristics as defined in applicable Laws and Regulations.
38. *Incidental or incidental*—Work items that the Contractor is not paid for directly, but costs for which are included under the various bid items of the Project.
39. *Laws and Regulations*—Any and all applicable laws, statutes, rules, regulations, ordinances, codes, and binding decrees, resolutions, and orders of any and all

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

governmental bodies, agencies, authorities, and courts having jurisdiction over the Site or any portion or part of the Work to be performed.

40. *Liens*—Charges, security interests, or encumbrances upon Project funds, real property, or personal property.
41. *Major Item*—An item of work included in the Contract Documents that has a total cost equal to or greater than 5% of the original Contract Price.
42. *Milestone*—A principal event specified in the Contract Documents relating to the performance of an identified portion of the Work by an intermediate Contract Time prior to Final Acceptance of the Work.
43. *Notice of Award*—The written notice by City to the Successful Bidder stating that upon timely compliance by the Successful Bidder with the conditions precedent listed in such notice, City will sign and deliver the Agreement.
44. *Notice to Proceed*—A written notice given by City to Contractor fixing the date on which the Contract Time will commence to run and on which Contractor shall start to perform the Work specified in Contract Documents.
45. *PCBs*—Polychlorinated biphenyls.
46. *Petroleum*—Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), and including but not limited to oil, fuel oil, oil sludge, oil refuse, gasoline, diesel fuel, kerosene, and oil mixed with other non-Hazardous Waste and crude oils.
47. *Plans*—This term will have the same definition of as “Drawings”.
48. *Project* —The Work to be performed under the Contract.
49. *Project Manager*—The authorized representative of the City who will be assigned to the Project.
50. *Project Manual*—The documentary information prepared for bidding or proposing and furnishing the Work.
51. *Project Schedule*—A schedule, prepared and maintained by Contractor, in accordance with the General Requirements, describing the sequence and duration of the activities comprising Contractor’s plan to achieve each Milestone and accomplish the Work within the Contract Time.
52. *Public Meeting*—An announced meeting conducted by the City to facilitate public participation and to assist the public in gaining an informed view of the Project.
53. *Samples*—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and that establish the standards by which such portion of the Work will be judged.
54. *Schedule of Submittals*—A schedule, prepared and maintained by Contractor, of required submittals and the time requirements toto support scheduled performance of related construction activities.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

55. *Schedule of Values*—A schedule, prepared and maintained by Contractor, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor's Applications for Payment.

56. *Shop Drawings*—All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Contract Documents.

57. *Site*—Lands or areas indicated in the Contract Documents as being furnished by City upon which the Work is to be performed, including rights-of-way, permits, and easements for access thereto, and such other lands furnished by City which are designated for the use of Contractor.

58. *Specifications* or *Technical Specifications* —The part of the Contract that consists of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable to the Work. Specifications may be specifically made a part of the Contract Documents by attachment or, if not attached, may be incorporated by reference as indicated in the Table of Contents (Section 00 00 00) of the Project.

59. *Subcontractor*—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work at the Site.

60. *Submittal*—All drawings, diagrams, illustrations, schedules and other data or information which are specifically prepared or assembled by or for Contractor and submitted by Contractor to the City to illustrate some portion of the Work.

61. *Subsidiary or subsidiary—These terms will have the same* definition as "Incidental. or incidental".

62. *Successful Bidder*—The Bidder to whom City issues a Notice of Award. The term "Bidder" shall be defined to include the terms "Proposer" or "Offeror" in those instances where the City utilizes a Request for Proposal rather than an Invitation for Bid and is the Proposer or Offeror submitting the proposal or offer that provides the best value to the City and to whom the City issues a Notice of Award.

63. *Superintendent*—The representative of the Contractor who is available at all times and able to receive instructions from the City and to act for the Contractor.

64. *Supplementary Conditions*—The part of the Contract set forth at Division 00 73 00 that amends or supplements these General Conditions.

65. *Supplier*—A manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or a Subcontractor.

66. *Underground Facilities*—All underground lines, pipelines, conduits, ducts, encasements, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or systems at the Site, including but not limited to those facilities or systems that produce, transmit, distribute, or convey telephone or other communications, cable television, fiber optic transmissions, power, electricity, light, heat, gases, oil, crude oil products, liquid

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

petroleum products, water, steam, waste, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.

67. *Unit Price Work*—Work for which the Contract Price is determined by multiplying the unit price for the item by the estimated quantity of the item.

68. *Weekend Working Hours*—Those hours between 8:00 a.m. and 8:30 p.m. on Saturday, and between 1:00 p.m. and 8:30 p.m. on Sunday or on a federal or state holiday observed by the City, as approved in advance by the City for performing Work.

69. *Work*—The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction including any Change Order or Field Order,, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.

70. *Working Day*—Defined as a Business Day but excluding any days that weather or other conditions beyond the reasonable control of the Contractor prevents the performance of the principal unit of work underway for a continuous period of not less than 7 hours between 7:00 a.m. and 8:00 p.m.

1.02 *Terminology*

A. The words and terms discussed in Paragraphs 1.02.B, C, D, and E are not defined terms that require initial capital letters, but, when used in the Bidding Requirements or Contract, have the indicated meaning.

B. *Intent of Certain Terms or Adjectives:* The Contract includes the terms "as allowed," "as approved," "as ordered," "as directed" or terms of like effect or import to authorize an exercise of judgment by CityCity. In addition, the adjectives "reasonable," "suitable," "acceptable," "proper," "satisfactory," or adjectives of like effect or import are used to describe an action or determination of City as to the Work. It is intended that such exercise of judgment, action, or determination will be to evaluate, in general, the Work for compliance with the information in the Contract Documents and with the design concept of the Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise).

C. *Defective:* The word "defective," when modifying the word "Work," refers to Work that is unsatisfactory, faulty, or deficient in that it:

1. does not conform to the Contract Documents; or

2. does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents; or

3. has been damaged prior to City's written notice of Final Acceptance.

D. *Furnish, Install, Perform, Provide*

1. The word "furnish," when used in connection with services, materials, or equipment, means to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

2. The word "install," when used in connection with services, materials, or equipment, means to put into use or place in final position said services, materials, or equipment complete and ready for intended use.

3. The words "perform" or "provide," when used in connection with services, materials, or equipment, means to execute, carry out, furnish and install said services, materials, or equipment complete and ready for intended use.

4. If the Contract Documents establish an obligation of Contractor with respect to specific services, materials, or equipment, but do not expressly use any of the four words "furnish," "install," "perform," or "provide," then Contractor shall furnish and install said services, materials, or equipment complete and ready for intended use.

E. Unless stated otherwise in the Contract, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract in accordance with such recognized meaning.

ARTICLE 2 – PRELIMINARY MATTERS

2.01 *Delivery of Performance and Payment Bonds; Evidence of Insurance*

A. Performance and Payment Bonds: When Contractor delivers the signed counterparts of the Agreement to City, Contractor shall also deliver to City the performance bond , payment bond and maintenance bond that comply with the provisions of Chapter 2253 of the Texas Government Code. Work will not be allowed to begin until the performance and payment bonds have been provided by the Contractor to the City.

B. Evidence of Contractor's Insurance: When Contractor delivers the signed counterparts of the Agreement to City, Contractor shall also deliver to City, with copies to each additional insured (as identified in the Contract), the certificates, endorsements, and other evidence of insurance required to be provided by Contractor in accordance with Article 6. Work will not be allowed to begin until the evidence of insurance has been provided by the Contractor to the City.

2.02 *Copies of Documents*

A. City shall furnish to Contractor one (1) original executed copy and one (1) electronic copy of the Contract, and three (3) additional copies of the Drawings. Additional printed copies will be furnished upon request at the cost of reproduction.

2.03 *Before Starting Construction*

Baseline starting Work, Contractor shall submit for review by City the following in accordance with the Contract Documents:

A. Baseline Schedules in accordance with General Requirements, Section 01 32 16.

B. Preliminary Schedule of Submittals.

C. Preliminary Schedule of Values: For lump sum contracts, a Schedule of Values for all of the Work that includes quantities and prices of items that when added together equal the Contract Price and subdivides the Work into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

2.04 *Preconstruction Meeting*

A. Before any Work at the Site is started, the Contractor shall attend a Preconstruction Meeting as specified in Section 01 31 19.

2.05 *Public Meeting*

A. Contractor may not mobilize any equipment, materials, or resources to the Site prior to Contractor attending the Public Meeting as scheduled by the City.

2.06 *Initial Acceptance of Schedules*

A. No progress payment shall be made to Contractor until acceptable Project Schedules are submitted to City in accordance with the Contract Documents.

2.07 *Electronic Submittals and Transmittals*

A. Except as otherwise stated elsewhere in the Contract, the City and Contractor may send, and shall accept, Electronic Documents transmitted by Electronic Means.

B. If the Contract does not establish protocols for Electronic Means, then City and Contractor shall jointly develop such protocols.

C. Subject to any governing protocols for Electronic Means, when transmitting Electronic Documents by Electronic Means, the transmitting party makes no representations as to long-term compatibility, usability, or readability of the Electronic Documents resulting from the recipient's use of software application packages, operating systems, or computer hardware differing from those used in the drafting or transmittal of the Electronic Documents.

ARTICLE 3 – CONTRACT DOCUMENTS: INTENT, REQUIREMENTS, REUSE

3.01 *Intent*

A. The Contract Documents are complementary; what is required by one Contract Document is as binding as if required by all.

B. It is the intent of the Contract to describe a functionally complete Project to be constructed in accordance with the Contract Documents. Any labor, documentation, services, materials, or equipment that reasonably may be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the indicated result will be provided whether or not specifically called for, at no additional cost to City.

C. City will issue clarifications and interpretations of the Contract Documents as provided herein.

D. The Specifications may vary in form, forma and style. Some Specification sections may be written in varying degrees of streamlined or declarative style, and some sections may be relatively narrative by comparison. Omission of such words and phrases as "the Contractor shall," "in conformity with," "as shown," or "as specified" are intentional in streamlined sections. Omitted words and phrases shall be supplied by inference. Similar types of provisions may appear in various parts of a section or articles within a part depending on the format of the section. The Contractor shall not take advantage of any variation of form, format or style in making Contract Claims or Damage Claims.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

E. The cross-referencing of Specification sections under the subparagraph heading "Related Sections include but are not necessarily limited to:" and elsewhere within each Specification section is provided as an aid and convenience to the Contractor. The Contractor shall not rely on the cross-referencing provided and shall be responsible to coordinate the entire Work under the Contract Documents and provide a complete Project whether or not cross-referencing is provided in each section or whether the cross-referencing is complete or accurate.

3.02 *Reference Standards*

A. Standards Specifications, Codes, Laws and Regulations

1. Reference in the Contract Documents to standard specifications, manuals, reference standards, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, means the standard specification, manual, reference standard, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Agreement if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.

2. No provision of any such standard specification, manual, reference standard, or code, and no instruction of a Supplier, will be effective to change the duties or responsibilities of CityCity, Contractor, or any of their subcontractors, consultants, agents, or employees from those set forth in the Contract Documents. No such provision or instruction shall be effective to assign to City or any of its officers, elected or appointed officials, directors, members, partners, employees, agents, consultants, or subcontractors, any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of the Contract Documents.

3.03 *Reporting and Resolving Discrepancies*

A. Reporting Discrepancies

1. *Contractor's Verification of Figures and Field Measurements*: Before undertaking each part of the Work, Contractor shall carefully study the Contract Documents, and check and verify pertinent figures and dimensions therein, particularly with respect to applicable field measurements, and conditions. Contractor shall promptly report in writing to City any conflict, error, ambiguity, or discrepancy that Contractor discovers, or has actual knowledge of, and shall obtain a written interpretation or clarification from City before proceeding with any Work affected thereby.

2. *Contractor's Review of Contract Documents*: If, before or during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (a) any applicable Law or Regulation, (b) actual field conditions, (c) any standard specification, manual, reference standard, or code, or (d) any instruction of any Supplier, then Contractor shall promptly report it to City in writing. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 7.1717) until the conflict, error, ambiguity, or discrepancy is resolved, by a clarification or interpretation by City, or by an amendment or supplement to the Contract issued pursuant to Paragraph 11.01.

3. Contractor shall not be liable to City for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor had actual knowledge thereof.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

B. Resolving Discrepancies

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the Contract Documents take precedence in resolving any conflict, error, ambiguity, or discrepancy between such provisions of the Contract Documents and:

   a. the provisions of any standard specification, manual, reference standard, or code, or the instruction of any Supplier; or

   b. the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

2. In case of discrepancies, figured dimensions shall govern over scaled dimensions, Drawings shall govern over Specifications, and Supplementary Conditions shall govern over General Conditions and Specifications.

3.04 *Requirements of the Contract Documents*

A. During the performance of the Work and until final payment, Contractor shall submit to the City in writing all matters in question concerning the requirements of the Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Contract Documents, as soon as possible after such matters arise. City will be the interpreter of the requirements of the Contract Documents, and judge of the acceptability of the Work.

B. City will, with reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or initiate an amendment or supplement to the Contract Documents. City's written clarification, interpretation, or decision will be final and binding on Contractor, unless Contractor appeals by filing a Contract Claim.

3.05 *Reuse of Documents*

A. Contractor and its Subcontractors and Suppliers shall not:

1. have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer or its consultants, including electronic media versions, or reuse any such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of CityCity and specific written verification or adaptation by Engineer; or

2. have or acquire any title or ownership rights in any other Contract Documents, reuse any such Contract Documents for any purpose without City's express written consent, or violate any copyrights pertaining to such Contract Documents.

B. The prohibitions of this Paragraph 3.05 05 will survive final payment, or termination of the Contract. Nothing herein precludes Contractor from retaining copies of the Contract Documents for record purposes.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

ARTICLE 4 – COMMENCEMENT AND PROGRESS OF THE WORK

4.01 *Commencement of Contract Time; Notice to Proceed*

A. The Contract Time will commence to run on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Contract.

4.02 *Starting the Work*

A. Contractor shall start to perform the Work on the date when the Contract Time commences to run. No Work may be done at the Site prior to the date on which the Contract Time commences to run.

4.03 *Delays in Contractor's Progress*

A. If Contractor is delayed, City shall not be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project. The City shall be liable only to the extent allowed by the provisions of the Contract and as allowed by Subchapter I, Chapter 271 of the Texas Local Government Code.

B. Contractor shall not be entitled to an adjustment in Contract Price or Contract Time for delay, disruption, or interference caused by or within the control of Contractor. Delay, disruption, and interference attributable to and within the control of a Subcontractor or Supplier shall be deemed to be within the control of Contractor.

C. The Contractor shall receive no compensation for delays or hindrances to the Work, except when direct and unavoidable extra cost to the Contractor is caused by the failure of the City to provide information or material, if any, that the Contract specifies is to be furnished by the City.

D. If Contractor's performance or progress is delayed, disrupted, or interfered with by unanticipated causes not the fault of and beyond the control of City, Contractor, and those for whom they are responsible, then Contractor shall be entitled to an equitable adjustment in Contract Time. Such an adjustment will be Contractor's sole and exclusive remedy for the delays, disruption, and interference described in this Paragraph 4.03. D. The Contractor is responsible for the prompt submission of a request for an adjustment to the Contract Time under this Paragraph to the City. Causes of delay, disruption, or interference that may give rise to an adjustment in Contract Time under this Paragraph include but are not limited to the following:

1. Severe and unavoidable natural catastrophes such as fires, floods, epidemics, and earthquakes;

2. Abnormal weather conditions;

3. Acts or failures to act of third-party utility owners or other third-party entities (other than those third-party utility owners or other third-party entities performing other work at or adjacent to the Site as arranged by or under contract with City, as contemplated in Article 8); and

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

4. Acts of war or terrorism.

E. Contractor's entitlement to an adjustment of Contract Time or Contract Price is limited as follows:

1. Contractor's entitlement to an adjustment of the Contract Time is conditioned on the delay, disruption, or interference adversely affecting an activity on the critical path to completion of the Work, as of the time of the delay, disruption, or interference.

2. Contractor shall not be entitled to an adjustment in Contract Price for any delay, disruption, or interference if such delay is concurrent with a delay, disruption, or interference caused by or within the control of Contractor. Such a concurrent delay by Contractor shall not preclude an adjustment of Contract Time to which Contractor is otherwise entitled.

3. Adjustments of Contract Time or Contract Price are subject to the provisions of Article 11.

F. Each Contractor request or Change Order seeking an increase in Contract Time or Contract Price must be supplemented by supporting data that sets forth in detail the following:

1. The circumstances that form the basis for the requested adjustment;

2. The date upon which each cause of delay, disruption, or interference began to affect the progress of the Work;

3. The date upon which each cause of delay, disruption, or interference ceased to affect the progress of the Work;

4. The number of days' increase in Contract Time claimed as a consequence of each such cause of delay, disruption, or interference; and

5. The impact on Contract Price, in accordance with the provisions of Paragraph 11.08.

6. Contractor shall also furnish such additional supporting documentation as City may require including, where appropriate, a revised Project Schedule indicating all the activities affected by the delay, disruption, or interference, and an explanation of the effect of the delay, disruption, or interference on the critical path to completion of the Work.

G. Delays, disruption, and interference to the performance or progress of the Work resulting from the existence of a differing subsurface or physical condition, an Underground Facility that was not shown or indicated by the Contract Documents, or not shown or indicated with reasonable accuracy, and those resulting from undisclosed Hazardous Environmental Conditions, are governed by Article 5, together with the provisions of Paragraphs 4.03.F and 4.03.G.

ARTICLE 5 – SITE; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS

5.01 *Availability of Lands*

A. City shall furnish the Site. City shall notify Contractor in writing of any encumbrances or restrictions not of general application but specifically related to use of the Site with which

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Contractor must comply in performing the Work. City will be responsible for obtaining any necessary easements for permanent structures or permanent changes in existing facilities.

1. The City has obtained or anticipates acquisition of and/or access to right-of-way, and/or easements. Any outstanding right-of-way and/or easements are anticipated to be acquired in accordance with the schedule set forth in the Supplementary Conditions. The Project Schedule submitted by the Contractor in accordance with the Contract Documents must consider any outstanding right-of-way, and/or easements.

2. Unless otherwise specified in the Contract Documents, the City has or anticipates moving and/or relocating utilities, and obstructions to the Site. Any outstanding movement or relocation of utilities or obstructions is anticipated in accordance with the schedule set forth in the Supplementary Conditions. The Project Schedule submitted by the Contractor in accordance with the Contract Documents must consider any outstanding utilities or obstructions to be moved and/or relocated by others.

B. Upon reasonable written request of Contractor, City shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which the Work is to be performed.

C. Contractor shall provide for any additional lands and access thereto not included in the Site that may be required for construction facilities or storage of materials and equipment. The cost of such shall be part of the Contract Price.

5.02 *Use of Site and Other Areas*

A. Limitation on Use of Site and Other Areas

1. Contractor shall confine construction equipment, temporary construction facilities, the storage of materials and equipment, worker car parking and the operations of workers to the Site, to adjacent areas that Contractor has arranged to use through construction easements or otherwise, and to other adjacent areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and such other adjacent areas with worker car parking, construction equipment or other materials or equipment. Contractor shall assume full responsibility for (a) damage to the Site; (b) damage to any such other adjacent areas used for Contractor's operations; (c) damage to any other adjacent land or areas, or to improvements, structures, utilities, or similar facilities located at such adjacent lands or areas; and (d) for injuries, including death, and damage to or losses of property sustained by the owners or occupants of any such land or areas; provided that such damage, losses, injuries or deaths arose out of or result from the performance of the Work or arose out of or resulted from any other actions or conduct of the Contractor or those for whom Contractor is responsible.

2. At any time when, in the judgment of the City, the Contractor has obstructed, closed, or is carrying on operations in a portion of a street, right-of-way, or easement greater than is necessary for proper execution of the Work, the City may require the Contractor to reduce the area impacted to only that necessary for proper execution of the Work and/or to finish the section on which operations are in progress before work is commenced on any additional area of the Site.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

3. Construction equipment, spoil materials, supplies, forms, buildings, labs, or equipment and supply storage buildings, or any other item that may be transported by flood flows, shall not be stored within existing federal floodways during the course of the Work.

4. Should any Damage Claim be made by any such owner or occupant adversely impacted because of the performance of the Work, Contractor shall promptly attempt to resolve the Damage Claim.

5. ***PURSUANT TO PARAGRAPH 7.21, CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS CITY AND* ITS OFFICERS, ELECTED AND APPOINTED OFFICIALS, AND EMPLOYEES*, FROM AND AGAINST ALL CLAIMS, COSTS, LOSSES, AND DAMAGES ARISING OUT OF OR RELATING TO ANY CLAIM OR ACTION, LEGAL OR EQUITABLE, BROUGHT BY ANY SUCH ADVERSELY IMPACTED OWNER OR OCCUPANT AGAINST CITY.***

B. *Removal of Debris During Performance of the Work*: During the progress of the Work the Contractor shall keep the Site and other adjacent areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris will conform to applicable Laws and Regulations.

C. *Site Maintenance Cleaning*: If 24 hours after written notice is given to the Contractor that the clean-up at the Site is insufficient or occurring in a manner unsatisfactory to the City, the Contractor fails to correct the unsatisfactory condition and/or procedures, the City may take such direct action as the City deems appropriate to correct the clean-up deficiencies cited to the Contractor in the written notice, and the costs of such direct corrective action, plus 25 % of such costs, shall be deducted from the monies due or to become due to the Contractor under the Contract.

D. *Final Site Cleaning*: Prior to Final Acceptance of the Work, Contractor shall clean the Site and the Work and make it ready for utilization by City and any adjacent property owners, if applicable. At the completion of the Work, Contractor shall remove from the Site and adjacent areas all tools, appliances, construction equipment and machinery, surplus materials, waste materials, rubbish and other debris and shall restore to original condition or better all areas impacted or disturbed by the Work.

E. *Loading of Structures*: Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent structures or land to stresses or pressures that will endanger them.

5.03 *Subsurface and Physical Conditions*

A. *Reports and Drawings*: The Supplementary Conditions identify:

1. Those reports known to City of explorations and tests of subsurface conditions at or contiguous to the Site; and

2. Those drawings known to City of existing physical conditions at or contiguous to the Site, including those drawings known to City depicting existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities.).

B. *Underground Facilities*: Underground Facilities are shown or indicated on the Drawings, pursuant to Paragraph 5.05, and not in the drawings referred to in Paragraph 5.03.A.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Information and data regarding the presence or location of Underground Facilities are not intended to be categorized, identified, or defined as technical data.

C. *Reliance by Contractor on Technical Data:* Contractor is provided certain technical data identified in the Supplementary Conditions with respect to such reports and drawings for its use, but the City does not warrant or guarantee the accuracy of the information, and such information including reports and drawings are not Contract Documents. Contractor may not make any Contract Claim against City, or any of theirits officers, elected or appointed officials, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:

1. the completeness or accuracy of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
3. the contents of other Site-related documents made available to Contractor, such as record drawings from other projects at or adjacent to the Site, or City's archival documents concerning the Site; or
4. any Contractor interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions, or information.

5.04 *Differing Subsurface or Physical Conditions*

A. *Notice by Contractor*: If Contractor believes that any subsurface or physical condition that is uncovered or revealed at the Site either:

1. is of such a nature as to establish that any "technical data" is materially inaccurate; or
2. is of such a nature as to require a change in the Contract Documents; or
3. differs materially from that shown or indicated in the Contract Documents; or
4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.17), notify City in writing about such condition.

B. Possible Price and Time Adjustments

1. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Time if:
    a. Contractor knew of the existence of such condition at the time Contractor made a final commitment to City with respect to Contract Price and Contract Time by the submission of a Bid or becoming bound under the Contract; or

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

b. The existence of such condition reasonably could have been discovered or revealed as a result of the examination of the Contract Documents or the Site; or

c. Contractor failed to give the written notice required by Paragraph 5.04.A.

C. *Underground Facilities; Hazardous Environmental Conditions*: Paragraph 5.05 governs rights and responsibilities regarding the presence or location of Underground Facilities. Paragraph 5.06 governs rights and responsibilities regarding Hazardous Environmental Conditions. The provisions of Paragraphs 5.03 and 5.04 are not applicable to the presence or location of Underground Facilities, or to Hazardous Environmental Conditions.

5.05 *Underground Facilities*

A. *Shown or Indicated*: The information and data shown or indicated in the Contract Documents with respect to Underground Facilities at or contiguous to the Site is based on information and data furnished to City or Engineer by the owners of such Underground Facilities, including City, or by others, unless it is otherwise expressly provided in the Supplementary Conditions::

1. City and Engineer shall not be responsible for the accuracy or completeness of any such information or data provided by others; and

2. the cost of all of the following are included in the Contract Price, and Contractor shall have full responsibility for:

a. reviewing and checking all information and data;

b. verifying the actual location of those Underground Facilities shown or indicated in the Contract Documents as being within the area affected by the Work, by exposing such Underground Facilities during the course of construction;

c. coordination and adjustment of the Work with the owners (including City) of such Underground Facilities, during construction; and

d. the safety and protection of all existing Underground Facilities at the Site, and repairing any damage thereto resulting from the Work.

B. *Not Shown or Indicated*:

1. If an Underground Facility that is uncovered or revealed at the Site was not shown or indicated on the Drawings or otherwise indicated in the Contract Documents, or was not shown or indicated on the Drawings or in the Contract Documents with reasonable accuracy, then Contractor shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.17), identify the owner of such Underground Facility and give notice to that owner and to City. Contractor shall be responsible for the safety and protection of such discovered Underground Facility.

2. If City concludes that a change in the Contract Documents is required, a Change Order may be issued to reflect and document such consequences, subject to the provisions of Article 11.

3. Verification of existing utilities, structures, and service lines shall include notification of all utility companies a minimum of 48 hours in advance of construction including exploratory excavation if necessary.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

5.06 *Hazardous Environmental Conditions at Site*

A. *Reports and Drawings*: The Supplementary Conditions identify:

1. those reports known to City relating to Hazardous Environmental Conditions that have been identified at the Site; or

2. drawings known to City relating to Hazardous Environmental Conditions that have been identified at the Site.

B. *Reliance by Contractor on Technical Data:* Contractor is provided certain technical data identified in the Supplementary Conditions with respect to such reports and drawings for its use, but the City does not warrant or guarantee the accuracy of the information, and such information including reports and drawings are not Contract Documents. Contractor may not make any Contract Claim against City, or any of its officers, elected or appointed officials, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:

1. the completeness or accuracy of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or

2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or

3. the contents of other Site-related documents made available to Contractor, such as record drawings from other projects at or adjacent to the Site, or City's archival documents concerning the Site; or

4. any Contractor interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions, or information.

C. Contractor shall not be responsible for a Hazardous Environmental Condition uncovered or revealed at the Site if such Hazardous Environmental Condition was not shown or indicated in Drawings or Specifications or identified if the removal or remediation of such Hazardous Environmental Condition was not identified in the Contract Documents to be within the scope of the Work. Contractor shall be responsible for a Hazardous Environmental Condition created by the actions of or with any materials brought to the Site by Contractor, Subcontractors, Suppliers or anyone else for whom Contractor is responsible and the costs associated with the same.

D. If Contractor encounters, uncovers, or reveals a Hazardous Environmental Condition whose removal or remediation is not expressly identified in the Contract Documents as being within the scope of the Work, or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, then Contractor shall immediately: (1) secure or otherwise isolate such condition; (2) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 7.17); and (3) notify City (and promptly thereafter confirm such notice in writing). City may consider the necessity to retain a qualified expert to evaluate such condition or take corrective action, if any.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

E. Contractor shall not be required to resume Work in connection with a Hazardous Environmental Condition identified pursuant to Paragraph 5.06.D or in any affected area until after City has obtained any required permits related thereto, and delivered written notice to Contractor either (1) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work, or (2) specifying any special conditions under which such Work may be resumed.

F. If, after receipt of such written notice, Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then City may order the portion of the Work that is in the area affected by such condition to be deleted from the Work and the Contract Price. City may have such deleted portion of the Work performed by City's own forces or others.

G. ***TO THE FULLEST EXTENT PERMITTED BY LAWS AND REGULATIONS, CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS CITY, AND ITS OFFICERS, ELECTED AND APPOINTED OFFICIALS, DIRECTORS, MEMBERS, PARTNERS, EMPLOYEES, AGENTS, CONSULTANTS, AND SUBCONTRACTORS OF EACH AND ANY OF THEM, FROM AND AGAINST ALL CLAIMS, COSTS, LOSSES, AND DAMAGES (INCLUDING BUT NOT LIMITED TO ALL FEES AND CHARGES OF ENGINEERS, ARCHITECTS, ATTORNEYS, AND OTHER PROFESSIONALS AND ALL COURT ARBITRATION OR OTHER DISPUTE RESOLUTION COSTS) FOR PERSONAL INJURY, DEATH OR PROPERTY DAMAGE ARISING OUT OF OR RELATING TO A HAZARDOUS ENVIRONMENTAL CONDITION CREATED BY CONTRACTOR OR BY ANYONE FOR WHOM CONTRACTOR IS RESPONSIBLE. NOTHING IN THIS PARAGRAPH 5.06.CityG OBLIGATES CONTRACTOR TO INDEMNIFY ANY INDIVIDUAL OR ENTITY FROM AND AGAINST THE CONSEQUENCES OF THAT INDIVIDUAL'S OR ENTITY'S OWN NEGLIGENCE.***

H. The provisions of Paragraphs 5.03, 5.04, and 5.05 do not apply to the presence of a Hazardous Environmental Condition uncovered or revealed at the Site.

ARTICLE 6 – BONDS AND INSURANCE

6.01 *Licensed Sureties and Insurers*

A. All bonds and insurance required by the Contract Documents to be purchased and maintained by Contractor shall be obtained from surety or insurance companies that are duly licensed or authorized in the State of Texas to issue bonds or insurance policies for the limits and coverages required. Such surety and insurance companies shall also meet such additional requirements and qualifications as may be provided in the Supplementary Conditions.

6.02 *Performance, Payment, and Maintenance Bonds*

A. Contractor shall furnish a performance bond and a payment bond, in accordance with the provisions of the Texas Government Code Chapter 2253 or successor statute and as required by the City, each in an amount at least equal to the Contract Price, as security for the faithful performance and payment of all of Contractor's obligations under the Contract. The performance and payment bonds must be provided by the Contractor to the City prior to the Contractor beginning any Work.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

B. Contractor shall furnish maintenance bonds in an amount equal to the Contract Price as security to protect the City against any defects in any portion of the Work described in the Contract Documents. Maintenance bonds shall remain in effect for two (2) years after the date of Final Acceptance by the City. The maintenance bond(s) shall be provided as directed by the City as part of the close-out of the Contract and shall be provided prior to the final payment being made.

C. All bonds shall be in the form prescribed by the Contract Documents, except as provided otherwise by Laws and Regulations, and must be issued and signed by a surety named in "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Department Circular 570 (as amended and supplemented) by the Bureau of the Fiscal Service, U.S. Department of the Treasury. A bond signed by an agent or attorney-in-fact must be accompanied by a certified copy of that individual's authority to bind the surety. The evidence of authority must show that it is effective on the date the agent or attorney-in-fact signed the accompanying bond.

D. If the surety on a bond furnished by Contractor is declared bankrupt or becomes insolvent, or the surety ceases to meet the requirements above, or its right to do business is terminated in the State of Texas, then Contractor shall promptly notify City in writing and shall, within 30 days after the event giving rise to such notification, provide another bond and surety, both of which must comply with the bond and surety requirements above.

E. If Contractor has failed to obtain a required bond, City may refuse to allow the Contractor to begin Work, exclude the Contractor from the Site and exercise City's termination rights under Article 15.

F. Upon request to Contractor from any Subcontractor, Supplier, or other person or entity claiming to have furnished labor, services, materials, or equipment used in the performance of the Work, Contractor shall provide a copy of the payment bond to such person or entity.

6.03 *Certificates of Insurance*

A. Contractor shall deliver to City, with copies to each additional insured and loss payee identified in the Supplementary Conditions, certificates of insurance and endorsements (and other evidence of insurance requested by City or any other additional insured) establishing that Contractor has obtained and is maintaining the policies and coverages required by these General Conditions and the Supplementary Conditions prior to beginning any Work.

1. The certificate of insurance shall document the City, and all identified entities named in the Supplementary Conditions as "additional insureds" on all liability policies.

2. The Contractor's general liability insurance shall include a "per project" or "per location" endorsement, that shall be identified in the certificate of insurance provided to the City.

3. The certificate shall be signed by an agent authorized to bind coverage on behalf of the insured, be complete in its entirety, and show complete insurance carrier names as listed in the current A.M. Best Property & Casualty Guide.

4. The insurers for all policies must be licensed and/or approved to do business in the State of Texas. Except for workers' compensation, all insurers must have a minimum rating of A-: VII in the current A. M. Best Key Rating Guide or have reasonably equivalent

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

financial strength and solvency to the satisfaction City. If the rating is below that required, written approval of City is required.

5. All applicable policies shall include a Waiver of Subrogation (Rights of Recovery) in favor of the City. In addition, the Contractor agrees to waive all rights of subrogation against the Engineer (if applicable), and each additional insured identified in the Supplementary Conditions

6. Failure of the City to demand such certificates or other evidence of full compliance with the insurance requirements or failure of the City to identify a deficiency from evidence that is provided shall not be construed as a waiver of Contractor's obligation to maintain such lines of insurance coverage or to provide such certificates or other evidence of full compliance with the insurance requirements.

7. If insurance policies are not written for specified coverage limits, an Umbrella or Excess Liability insurance for any differences is required. Excess Liability shall follow form of the primary coverage.

8. Unless otherwise stated, all required insurance shall be written on the "occurrence basis". If If City agrees in writing that coverage is underwrittenmay be written on a claims-made basis, the retroactive date shall be coincident with or prior to the date of the effective date of the Agreement and the certificate of insurance shall state that the coverage is claims-made and the retroactive date. The insurance coverage shall be maintained for the duration of the Contract and for three (3) years following Final Acceptance or for the warranty period provided for under the Contract Documents or for the warranty period, whichever is longer. An annual certificate of insurance submitted to the City shall evidence such insurance coverage.

9. Policies shall have no exclusions by endorsements that either nullify or amend the required lines of coverage, nor or decrease the limits of said coverage unless such endorsements are approved in writing by the City. In the event a Notice of an Award has been issued or the Agreement executed, and the policy exclusions are determined to be unacceptable or the City desires that the Contractor obtain additional insurance coverage the contract price shall be adjusted by the cost of the premium for such additional coverage plus 10%.

10. For any proposed self-insured retention (SIR),) in excess of $25,000.00, affecting insurance coverage, Contractor must obtain the written approval of the City in regard to asset value and stockholders' equity. In lieu of traditional insurance, proposed alternative coverage maintained through insurance pools or, risk retention groups, or self-funding will also require the written approval of the City.

11. Any deductible in excess of $5,000.00, for any policy that does not provide coverage on a first-dollar basis must be acceptable to and approved in writing by the City.

12. City, at its sole discretion, reserves the right to review the insurance requirements and to make reasonable adjustments to insurance coverages and limits when deemed necessary and prudent by the City based upon the scope of the Work, changes in statutory law, court decision or the claims history of the industry as well as of the contracting party to the City. The City will provide prior notice of 90 days and the insurance adjustments shall be incorporated into the Work by Change Order.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

13. City shall be entitled, upon written request to Contractor and without expense to City, to receive copies of policies and endorsements thereto and. City may make any reasonable requests for deletion or revision or modifications of particular policy terms, conditions, limitations, or exclusions necessary to conform the policy and endorsements to the requirements of the Contract. Deletions, revisions, or modifications shall not be required where policy provisions are established by law or regulations binding upon either party or the underwriter on any such policies.

14. City shall not be responsible for the direct payment of insurance premium costs for Contractor's insurance.

6.04 *Contractor's Insurance*

A. *Workers Compensation and Employers' Liability*: Contractor shall purchase and maintain such insurance coverage with limits consistent with statutory benefits outlined in the Texas Workers' Compensation Act (Texas Labor Code, Ch. 406, as amended), and minimum limits for Employers' Liability as is appropriate for the Work being performed and as will provide protection from claims set forth below which may arise out of or result from Contractor's performance of the Work and Contractor's other obligations under the Contract Documents, whether it is to be performed by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable:

1. claims under workers' compensation, disability benefits, and other similar employee benefit acts;

2. claims for damages because of bodily injury, occupational sickness or disease, or death of employees.

B. *Commercial General Liability*. Coverage shall include but not be limited to covering liability (bodily injury, including death, or property damage) arising from: premises/operations, independent contractors, products/completed operations, personal injury including death, liability under an insured contract, and explosion/collapse/underground (where those exposures exist). Insurance shall be provided on an occurrence basis, and as comprehensive as the current Insurance Services Office (ISO) policy. 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 policy shall have no exclusions by endorsements that would alter or nullify premises/operations, products/completed operations, contractual, personal injury, or advertising injury, that are normally contained with the policy, unless the City approves such exclusions in writing.

For construction projects that present a substantial completed operation exposure, the City may require the Contractor to maintain completed operations coverage for a minimum of no less than three (3) years following the completion of the project (if identified in the Supplementary Conditions)).

C. *Automobile Liability.* A commercial business auto policy shall provide coverage on "any auto", defined as autos owned, hired and non-owned and provide indemnity for claims for damages because of bodily injury or death of any person and/or property damage arising out of or related to the work, maintenance or use of any motor vehicle by the Contractor, any

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable.

D. *Railroad Protective Liability.* If any of the Work or any warranty work is within the limits of railroad right-of-way, the Contractor shall comply with the requirements identified in the Supplementary Conditions.

E. *Notification of Policy Cancellation:* Contractor shall immediately notify City upon cancellation or other loss of insurance coverage. Contractor shall stop Work until replacement insurance has been procured. There shall be no time credit for delays or days not worked pursuant to this section.

6.05 *Acceptance of Bonds and Insurance; Option to Replace*

A. If City has any objection to the coverage afforded by or other provisions of the bonds or insurance required to be purchased and maintained by the Contractor in accordance with Article 6 or the Supplementary Conditions on the basis of non-conformance with the Contract Documents, the City shall so notify the Contractor in writing within 10 Business Days after receipt of the certificates (or other evidence requested). Contractor shall provide to the City such additional information in respect of insurance provided as the City may reasonably request. If Contractor does not purchase or maintain all of the bonds and insurance required by the Contract Documents, the City shall notify the Contractor in writing of such failure prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage. Such failure to provide bonds or insurance as required by the Contract Documents is a breach of the terms of the Contract and the City may terminate the Contractor in accordance with the provisions of the Contract Documents.

ARTICLE 7 – CONTRACTOR'S RESPONSIBILITIES

7.01 *Contractor's Means and Methods of Construction*

A. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction.

B. If the Contract Documents note, or Contractor determines, that professional engineering or other design services are needed to carry out Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures, or for Site safety, then Contractor shall cause such services to be provided by a properly licensed design professional, at Contractor's expense. Such services are not City-delegated professional design services under this Contract, and neither City nor Engineer has any responsibility with respect to (1) Contractor's determination of the need for such services, (2) the qualifications or licensing of the design professionals retained or employed by Contractor, (3) the performance of such services, or (4) any errors, omissions, or defects in such services.

7.02 *Supervision and Superintendence*

A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents.

B. At all times during the progress of the Work, Contractor shall identify and assign a competent superintendent, who is proficient in English, and who shall not be replaced without written

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

notice to City of the name of the replacement superintendent. If at any time the superintendent is not satisfactory to the City, Contractor shall, if requested by City, replace the superintendent with another satisfactory to City.

C. Contractor shall notify the City 24 hours prior to moving areas during the sequence of construction.

7.03 *Labor; Working Hours*

A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall at all times maintain good discipline and order at the Site.

B. Contractor shall be fully responsible to City for all acts and omissions of Contractor's employees; of Suppliers and Subcontractors, and their employees; and of any other individuals or entities performing or furnishing any of the Work, just as Contractor is responsible for Contractor's own acts and omissions.

C. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site shall be performed during regular working hours on Business Days. Contractor will not permit the performance of Work outside of regular working hours on Business Days without City's prior written consent (which will not be unreasonably withheld)). Contractor's written request (by letter or electronic communication) for City's written consent must be made as follows:

1. for Work beyond regular working hours on Business Days, request must be made by noon at least two (2) Business Days prior;

2. for Work during Weekend Working Hours, request must be made by noon of the preceding Wednesday; and

3. for Work on state or federal holidays observed by the City, request must be made sufficiently in advance of the holiday, to satisfy requirements for City Council approval.

7.04 *Services, Materials, and Equipment*

A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, Contractor required testing, start up, and completion of the Work, whether or not such items are specifically called for in the Contract Documents.

B. All materials and equipment incorporated into the Work shall be as specified or, if not specified, shall be of sufficient quality to complete the Work, and must be new and of good quality, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Specifications shall expressly run to the benefit of City. If required by City, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.

C. All materials and equipment to be incorporated into the Work shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

D. All items of standard equipment to be incorporated into the Work shall be the latest model at the time of bid, unless otherwise specified.

7.05 *Project Schedule*

A. Contractor shall adhere to the Project Schedule established in accordance with Paragraph 2.06 and the General Requirements as it may be adjusted from time to time as provided below.

1. Contractor shall submit to the City for acceptance (to the extent indicated in Paragraph 2.06 and the General Requirements) proposed adjustments in the Project Schedule that will not result in changing the Contract Time. Such adjustments must comply with any provisions of the General Requirements applicable thereto.

2. Contractor shall submit to City a monthly Project Schedule with a monthly progress payment request for the duration of the Contract in accordance with the Construction Progress Schedule, General Requirements 01 32 16.

3. Proposed adjustments in the Project Schedule that will change the Contract Time shall be submitted in accordance with the requirements of Article 11. Adjustments in Contract Time may only be made by a Change Order.

7.06 *"Or Equals"*

A. *Contractor's Request; Governing Criteria*: Whenever an item of equipment or material is specified or described in the Contract Documents by using the names of one or more proprietary items or specific Suppliers, the Contract Price has been based upon Contractor furnishing such item as specified. The specification or description of such an item is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or equal" item is permitted, Contractor may request that City permit the use of other items of equipment or material, or items from other proposed Suppliers, under the circumstances described below.

1. If City in its sole discretion determines that an item of equipment or material proposed by Contractor is functionally equal to that named and sufficiently similar so that no change in related Work will be required, it may be considered by City as an "or equal" item. For the purposes of this Paragraph, a proposed item of equipment or material will be considered functionally equal to an item so named if:

a. the City determines that:

1) it is at least equal in materials of construction, quality, durability, appearance, strength, and design characteristics;

2) it will reliably perform at least equally well the function and achieve the results imposed by the design concept of the completed Project as a functioning whole;

3) it has a proven record of performance and availability of responsive service; and

4) it is not objectionable to City.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

b. Contractor certifies that, if the proposed item is approved and incorporated into the Work:

1) there will be no increase in cost to the City or increase in Contract Time; and

2) the item will conform substantially to the detailed requirements of the item named in the Contract Documents.

B. *Contractor's Expense*: Contractor shall provide all data in support of any proposed "or equal" item at Contractor's expense.

C. *City's Evaluation and Determination*: City will be allowed a reasonable time to evaluate each "or-equal" request. City may require Contractor to furnish additional data about the proposed "or-equal" item. City will be the sole judge of acceptability. No "or-equal" item will be ordered, furnished, installed, or utilized until City's review is complete and City determines that the proposed item is an "or-equal." City." City will advise Contractor in writing of its determination.

D. *Effect of City's Determination*: Neither approval nor denial of an "or-equal" request will result in any change in Contract Price. The City's denial of an "or-equal" request will be final and binding, and may not be reversed through an appeal under any provision of the Contract.

E. *Treatment as a Substitution Request*: If City determines that an item of equipment or material proposed by Contractor does not qualify as an "or-equal" item, Contractor may request that City consider the item a proposed substitution pursuant to Paragraph 7.07.

7.07 *Substitutions*

A. *Contractor's Request; Governing Criteria*: Unless the specification or description of an item of equipment or material required to be furnished under the Contract Documents contains or is followed by words reading that no substitution is permitted, Contractor may request that City permit the use of other items of equipment or material under the circumstances described below. To the extent possible such requests must be made before commencement of related Work at the Site.

1. Contractor shall submit sufficient information as provided below to allow City to determine if the item of material or equipment proposed is functionally equivalent to that named and an acceptable substitution therefor. City will not accept requests for review of proposed substitute items of equipment or material from anyone other than Contractor.

2. The requirements for review by City will be as set forth in Paragraph 7.07.B, as supplemented by the Specifications, and as City may decide is appropriate under the circumstances.

3. Contractor shall make written application to City for review of a proposed substitute item of equipment or material that Contractor seeks to furnish or use. The application shall comply with Section 01 25 00 and:

a. will certify that the proposed substitute item will:

1) perform adequately the functions and achieve the results called for by the general design;

2) be substantially similar in substance to the item specified; and

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

3) be well-suited to the same use as the item specified.

b. will state:

1) the extent, if any, to which the use of the proposed substitute item will adversely impact Contractor's achievement of Final Acceptance on or before the Contract Time;

2) whether use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with City for other work on the Project) to adapt the design to the proposed substitute item; and

3) whether incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty.

c. will identify:

1) all variations of the proposed substitute item from the item specified; and

2) available engineering, sales, maintenance, repair, and replacement services.

d. will contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including but not limited to changes in Contract Price, shared savings, costs of redesign, and Damage Claims of other contractors affected by any resulting change.

B. *City's Evaluation and Determination*: City will be allowed a reasonable time to evaluate each substitution request. City may require Contractor to furnish additional data about the proposed substitute item. City will be the sole judge of acceptability. No substitute will be ordered, furnished, installed, or utilized until City's review is complete and City determines that the proposed item is an acceptable substitution. City's approval determination will be evidenced by a Change Order accounting for the substitution itself and all related impacts, including changes in Contract Price or Contract Time. City will advise Contractor in writing of any denial determination.

C. *Special Guarantee*: City may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitution. ***Contractor shall indemnify and hold harmless City and its officers, elected and appointed officials, employees, agents, consultants and subcontractors and anyone directly or indirectly employed by them from and against any and all claims, damages, losses and expenses (including attorney's fees) arising out of or relateds to the use of substituted materials or equipment.***

D. *Reimbursement of City's Cost*: City will record City's costs in evaluating a substitution proposed or submitted by Contractor. Whether or not City approves a substitute so proposed or submitted by Contractor, Contractor shall reimburse City for evaluating each such proposed substitute. Contractor shall also reimburse City for the charges for making changes in the Contract Documents (or in the provisions of any other direct contract with City) resulting from the acceptance of each proposed substitute.

E. *Contractor's Expense*: Contractor shall provide all data in support of any proposed substitute at Contractor's expense.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

F. *City Substitution Reimbursement*: Cost savings attributable to acceptance of a substitution shall be paid to City by Contractor by an appropriate Change Order decreasing the Contract Price.

G. *Effect of City's Determination*: If City approves the substitution request, Contractor shall execute the proposed Change Order and proceed with the substitution. The City's denial of a substitution request will be final and binding, and may not be reversed through an appeal under any provision of the Contract. Contractor may challenge the scope of reimbursement costs imposed under Paragraph 7.07.D, by timely submittal of a Change Order.

7.08 *Concerning Subcontractors and Suppliers*

A. Contractor shall perform with its own organization, and with the assistance of workmen under its immediate superintendence, work of a value not less than 35% of the Contract Price, unless otherwise approved by the City.

B. Contractor may retain Subcontractors and Suppliers for the performance of parts of the Work. Contractor shall not employ any Subcontractor, Supplier, or other individual or entity, whether initially or as a replacement, against whom City may have reasonable objection. Contractor shall not be required to employ any Subcontractor, Supplier, or other individual or entity to furnish or perform any of the Work against whom Contractor has reasonable objection, except as provided in Paragraph 7.08.C. The Contractor's retention of a Subcontractor or Supplier for the performance of parts of the Work will not relieve Contractor's obligation to City to perform and complete the Work in accordance with the Contract.

C. The City may require the use of specific Subcontractors, Suppliers, or other individuals or entities for the performance of designated parts of the Work , and will provide such requirements in the Supplementary Conditions.

D. Contractor shall provide to City as part of the Bid, the identity of all proposed Subcontractors and Suppliers. Such proposed Subcontractor or Supplier shall be deemed acceptable to City unless City raises a substantive, reasonable objection prior to execution of the Agreement.

E. Contractor shall be fully responsible to City for all acts and omissions of the Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work under a direct or indirect contract with Contractor just as Contractor is responsible for Contractor's own acts and omissions. Nothing in the Contract:

1. shall create for the benefit of any such Subcontractor, Supplier, or other individual or entity any contractual relationship between City and any such Subcontractor, Supplier or other individual or entity; nor

2. shall create any obligation on the part of City to pay or to see to the payment of any moneys due any such Subcontractor, Supplier, or other individual or entity except as may otherwise be required by Laws and Regulations.

F. No acceptance by City of any such Subcontractor or Supplier, whether initially or as a replacement, will constitute a waiver of the right of City to the completion of the Work in accordance with the Contract Documents, Contract Price and Contract Time.

G. Contractor shall be solely responsible for scheduling and coordinating the tasks of Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work under a direct or indirect contract with Contractor.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

H. All Work performed for Contractor by a Subcontractor or Supplier must be pursuant to an appropriate contractual agreement that specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract for the benefit of City. Contractor must comply with all applicable federal, state, and local laws, statutes, ordinances or regulations, including but not limited to immigration laws, workers compensation laws and wage laws, in the hiring of any Subcontractor or Supplier and shall ensure that each Subcontractor or Supplier has the same obligations.

I. Contractor shall restrict all Subcontractors and Suppliers from communicating with City, except through Contractor or in case of an emergency, or as otherwise expressly allowed in this Contract.

7.09 *Wage Rates*

A. *Duty to pay Prevailing Wage Rates*: The Contractor shall comply with all requirements of Chapter 2258, Texas Government Code (as amended), including the payment of not less than the rates determined by the City Council of the City of Denton to be the prevailing wage rates in accordance with Chapter 2258. The then current prevailing wage rates at the time of execution of the Agreement are included in these Contract Documents.

B. *Penalty for Violation*: A Contractor or any Subcontractor who does not pay the prevailing wage shall, upon demand made by the City, pay to the City $60 for each worker employed for each calendar day or part of the day that the worker is paid less than the prevailing wage rates stipulated in these contract documents. This penalty shall be retained by the City to offset its administrative costs, pursuant to Texas Government Code Section 2258.023.

C. *Complaints of Violations and City Determination of Good Cause*: On receipt of information, including a complaint by a worker, concerning an alleged violation of Section 2258.023, Texas Government Code, by a Contractor or Subcontractor, the City shall make an initial determination, before the 31st day after the date the City receives the information, as to whether good cause exists to believe that the violation occurred. The City shall notify in writing the Contractor or Subcontractor and any affected worker of its initial determination. Upon the City's determination that there is good cause to believe the Contractor or Subcontractor has violated Chapter 2258, the City shall retain the full amounts claimed by the claimant or claimants as the difference between wages paid and wages due under the prevailing wage rates, such amounts being retained from successive progress payments pending a final determination of the violation.

D. *Arbitration Required if Violation Not Resolved*: An issue relating to an alleged violation of Section 2258.023, Texas Government Code, including a penalty owed to the City or an affected worker, shall be submitted to binding arbitration in accordance with the Texas General Arbitration Act (Article 224 et seq., Revised Statutes) if the Contractor or Subcontractor and any affected worker does not resolve the issue by agreement before the 15th day after the date the City makes its initial determination pursuant to Paragraph 7.09.C. If the persons required to arbitrate under this section do not agree on an arbitrator before the 11th day after the date that arbitration is required, a district court shall appoint an arbitrator on the petition of any of the persons. The City is not a party in the arbitration. The decision and award of the arbitrator is final and binding on all parties and may be enforced in any court of competent jurisdiction.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

E. *Records to be Maintained*: The Contractor and each Subcontractor shall, for a period of three (3) years following the date of Final Acceptance, maintain records that show (i) the name and occupation of each worker employed by the Contractor in the construction of the Work provided for in this Contract; and (ii) the actual per diem wages paid to each worker. The records shall be available in Denton County, Texas at all reasonable hours for inspection by the City. The provisions of Paragraph 7.23, Right to Audit, shall pertain to this inspection.

F. *Progress Payments*: With each progress payment request or payroll period, whichever is less, the Contractor shall submit an affidavit stating that the Contractor has complied with the requirements of Chapter 2258, Texas Government Code.

G. *Posting of Wage Rates*: The Contractor shall post prevailing wage rates in a conspicuous place at the Site at all times.

H. *Subcontractor Compliance*: The Contractor shall include in its subcontracts and/or shall otherwise require all of its Subcontractors to comply with Paragraphs 7.09.A through 7.09.G.

7.10 *Patent Fees and Royalties*

A. Contractor shall pay all patent or license fees and royalties and pay all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If an invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if, to the actual knowledge of City, its use is subject to patent rights or copyrights calling for the payment of any patent or license fee or royalty to others, the existence of such rights will be disclosed in the Contract Documents. Failure of the City to disclose such information does not relieve the Contractor from its obligations to pay said fees or, royalties or costs to others.

B. ***TO THE FULLEST EXTENT PERMITTED BY LAWS AND REGULATIONS, CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS CITY, AND ITS OFFICERS, ELECTED AND APPOINTED OFFICIALS, DIRECTORS, MEMBERS, PARTNERS, EMPLOYEES, AGENTS, CONSULTANTS AND SUBCONTRACTORS OF EACH AND ANY OF THEM, FROM AND AGAINST ALL CLAIMS, COSTS, LOSSES, AND DAMAGES (INCLUDING BUT NOT LIMITED TO ALL FEES AND CHARGES OF ENGINEERS, ARCHITECTS, ATTORNEYS, AND OTHER PROFESSIONALS AND ALL COURT OR ARBITRATION OR OTHER DISPUTE RESOLUTION COSTS) ARISING OUT OF OR RELATING TO ANY INFRINGEMENT OF PATENT RIGHTS OR COPYRIGHTS INCIDENT TO THE USE IN THE PERFORMANCE OF THE WORK OR RESULTING FROM THE INCORPORATION IN THE WORK OF ANY INVENTION, DESIGN, PROCESS, PRODUCT, OR DEVICE.***

7.11 *Permits and Utilities*

A. *Contractor obtained permits and licenses.* Unless otherwise expressly provided in the Contract Documents, Contractor shall obtain and pay for all construction permits and licenses. City shall provide reasonable assistance to Contractor, if necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work applicable at the time the Notice of Award is issued, except for permits provided by the City as specified in Paragraph 7.11.B. City shall pay the charges of utility service providers for connections for providing permanent service to the Work.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

B. *City obtained permits and licenses.* City will obtain and pay for those permits and licenses identified as City's responsibility in the Supplementary Conditions or Contract Documents. It will be the Contractor's responsibility to comply with and carry out the provisions of the permit. If the Contractor initiates changes to the Contract and the City approves the changes, the Contractor is responsible for obtaining clearances and coordinating with the appropriate regulatory agency. relating to the changes. The City will not reimburse the Contractor for any cost associated with the requirements of any City acquired permit. The following are permits the City will obtain if required:

1. Texas Department of Transportation Permits
2. U.S. Army Corps of Engineers Permits
3. Texas Commission on Environmental Quality Permits
4. Railroad Company Permits
5. Texas Department of Licensing and Regulation (TDLR) Permits

C. *Outstanding permits and licenses.* Any outstanding permits and licenses are anticipated to be acquired in accordance with the schedule set forth in the Supplementary Conditions. The Project Schedule submitted by the Contractor in accordance with the Contract Documents must consider any outstanding permits and licenses.

7.12 *Taxes*

A. On issuance of a Notice of Award by the City, an organization which qualifying for exemption pursuant to Texas Tax Code, Subchapter H (as amended), the Contractor may purchase, rent or lease all materials, supplies and equipment used or consumed in the performance of this contract by issuing to hisits Supplier an exemption certificate in lieu of the tax, said exemption certificate to comply with State Comptroller's Rulings applicable to Texas Tax Code, Subchapter H. Any such exemption certificate issued to the Contractor in lieu of the tax shall be subject to and shall comply with all applicable rulings pertaining to the Texas Tax Code, Subchapter H.

B. Texas tax permits and information may be obtained from:

1. Comptroller of Public Accounts
   Sales Tax Division
   Capitol Station
   Austin, TX 78711; or
2. http://www.window.state.tx.us/taxinfo/taxforms/93-forms.html

7.13 *Laws and Regulations*

A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, City shall not be responsible for monitoring Contractor's compliance with any Laws and Regulations.

B. If Contractor performs any Work or takes any other action knowing or having reason to know that it is contrary to Laws and Regulations, Contractor shall be liable for all resulting claims, costs losses, and damages, and shall indemnify and hold harmless City, and its officers, elected

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

and appointed officials, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work or other action.

C. Changes in Laws and Regulations not known at the time of the City's issuance of a Notice of Award having an effect on the cost or time of performance of the Work may be the subject of an adjustment in Contract Price or Contract Time.

7.14 *Record Documents*

A. Contractor shall maintain in a safe place at the Site one printed record copy of all Drawings, Specifications, Addenda, Change Orders, Field Orders, written interpretations and clarifications, and approved Shop Drawings. Contractor shall keep such record documents in good order and annotate them to show changes made during construction. Contractor shall include accurate locations for buried and imbedded items. These record documents, together with all approved Samples, will be available to City for reference. Upon completion of the Work, Contractor shall deliver these record documents to City prior to Final Inspection.

7.15 *Safety and Protection*

A. As between City and Contractor, Contractor shall be responsible for the safety of persons and property in the performance of the Work, for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work and for compliance with applicable safety Laws and Regulations.

B. Contractor shall designate a qualified and experienced safety representative whose duties and responsibilities are the prevention of Work-related accidents and the maintenance and supervision of safety precautions and programs. Contractor shall inform the City in writing of Contractor's designated safety representative at the Site.

C. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:

1. all persons on the Site or who may be affected by the Work;

2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and

3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, other work in progress, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.

D. All damage, injury, or loss to any property referred to in Paragraph 7.1515.C.2 or 7.1515.C.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be the responsibility of and remedied by Contractor at its expense.

E. Contractor shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss;

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

and shall implement, erect and maintain all necessary safeguards for such safety and protection.

F. Contractor shall notify City; the owners of adjacent property; the owners of Underground Facilities and other utilities (if the identity of such owners is known to Contractor); and other contractors and utility owners performing work at or adjacent to the Site, in writing, when Contractor knows that prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property or work in progress.

G. Contractor shall comply with the applicable requirements of City's safety programs, if any.

H. Contractor shall inform City in advance in writing of the specific requirements of Contractor's safety program with which City's and Engineer's employees and representatives must comply while at the Site.

I. Contractor's duties and responsibilities for safety and protection will continue until all the Work is completed and City has issued a Letter of Final Acceptance.

J. Contractor's duties and responsibilities for safety and protection will resume whenever Contractor or any Subcontractor or Supplier returns to the Site to fulfill warranty or correction obligations, or to conduct other tasks arising from the Contract Documents.

7.16 *Hazard Communication Programs*

A. Contractor shall be responsible for coordinating any exchange of safety data sheets (formerly known as material safety data sheets) or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws and Regulations.

7.17 *Emergencies and/or Rectification*

A. In the event of threatened or actual emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor is obligated to immediately act to prevent damage, injury, or loss. Contractor shall give City prompt written notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused by an emergency or are required as a result of Contractor's response to an emergency. If City determines that a change in the Contract Documents is required because of an emergency or Contractor's response, a Change Order may be issued.

B. Should the Contractor fail to respond to a request from the City to rectify any discrepancies, omissions, or correction necessary to conform with the requirements of the Contract Documents, the City shall give the Contractor written notice that such work or changes are to be performed. The written notice shall direct attention to the discrepant condition and request the Contractor to take remedial action to correct the condition. In the event the Contractor does not take proper action within 24 hours to fulfill this written request or fails to show just cause for not taking the proper action, within 24 hours, the City may take such remedial action with City resources or by contract. The City shall deduct an amount equal to the entire cost for such remedial action, plus 25% from any funds due or to become due the Contractor on the Project.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

7.18 *Submittals*

A. *Submittal Procedures for Shop Drawings and Samples*: Contractor shall submit required Submittals to City for review and acceptance in accordance with the accepted Schedule of Submittals (as required by Paragraph 2.03).

1. Contractor shall submit the Submittals in accordance with Section 01 33 00 of the General Requirements.

2. Data shown on the Submittals must be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to demonstrate to City the services, materials, and equipment Contractor proposes to provide, and to enable City to review the information for the limited purposes required by Paragraph 7.18.C.

3. Submittals reviewed and accepted by City for conformance with the design concept shall be executed in conformity with the Contract Documents unless otherwise required by City.

4. When Submittals are submitted for the purpose of showing the installation in greater detail, their review shall not excuse Contractor from requirements shown on the Drawings and Specifications.

5. For-Information-Only submittals upon which the City is not expected to conduct a review or take responsive action may be so identified in the Contract Documents.

6. Contractor shall submit the required number of Samples specified in the Specifications.

7. Contractor shall clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which it is intended and other data as City may require to enable City to review the Submittal for the limited purposes set forth in Paragraph 7.18.C.

B. Where a Submittal is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to City's review and acceptance of the pertinent submittal will be at the sole risk, expense and responsibility of Contractor.

C. City's Review

1. City will provide timely review of Submittals in accordance with the accepted Schedule of Submittals. City's review and acceptance will be to determine if the items covered by the Submittals will, after installation or incorporation in the Work, comply with the requirements of the Contract Documents, and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.

2. City's review and acceptance will not extend to means, methods, techniques, sequences, or procedures of construction (except where a particular means, method, technique, sequence or procedure of construction is specifically and expressly called for by the Contract Documents), or to safety precautions or programs incident thereto.

3. City's review and acceptance of a separate item as such will not indicate approval of the assembly in which the item functions.

4. City's review and acceptance of a Submittal will not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Section 01 33 00 of the General

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Requirements, and City has given written acceptance of each such variation by specific written notation thereof incorporated in or accompanying the Submittal.

5. City's review and acceptance of a Submittal will not relieve Contractor from responsibility for complying with the requirements of the Contract Documents.

6. City's review and acceptance of a Submittal, or of a variation from the requirements of the Contract Documents, will not, under any circumstances, change the Contract Time or Contract Price, unless such changes are included in a Change Order.

7. Neither City's receipt, review, or acceptance of a Submittal will result in such item becoming a Contract Document.

8. Contractor shall perform the Work in compliance with the requirements and commitments set forth in accepted Submittals, subject to the provisions of Section 01 33 00 of the General Requirements.

7.19 *Continuing the Work*

A. Except as otherwise provided, Contractor shall carry on the Work and adhere to the Project Schedule during all disputes or disagreements with City. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as City and Contractor may otherwise agree in writing.

7.20 *Contractor's General Warranty and Guarantee*

A. Contractor warrants and guarantees to City that all Work will be in accordance with the Contract Documents and will not be defective. City and its officers, elected and appointed officials, directors, members, partners, employees, agents, consultants, and subcontractors shall be entitled to rely on Contractor's warranty and guarantee.

B. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:

1. abuse, or improper modification, maintenance, or operation, by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or

2. normal wear and tear under normal usage.

C. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents is absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents, a release of Contractor's obligation to perform the Work in accordance with the Contract Documents, or a release of Contractor's warranty and guarantee under this Paragraph 7.20:

1. Observations by Engineer or City;

2. Recommendation by Engineer or payment by City of any progress or final payment;

3. The issuance of a letter or certificate of Final Acceptance by City or any payment related thereto by City;

4. Use or occupancy of the Work or any part thereof by City;

5. Any review and acceptance of a Submittal by City;

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

6. Any inspection, test, or acceptance by others; or

7. Any correction of defective Work by City.

D. The Contractor shall remedy any defects or damages in the Work and pay for any damage to other work or property resulting therefrom which shall appear within a period of two (2) years from the date of Final Acceptance of the Work unless a longer period is specified. Contractor shall furnish a good and sufficient maintenance bond, complying with the requirements of Paragraph 6.02.B. The City will give notice of observed defects with reasonable promptness.

7.21 *Indemnification*

A. **CONTRACTOR COVENANTS AND AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND, AT ITS OWN EXPENSE, THE CITY, ITS OFFICERS, ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AGENTS, CONSULTANTS AND SUBCONTRACTORS AND ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM , FROM AND AGAINST ANY AND ALL CLAIMS FOR PERSONAL OR BODILY INJURY OR DEATH, ARISING OUT OF OR RELATED TO, OR ALLEGED TO ARISE OUT OF OR BE RELATED TO, THE WORK AND SERVICES TO BE PERFORMED BY THE CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES OR INVITEES UNDER THESE CONTRACT DOCUMENTS. THIS INDEMNIFICATION PROVISION IS SPECIFICALLY INTENDED TO OPERATE AND BE EFFECTIVE EVEN IF IT IS ALLEGED OR PROVEN THAT ALL OR SOME OF THE DAMAGES BEING SOUGHT WERE CAUSED, IN WHOLE OR IN PART, BY ANY ACT, OMISSION OR NEGLIGENCE OF THE CITY, OR ITS OFFICERS, ELECTED OR APPOINTED OFFICIALS, EMPLOYEES, AGENTS, CONSULTANTS OR SUBCONTRACTORS OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM. THIS INDEMNITY PROVISION IS INTENDED TO INCLUDE, WITHOUT LIMITATION, INDEMNITY FOR COSTS, EXPENSES AND LEGAL FEES INCURRED IN DEFENDING AGAINST SUCH CLAIMS AND CAUSES OF ACTIONS.**

B. **CONTRACTOR COVENANTS AND AGREES TO INDEMNIFY AND HOLD HARMLESS, AT ITS OWN EXPENSE, THE CITY, ITS OFFICERS, ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AGENTS, CONSULTANTS AND SUBCONTRACTORS AND ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM FROM AND AGAINST ANY AND ALL LOSS, DAMAGE OR DESTRUCTION OF PROPERTY OF THE CITY, ARISING OUT OF OR RELATED TO, OR ALLEGED TO ARISE OUT OF OR BE RELATED TO, THE WORK AND SERVICES TO BE PERFORMED BY THE CONTRACTOR, ITS OFFICERS, AGENTS, EMPLOYEES, SUBCONTRACTORS, LICENSEES OR INVITEES UNDER THIS CONTRACT. THIS INDEMNIFICATION PROVISION IS SPECIFICALLY INTENDED TO OPERATE AND BE EFFECTIVE EVEN IF IT IS ALLEGED OR PROVEN THAT ALL OR SOME OF THE DAMAGES BEING SOUGHT WERE CAUSED, IN WHOLE OR IN PART, BY ANY ACT, OMISSION OR NEGLIGENCE OF THE CITY OR ITS OFFICERS, ELECTED OR APPOINTED OFFICIALS, EMPLOYEES, AGENTS, CONSULTANTS OR SUBCONTRACTORS OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM.**

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

7.22 *Delegation of Professional Design Services*

A. Contractor will not be required to provide professional design services unless such services are specifically required by the Contract Documents for a portion of the Work or unless such services are required to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures.

B. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of Contractor by the Contract Documents, City will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided pursuant to the professional standard of care by a properly licensed design professional, whose signature and seal must appear on all drawings, calculations, specifications, certifications, and Submittals prepared by such design professional. Such design professional must issue all certifications of design required by Laws and Regulations.

C. If a Submittal related to the requirements indicated in Paragraph 7.22.B is prepared by Contractor, a Subcontractor, or others for submittal to City, then such Submittal must bear the written approval of Contractor's design professional when submitted by Contractor to City.

D. City shall be entitled to rely upon the adequacy, accuracy, and completeness of the services, certifications, and approvals performed or provided by the design professionals retained or employed by Contractor under the conditions indicated in Paragraph 7.22.B, subject to the professional standard of care and the performance and design criteria stated in the Contract Documents.

E. Pursuant to this Paragraph 7.22, City's review, acceptance, and other determinations regarding design drawings, calculations, specifications, certifications, and other Submittals furnished by Contractor pursuant to the conditions indicated in Paragraph 7.22.B, will be only for the following limited purposes:

1. Checking for conformance with the requirements of this Paragraph 7.22;

2. Confirming that Contractor (through its design professionals) has used the performance and design criteria specified in the Contract Documents; and

3. Establishing that the design furnished by Contractor is consistent with the design concept expressed in the Contract Documents.

7.23 *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 during the term of the Contract and for 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 made available, in Denton County, Texas within ten (10) Business Days of City's 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 Denton County, Texas. Except as otherwise provided herein, the cost of the audit will be borne by the City

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

unless the audit reveals an overpayment of 1% or greater. If the City is undertaking an audit or inspection pursuant to Paragraph 7.09 or if an overpayment of 1% or greater occurs, the City's reasonable cost of the audit, including any travel costs, must be paid by the Contractor within five (5) Business Days of receipt of City's invoice for such costs.

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.

7.24 *Nondiscrimination*

A. The City is responsible for operating Public Transportation Programs and implementing transit-related projects, funded in part with Federal financial assistance awarded by the U.S. Department of Transportation and the Federal Transit Administration (FTA), without discriminating against any person in the United States on the basis of race, color, or national origin.

B. Contractor shall comply with the requirements of *Title VI, Civil Rights Act of 1964 as amended* and the regulations promulgated thereunder, as may be further defined in the Supplementary Conditions, for any project receiving Federal assistance.

ARTICLE 8 – OTHER WORK AT THE SITE

8.01 *Other Work*

A. In addition to and apart from the Work under the Contract Documents, the City may perform other work at or adjacent to the Site. Such other work may be performed by City's employees, or through contracts between the City and third parties. City may also arrange to have third-party utility owners perform work on their utilities and facilities at or adjacent to the Site.

B. If City performs other work at or adjacent to the Site with City's employees, or through contracts for such other work, then City shall give Contractor written notice thereof prior to starting any such other work, if such other work is not noted in the Contract Documents.

C. Contractor shall afford proper and safe access to the Site to each contractor that performs such other work, each utility owner performing other work, and City, if City is performing other work with City's employees, and provide a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work.

D. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering such work; provided, however, that Contractor may cut or alter others' work with the written consent of City and the others whose work will be affected.

E. If the proper execution or results of any part of Contractor's Work depends upon work performed by others, Contractor shall inspect such other work and promptly report to City in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and proper for integration with

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Contractor's Work except for latent defects and deficiencies in such other work that could not have been discovered through a proper inspection.

F. The provisions of this Article 8 are not applicable to work that is performed by third-party utilities or other third-party entities without a contract with City, or that is performed without having been arranged by City. If such work occurs, then any related delay, disruption, or interference incurred by Contractor is governed by the provisions of Paragraph 4.03.D.3.

8.02 *Coordination*

A. If City intends to contract with others for the performance of other work at or adjacent to the Site, to perform other work at or adjacent to the Site with City's employees, or to arrange to have utility owners perform work at or adjacent to the Site, the following will be set forth in the Supplementary Conditions or provided to Contractor prior to the start of any such other work:

1. The identity of the individual or entity that will have authority and responsibility for coordination of the activities among the various contractors;

2. An itemization of the specific matters to be covered by such authority and responsibility; and

3. The extent of such authority and responsibilities.

B. Unless otherwise provided in the Supplementary Conditions, City shall have authority for such coordination.

8.03 *Legal Relationships*

A. Contractor shall take reasonable and customary measures to avoid damaging, delaying, disrupting, or interfering with the work of City, any other contractor, or any utility owner performing other work at or adjacent to the Site.

1. When City is performing other work at or adjacent to the Site with City's employees, Contractor shall be liable to City for damage to such other work, and for the reasonable direct delay, disruption, and interference costs incurred by City as a result of Contractor's failure to take reasonable and customary measures with respect to City's other work.

B. If Contractor damages, delays, disrupts, or interferes with the work of any other contractor, or any utility owner performing other work at or adjacent to the Site, through Contractor's failure to take reasonable and customary measures to avoid such impacts, or if any Damage Claim arising out of Contractor's actions, inactions, or negligence in performance of the Work at or adjacent to the Site is made by any such other contractor or utility owner against Contractor, City, or Engineer, then Contractor shall (1) promptly attempt to settle the claim as to all parties through negotiations with such other contractor or utility owner, or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law, and (2) indemnify, defend and hold harmless City and Engineer, and the officers, elected and appointed officials, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against any such claims, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such damage, delay, disruption, or interference.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

ARTICLE 9 – CITY'S RESPONSIBILITIES

9.01 *Communications to Contractor*

A. Except as otherwise provided in the Supplementary Conditions, City shall issue all communications to Contractor.

9.02 *Furnish Data*

A. City shall promptly furnish the data required of City under the Contract Documents.

9.03 *Pay When Due*

A. City shall make payments to Contractor when they are due in accordance with and subject to the provisions of Article 14.

9.04 *Lands and Easements; Reports, Tests, and Drawings*

A. City's duties with respect to providing lands and easements are set forth in Paragraph 5.01.

B. Article 5 refers to City's identifying and making available to Contractor copies of reports of explorations and tests of subsurface conditions at the Site, and drawings of physical conditions relating to existing surface or subsurface structures at or contiguous to the Site that have been utilized by City in preparing the Contract Documents.

9.05 *Change Orders*

A. City's responsibilities with respect to Change Orders are set forth in Article 11.

9.06 *Inspections, Tests, and Approvals*

A. City's responsibility with respect to certain inspections, tests, and approvals is set forth in Paragraph 13.02.DD.

9.07 *Limitations on City's Responsibilities*

A. The City shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. City will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.

9.08 *Undisclosed Hazardous Environmental Condition*

A. City's responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 5.06.

9.09 *Compliance with Safety Program*

A. While at the Site, City's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which City has been informed in advance in writing pursuant to Paragraph 7.15.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

ARTICLE 10 – CITY'S OBSERVATION DURING CONSTRUCTION

10.01 *City's Project Manager or Duly Authorized Representative*

A. City will provide a Project Manager or duly authorized representative during the construction period. The duties and responsibilities and the limitations of authority of City's Project Manager or duly appointed representative during construction are set forth in the Contract Documents.

B. City's Project Manager for these Contract Documents is as set forth in the Supplementary Conditions. City will establish a duly authorized representative at the Preconstruction Meeting in accordance with Section 01 31 19 of the General Requirements.

10.02 *Visits to Site*

A. City will make visits to the Site at intervals appropriate to the various stages of construction as City deems necessary in order to observe the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, City will determine, in general, if the Work is proceeding in accordance with the Contract Documents. City will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work. City's efforts will be directed toward providing City a greater degree of confidence that the completed Work will conform generally to the Contract Documents.

B. City's visits and observations are subject to all the limitations on City's responsibility set forth in Paragraph 9.07. Particularly, but without limitation, during or as a result of City's visits or observations of Contractor's Work, City will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.

10.03 *Determinations for Work Performed*

A. As applicable, Contractor will determine the actual quantities and classifications of Work performed.. City's Project Manager or duly authorized representative will review with Contractor the preliminary determinations on such matters before rendering a written recommendation. City's written decision will be final (except as modified to reflect changed factual conditions or more accurate data).

10.04 *Decisions on Requirements of Contract Documents and Acceptability of Work*

A. City will be the interpreter of the requirements of the Contract Documents and judge the acceptability of the Work thereunder.

B. City will render a written decision on any issue referred.

C. City's written decision on the issue referred will be final and binding on the Contractor, subject to the provisions of Paragraph 11.07.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

ARTICLE 11 – CHANGES ININ THE WORK; CLAIMS; EXTRA WORK

11.01 *Amending and Supplementing the Contract*

A. The Contract may be amended toto provide for additions, deletions, and revisions in the Work or to modify the terms and conditions thereof, including in the Contract Price or Contract Time, but such amendment will be made by Change Order only.

B. The requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work not involving a change in Contract Price or Contract Time, may be authorized, by one of the following ways:

1. A Field Order; or
2. City's review of a Submittal (subject to the provisions of Paragraph 7.18.C); or
3. City's written interpretation or clarification.

11.02 *Execution of Change Orders*

A. City and Contractor shall execute appropriate Change Orders covering:

1. Changes in the Contract Price or Contract Time which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed..
2. Changes in the Work which are: (a) ordered by City pursuant to Paragraph 11.04, (b) required because of City's acceptance of defective Work under Paragraph 13.05 or City's correction of defective Work under Paragraph 13.08, or (c) as otherwise agreed to by the parties.

11.03 *Field Orders*

A. City may authorize minor variations and deviations in changes in the Work if the changes do not involve an adjustment in the Contract Price or the Contract Time and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such changes will be accomplished by a Field Order and will be binding on both the City and Contractor, which shall perform the Work involved promptly.

11.04 *Authorized Changes in the Work – Extra Work*

A. Without invalidating the Contract and without notice to any surety, City may, at any time or from time to time, order Extra Work. Upon notice of such Extra Work, Contractor shall proceed with the Work involved only upon receiving written notice from City. Extra Work will be performed under the applicable conditions of the Contract Documents (except as otherwise specifically provided). Extra Work shall be memorialized by a Change Order which may or may not precede an order of Extra Work.

B. For minor changes of Work not requiring changes to Contract Time or Contract Price, a Field Order may be issued by City.

11.05 *Unauthorized Changes in the Work*

A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Time with respect to any work performed that is not required by the Contract

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Documents, as amended, modified, or supplemented as allowed herein, except in certain cases of an emergency as provided in Paragraph 7.17.A.

11.06 *Dispute of Extra Work*

A. Should a difference arise as to what does or does not constitute Extra Work, or as to the payment for such Extra Work, and the City requires its performance, the Contractor shall proceed with the Extra Work after making written request for a Change Order and shall keep accurate account of the actual reasonable cost thereof. Contract Claims regarding Extra Work shall be made pursuant to Paragraph 11.07.

B. The Contractor shall furnish the City such records of all deviations from the original Contract Documents as may be necessary to enable the City to prepare for permanent record a corrected set of plans showing the actual work performed.

C. The compensation agreed upon for Extra Work whether or not initiated by a Change Order shall be the full, complete and final payment for all charges, fees and costs Contractor incurs as a result of or relating to the Extra Work, whether said charges, fees or costs are known, unknown, foreseen or unforeseen at that time, including without limitation, any charges, fees or costs for delay, extended overhead, ripple or impact cost, or any other effect on changed or unchanged work as a result of the Extra Work.

11.07 *Contract Claims Process*

A. *City's Decision Required*: All Contract Claims, except those waived pursuant to Paragraph 14.08, shall be referred to the City for decision. A decision by City shall be required as a condition precedent to any exercise by Contractor of any rights or remedies he may otherwise have under the Contract Documents or by Laws and Regulations in respect of such Contract Claims.

B. *Notice*:

1. Written notice stating the general nature of each Contract Claim shall be delivered by the Contractor to City no later than 15 days after the start of the event giving rise thereto. The responsibility to substantiate a Contract Claim shall rest with the party making the Contract Claim.

2. Notice of the amount or extent of the Contract Claim, with supporting data shall be delivered to the City no later than 45 days after the start of the event giving rise thereto (unless the City notifies Contractor in writing that City will allow additional time for Contractor to submit additional or more accurate data in support of such Contract Claim).

3. A Contract Claim for an adjustment in Contract Price shall be prepared in accordance with the provisions of Paragraph 11.08.

4. A Contract Claim for an adjustment in Contract Time shall be prepared in accordance with the provisions of Paragraph 11.09.

5. Each Contract Claim shall be accompanied by Contractor's written statement that the adjustment claimed is the entire adjustment to which the Contractor believes it is entitled as a result of said event.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

6. The City shall submit any response to the Contractor within 30 days after receipt of the Contractor's last submittal (unless in connection with the Contract Claim (unless Contractor allows the City additional time to submit a response).

C. *City's Action*: City will review each Contract Claim and, within 30 days after receipt of the last submittal of the Contractor unless action by City's Council is required, take one of the following actions in writing:

1. deny the Contract Claim in whole or in part;

2. approve the Contract Claim; or

3. notify the Contractor that the City is unable to resolve the Contract Claim if, in the City's sole discretion, it would be inappropriate for the City to do so. For purposes of further resolution of the Contract Claim, such notice shall be deemed a denial.

D. City's written action under this Paragraph 11.07 will be final and binding, unless City or Contractor invoke the dispute resolution procedure set forth in Article 16 within 30 days of such action or denial.

E. No Contract Claim for an adjustment in Contract Price or Contract Time will be valid if not submitted in accordance with this Paragraph 11.07.

F. If the City fails to take any action pursuant to this Paragraph 11.07, the Contract Claim is considered to have been denied by the City.

11.08 *Change of Contract Price*

A. The Contract Price may only be changed by a Change Order.

B. TheThe value of any Work covered by a Change Order will be determined as follows:

1. Where the Work involved is covered by unit prices contained in the Contract Documents, then by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 12.03);

2. Where the Work involved is not covered by unit prices contained in the Contract Documents, then by a mutually agreed lump sum or unit price (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 11.08.C.2), and shall include the cost of any secondary impacts that are foreseeable at the time of pricing the cost of Extra Work; or

3. Where the Work involved is not covered by unit prices contained in the Contract Documents and the parties do not reach mutual agreement to a lump sum or unit price, then on the basis of the Cost of the Work (determined as provided in Paragraph 12.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 11.08.C).

C. *Contractor's Fee*: The Contractor's fee for overhead and profit will be determined as follows:

1. A mutually acceptable fixed fee; or

2. If a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

a. For costs incurred under Paragraphs 12.01.B.1, 12.01.B.2, and 12.01.B.3, the Contractor's fee will be 15 percent except for:

1) rental fees for Contractor's own equipment; and

2) bonds and insurance;

b. For costs incurred under Paragraph 12.01.B.4, the Contractor's fee will be 5 percent;

1) Where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraphs 11.08.C.2.a and 11.08.C.2.b is that the Contractor's fee will be based on: (1) a fee of 15 percent of the costs incurred under Paragraphs 12.01.B.1, 12.01.B.2, and 12.01.B.3 by the Subcontractor that actually performs the Work, at whatever tier, and (2) with respect to Contractor itself and to any Subcontractors of a tier higher than that of the Subcontractor that actually performs the Work, a fee of 5 percent of the amount (fee plus underlying costs incurred) attributable to the next lower tier Subcontractor; provided, however, in no case shall the cumulative total of fees paid be in excess of 25% of the Cost of the Work;

c. No fee will be payable on the basis of costs itemized under Paragraphs 12.01.B.5, 12.01.B.6, and 12.01.C;

d. The amount of credit to be allowed by Contractor to City for any change which results in a net decrease in Cost of the Work will be the amount of the actual net decrease in Cost of the Work and a deduction of an additional amount equal to 5 percent of such actual net decrease in Cost of the Work; and

11.09 *Change of Contract Time*

A. The Contract Time may only be changed by a Change Order.

B. No extension of the Contract Time will be allowed under a Change Order for Extra Work or for claimed delay unless the Extra Work contemplated or claimed delay is shown to be on the critical path of the Project Schedule or Contractor can show by critical path method analysis how the Extra Work or claimed delay adversely affects the critical path.

C. Delay, disruption, and interference in the Work, and any related changes in Contract Time, are addressed in and governed by Paragraph 4.03.

11.10 *Notification to Surety*

A. If the provisions of any bond require notice to be given to a surety of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Time), the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted by the Contractor to reflect the effect of any such change.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

ARTICLE 12 – COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK; PLANS QUANTITY MEASUREMENT

12.01 *Cost of the Work*

A. *Purposes for Determination of Cost of the Work*: The term "Cost of the Work" means the sum of all costs necessary for the proper performance of the Work at issue, as further defined below. The provisions of this Paragraph 12.01 are used for two distinct purposes:

1. To determine Cost of the Work when Cost of the Work is a component of the Contract Price, under cost-plus-fee, time-and-materials, or other cost-based terms; or

2. When needed to determine the value of a Change Order. When the value of any such adjustment is determined on the basis of Cost of the Work, Contractor is entitled only to those additional or incremental costs required because of the change in the Work or because of the event giving rise to the adjustment.

B. *Costs Included*: The term, "Cost of the Work" means the sum of all costs, except those excluded in Paragraph 12.01.C, necessarily incurred and paid by Contractor in the proper performance of the Work. When the value of any Work is covered by a Change Order, the costs reimbursed to Contractor will be only those additional or incremental costs required because of the change in the Work. Such costs shall be in amounts no higher than those calculated based on the prevailing wage rates contained in the Contract Documents, shall not include any of the costs itemized in Paragraph 12.01.C, and may include as applicable, but not be limited to the following items:

1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by City and Contractor. Such employees shall include, without limitation, superintendents, foremen, safety managers, safety representatives, and other personnel employed full time on the Work. Payroll costs for employees not employed full time on the Work will be apportioned on the basis of their time spent on the Work. Payroll costs shall include, salaries and wages plus the cost of fringe benefits, which include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, sick leave, and vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours on Business Days, during Weekend Working Hours, or on a state or federal holiday observed by the City, shall be included in the above to the extent authorized by City.

2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith.

3. Rentals of all construction equipment and machinery and the parts thereof, whether rented from Contractor or others, in accordance with rental agreements approved in writing by City, and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs shall be in accordance with the terms of said rental agreements. and the Contract Documents. The rental of any such equipment, machinery, or parts shall cease when the use thereof is no longer necessary for the Work.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

4. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by City, Contractor shall obtain competitive bids from subcontractors acceptable to City . Contractor shall deliver such bids to City, which will then determine, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee will be determined in the same manner as Contractor's Cost of the Work and fee as provided in this Paragraph 12.01 and Paragraph 11.08.C.

5. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed or retained for services specifically related to the Work and specifically included in the agreed upon schedule of job classifications referred to in Paragraph 12.01.B.1 or otherwise specifically included in the Contract.

6. Supplemental costs consisting of the following:

    a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.

    b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, and temporary office or facilities at the Site, which are consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.

    c. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, as imposed by Laws and Regulations, excluding those taxes for which an exemption is available as described in Paragraph 7.12.

    d. Deposits lost for causes other than the negligence or willful misconduct of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.

    e. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work, provided such losses and damages have resulted from causes other than the negligence or willful misconduct of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses include settlements made with the written consent and approval of CityCity. No such losses, damages, and expenses will be included in the Cost of the Work for the purpose of determining Contractor's fee.

    f. The cost of utilities, fuel, and sanitary facilities at the Site.

    g. Minor expenses such as communication service at the Site, express and courier services, and similar petty cash items in connection with the Work.

    h. The costs of premiums for all bonds and insurance that Contractor is required by the Contract Documents to purchase and maintain.

C. *Costs Excluded*: The term Cost of the Work does not include any of the following items:

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

1. Payroll costs and other compensation of Contractor's officers, executives, principals, general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expediters, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 12.01.B.1 or otherwise specifically covered in the Contract. The payroll costs and other compensation excluded here are to be considered administrative costs covered by the Contractor's fee.
2. Expenses of Contractor's principal and branch offices other than Contractor's office at the Site.
3. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
4. Costs due to the acts, omissions, negligence or willful misconduct of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.
5. Other overhead or general expense costs of any kind.

D. *Contractor's Fee*

1. When the Work as a whole is performed on the basis of cost-plus-a-fee, then:
    a. Contractor's fee for the Work set forth in the Contract Documents as of the Effective Date of the Agreement will be determined as set forth in the Contract.
    b. for any Work covered by a Change Order for an adjustment in Contract Price on the basis of Cost of the Work, Contractor's fee will be determined as set forth in Paragraph 11.08.C.
2. When the Work as a whole is performed on the basis of a stipulated sum, or any other basis other than cost-plus-a-fee, then Contractor's fee for any Work covered by a Change Order for an adjustment in Contract Price on the basis of Cost of the Work will be determined in accordance with Paragraph 11.08.C.2.

E. *Documentation and Audit*: Whenever the Cost of the Work for any purpose is to be determined pursuant to this Article 12, Contractor and pertinent Subcontractors will establish and maintain records of the costs in accordance with generally accepted accounting practices, and submit in a form acceptable to City an itemized cost breakdown together with supporting data. Subject to prior written notice, City will be afforded reasonable access, during normal business hours, to all Contractor's accounts, records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to the Cost of the Work and Contractor's fee. Contractor shall preserve all such documents for a period of three years after the final payment by City. Contractor will be responsible for ensuring that pertinent Subcontractors will afford such access to City, and preserve such documents, to the same extent as is required of Contractor.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

12.02 *Allowances*

A. *Specified Allowance*: It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums and by such persons or entities as may be acceptable to City.

B. *Cash Allowances*: Contractor agrees that:

1. the cash allowances include the cost to Contractor (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and

2. Contractor's costs for unloading and handling on the Site, labor, installation, overhead, profit, and other expenses contemplated for the cash allowances, have been included in the Contract Price and not in the allowances, and no demand for additional payment for any of the foregoing will be valid.

C. *Contingency Allowance*: Contractor agrees that a contingency allowance, if any, is for the sole use of City.

D. Prior to final payment, an appropriate Change Order will be issued to reflect actual amounts due Contractor for Work covered by allowances, and the Contract Price will be correspondingly adjusted.

12.03 *Unit Price Work*

A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work multiplied by the estimated quantity of each item as indicated in the Agreement.

B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Determinations of the actual quantities and classifications of Unit Price Work performed by Contractor will be made by City subject to the provisions of Paragraph 10.03.

C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item. Work described in the Contract Documents, or reasonably inferred as required for a functionally complete installation, but not identified in the listing of unit price items shall be considered incidental to Unit Price Work listed and the cost of incidental work included as part of the unit price.

D. Adjustments in Contract Price

1. City may make an adjustment in the Contract Price in accordance with Paragraph 11.08 if:

a. the quantity of the item of Work performed by Contractor differs materially and significantly from the estimated quantity of such item indicated in the Agreement; and

b. there is no corresponding adjustment with respect to any other item of Work.

2. Adjusted unit prices will apply to all units of that item.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

E. Increased or Decreased Quantities: The City reserves the right to order Extra Work in accordance with Paragraph 11.04.

1. If the changes in quantities or the alterations do not significantly change the character of the Work under the Contract Documents, the altered Work will be paid for at the Contract unit price.

2. If the changes in quantities or alterations materially and significantly change the character of the Work, the Contract will be amended by a Change Order.

3. If no unit prices exist, thisany increase or decrease in quantities will be considered Extra Work and the Contract will be amended by a Change Order in accordance with Article 11.

4. A significant change in the character of Work occurs when:

a. the character of work for any Item as altered differs materially or significantly in kind or nature from that in the Contract; or

b. a Major Item of work varies by more than 25% from the original Contract quantity.

5. When the quantity of work to be done under any Major Item of the Contract is more than 125% of the original quantity stated in the Contract, then either party to the Contract may request an adjustment to the unit price on the portion of the work that is above 125%.

6. When the quantity of work to be done under any Major Item of the Contract is less than 75% of the original quantity stated in the Contract, then either party to the Contract may request an adjustment to the unit price.

12.04 *Plans Quantity Measurement for Unclassified Excavation or Embankment*

A. Plans quantities may or may not represent the exact quantity of Work performed or material moved, handled, or placed during the term of the Contract. The estimated bid quantities are designated as final payment quantities, unless revised in accordance with the Contract.

B. If the total actual quantity measured for an individual item varies by more than 25% (or as stipulated under "Price and Payment Procedures" for specific Items) from the total estimated quantity for an individual Item originally shown in the Contract Documents, an adjustment may be made to the quantity of authorized Work done for payment purposes. The party to the Contract requesting the adjustment will provide field measurements and calculations showing the final quantity for which payment will be made. Payment for revised quantity will be made at the unit price bid for that Item, except as provided for in Article 11.

C. When quantities are revised by a change in design approved by the City, by Change Order, or to correct an error, or to correct an error on the plans, the plans quantity will be increased or decreased by the amount identified in the approved change, and the 25% variance provisions of Paragraph 12.04.B will apply to the new plans quantity.

D. If the total Contract quantity multiplied by the unit price bid for an individual Item is less than $250 and the Item is not originally a plans quantity Item, then the Item may be paid as a plans quantity Item if the City and Contractor agree in writing to fix the final quantity as a plans quantity.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

E. For callout work or non-site specific Contracts, the plans quantity measurement requirements are not applicable.

ARTICLE 13 – TESTS AND INSPECTIONS; CORRECTION, REMOVAL, OR ACCEPTANCE OF DEFECTIVE WORK

13.01 *Access to Work*

A. City and its Engineer, consultants, representatives, employees, and independent testing laboratories, and authorities having jurisdiction shall have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access and advise them of Contractor's safety procedures and programs so that they may comply with such procedures and programs as applicable.

13.02 *Tests and Inspections*

A. Contractor shall give City timely notice of readiness of the Work (or specific parts thereof) for all required inspections and tests and shall cooperate with inspection and testing personnel to facilitate required inspections and tests.

B. If the Contract Documents or any Laws and Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish City the required certificates of inspection, testing or approval, except that those fees specifically identified in the Supplementary Conditions or any Texas Department of Licensure and Regulation (TDLR) inspections, which shall will be paid as described in the Supplementary Conditions.

C. Contractor shall be responsible for arranging, obtaining, and paying for all inspections, tests, re-tests, and approvals required:

1. by the Contract Documents, unless the Contract Documents expressly allocate responsibility for a specific inspection or test to City;
2. to attain City's acceptance of materials or equipment to be incorporated in the Work;
3. by manufacturers of equipment furnished under the Contract Documents;
4. for testing, adjusting, and balancing of mechanical, electrical, and other equipment to be incorporated into the Work; and
5. for acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work.

Such inspections and tests will be performed by independent inspectors, testing laboratories, or other qualified individuals or entities acceptable to City.

D. City may arrange for the services of an independent testing laboratory ("Testing Lab") to perform any inspections or tests ("Testing") for any part of the Work, as determined solely by City.

1. City will coordinate such Testing to the extent possible, with Contractor;

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

2. Should any Testing under this Section 13.03.D result in a "fail", "did not pass" or other similar negative result, the Contractor shall be responsible for paying for any and all retests. Contractor's cancellation without cause of City initiated Testing shall be deemed a negative result and require a retest.

3. Any amounts owed for any retest under this Section 13.02.D shall be paid directly to the Testing Lab by Contractor. City will forward all invoices for retests to Contractor.

4. If Contractor fails to pay the Testing Lab, City will not issue Final Payment until the Testing Lab is paid.

E. If the Contract Documents require the Work (or part thereof) to be approved by City or another designated individual or entity, then Contractor shall assume full responsibility for seeking and obtaining such approvals.

F. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without the written approval of City, Contractor shall, if requested by City, uncover such Work for observation. Such uncovering and the recovering of such Work will be at Contractor's expense.

13.03 *Defective Work*

A. *Contractor's Obligation*: It is Contractor's obligation to assure that the Work is not defective.

B. *City's Authority*: City has the authority to determine whether Work is defective, and to reject defective Work.

C. *Notice of Defects*: Written notice of all defective Work of which City has actual knowledge will be given to Contractor.

D. *Correction, or Removal and Replacement*: Promptly after receipt of written notice of defective Work, Contractor shall correct all such defective Work, whether or not fabricated, installed, or completed, or, if City has rejected the defective Work, shall remove the defective Work from the Project and replace it with Work that is not defective. Failure to require the removal of any defective Work shall not constitute acceptance of such Work.

E. *Preservation of Warranties*: When correcting defective Work, Contractor shall take no action that would void or otherwise impair City's warranty and guarantee, if any, on said Work.

F. *Costs and Damages*: In addition to its correction, removal, and replacement obligations with respect to defective Work, Contractor shall pay all claims, costs, losses, and damages arising out of or relating to defective Work, including but not limited to the cost of the inspection, testing, correction, removal, replacement, or reconstruction of such defective Work, fines levied against Contractor or City by governmental authorities because the Work is defective, and the costs of repair, replacement or reconstruction of work of others resulting from defective Work.

13.04 *Rejecting Defective Work*

A. City will have authority to reject Work which City believes to be defective or will not produce a completed Project that conforms to the Contract Documents or that will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. City will have authority to conduct special inspection or testing

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

of the Work as provided in this Article 13, whether or not the Work is fabricated, installed, or completed.

13.05 *Acceptance of Defective Work*

A. If, instead of requiring correction or removal and replacement of defective Work, City prefers to accept it, City may do so. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) attributable to City's evaluation of and determination to accept such defective Work, and for the diminished value of the Work to the extent not otherwise paid by Contractor. If any such acceptance occurs prior to Final Acceptance, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and City shall be entitled to an appropriate decrease in the Contract Price, reflecting the diminished value of the Work so accepted.

13.06 *Uncovering Work*

A. City has the authority to require additional inspection or testing of the Work, whether or not the Work is fabricated, installed, or completed.

B. If any Work is covered contrary to the Contract Documents or specific instructions of City and if requested by City, Contractor shall uncover such Work for City's observation, inspection or testing and then replace the covering, all at Contractor's expense.

C. If City considers it necessary or advisable that covered Work be observed by City or inspected or tested by others, then Contractor, at City's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as City may require, that portion of the Work in question, and provide all necessary labor, material, and equipment.

1. If it is found that the uncovered Work is defective, Contractor shall be responsible for all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or dispute resolution costs) arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others). City shall be entitled to accept defective Work in accordance with Paragraph 13.05 and in such case Contractor shall still be responsible for all costs associated with exposing, observing, and testing defective Work.

2. If the uncovered Work is not found to be defective, Contractor shall be allowed an extension of the Contract Time to the extent directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction.

13.07 *City May Stop the Work*

A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or Contractor fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, then City may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been corrected or eliminated; however, this right of City to stop the Work will not give rise to any duty on the part of City to exercise this right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or any employee or agent of, any of them.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

13.08 *City May Correct Defective Work*

A. If Contractor fails within a reasonable time after written notice from City to correct defective Work, or to remove and replace defective Work as required by City, or if Contractor fails to perform the Work in accordance with the Contract Documents, or if Contractor fails to comply with any other provision of the Contract Documents, then City may, after providing 7 days' advance written notice to Contractor, correct or remedy any such deficiency.

B. In connection with such corrective or remedial action, City may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, and incorporate in the Work all materials and equipment stored at the Site or for which City has paid Contractor but which are stored elsewhere. Contractor shall allow CityCity, City's representatives, agents and employees, and City's other contractors access to the Site to enable City to exercise the rights and remedies under this Paragraph 13.08.

C. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court, or arbitration or other dispute resolution costs) incurred or sustained by City in exercising the rights and remedies under this Paragraph 13.08 will be the responsibility of and will be charged against Contractor. A Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and City shall be entitled to an appropriate decrease in the Contract Price. Such claims, costs, losses and damages will include, but not be limited to, all costs of repair or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.

D. Contractor shall not be allowed an extension of the Contract Time because of any delay in the performance of the Work attributable to the exercise by City of City's rights and remedies under this Paragraph 13.08.

ARTICLE 14 – PAYMENTS TO CONTRACTOR; COMPLETION; CORRECTION PERIOD

14.01 *Progress Payments*

A. *Basis for Progress Payments*: The Schedule of Values established as provided in Paragraph 2.03 will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to City. Progress payments for Unit Price Work will be based on the number of units completed during the pay period, as determined under the provisions of Paragraph 12.03. Progress payments for cost-based Work will be based on Cost of the Work completed by Contractor during the pay period.

B. Applications for Payments

1. Contractor is responsible for providing all information as required to become a vendor of the City.

2. At least 20 days before the date established in the General Requirements for each progress payment (but not more often than once a month), Contractor shall submit to City for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

3. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment must also be accompanied by: (a) bill of sale, invoice, or purchase order payments, copies of cancelled checks or other documentation establishing full payment by Contractor for the materials and equipment; (b) at City's request, documentation warranting that City has received the materials and equipment free and clear of all Liens; and (c) evidence that the materials and equipment are covered by appropriate property insurance, or other arrangements to protect City's interest therein, all of which must be satisfactory to City.
4. Beginning with the second Application for Payment, each Application must include an affidavit of Contractor stating that all previous progress payments received on account of the Work by Contractor have been applied to discharge Contractor's legitimate obligations associated with prior Applications for Payment.
5. The amount of retainage with respect to progress payments will be as stipulated in the Contract Documents.

C. Review of Applications

1. City will, after receipt of each Application for Payment, either indicate in writing it will proceed to process the Application for Payment or return the Application to Contractor indicating reasons for refusing payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
2. City's processing of any payment requested in an Application for Payment will be based on City's observations of the executed Work, and on City's review of the Application for Payment and the accompanying data and schedules, that based City's actual knowledge:
    a. the Work has progressed to the point indicated; and
    b. the quality and/or quantity of the Work is generally in accordance with the Contract Documents (subject to any subsequent evaluations of the Work, an evaluation of the Work as a functioning whole prior to or upon Final Acceptance, the results of any subsequent tests or inspections called for in the Contract Documents, a final determination of quantities and classifications for Unit Price Work under Paragraphs 10.05 and 12.03, and any other qualifications stated).
3. Processing any such payment will not thereby be deemed to have represented that:
    a. inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work; or
    b. there are no other matters or issues between the parties that might entitle Contractor to be paid additionally by City or entitle City to withhold payment to Contractor; or
    c. Contractor hashas complied with Laws and Regulations applicable to Contractor's performance of the Work.
4. City may refuse to process or pay the whole or any part of any payment because of subsequently discovered evidence or the results of subsequent inspections or tests, and

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

may revise or revoke any such payment previously made, to such extent as may be necessary to protect City from loss because:

a. the Work is defective, or the completed Work has been damaged by the Contractor or his subcontractors, requiring correction or replacement;

b. there are discrepancies in quantities contained in previous applications for payment;

c. the Contract Price has been reduced by Change Orders;

d. City has been required to correct defective Work in accordance with Paragraph 1313.08, or has accepted defective Work pursuant to Paragraph 13.05;

e. City has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible; or

f. City has actual knowledge of the occurrence of any of the events enumerated in Paragraph 15.02.A that would constitute a default by Contractor and therefore justify termination for cause under the Contract Documents.

D. Retainage:

1. For all contracts, retainage shall be five percent (5%).

E. *Liquidated Damages*: For each calendar day that any work shall remain uncompleted after the time specified in the Contract Documents, the sum per day specified in the Agreement will be paid by the Contractor to the City, not as a penalty, but as liquidated damages suffered by the City. If feasible, the parties may agree to have the liquidated damages deducted from any amounts owned to Contractor by City instead of being paid directly to City by Contractor.

F. *Payment*: Contractor will be paid pursuant to the requirements of this Article 14 and payment will become due in accordance with the Contract Documents.

G. Reduction in Payment

1. City may refuse to make payment of the of the amount requested because:

a. Claims have been made against City based on Contractor's performance or furnishing of the Work, or City has incurred costs, losses, or damages resulting from Contractor's performance or furnishing of the Work, including but not limited to claims, costs, losses, or damages from workplace injuries, adjacent property damage, non-compliance with Laws and Regulations, or patent infringement;

b. Contractor has failed to take reasonable and customary measures to avoid damage, delay, disruption, and interference with other work at or adjacent to the Site;

c. Contractor has failed to provide and maintain required bonds or insurance;

d. City has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible;

e. City has incurred extra charges or engineering costs related to submittal reviews, evaluations of proposed substitutes, tests and inspections, or return visits to manufacturing or assembly facilities;

f. The Work is defective, requiring correction or replacement;

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

g. City has been required to correct defective Work in accordance with Paragraph 13.08, or has accepted defective Work pursuant to Paragraph 13.05;

h. The Contract Price has been reduced by Change Orders;

i. An event has occurred that would constitute a default by Contractor and therefore justify a termination for cause;

j. Liquidated or other damages have accrued as a result of Contractor's failure to achieve Milestones or Final Acceptance of the Work;

k. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to City to secure the satisfaction and discharge of such Liens;

l. Other items entitle City to a set-off against the payment amount requested; or

m. City has actual knowledge of the occurrence of any of the events enumerated in Paragraph 15.02.

2. If City refuses to make payment of the amount requested, City will give Contractor written notice stating the reasons for such action and promptly pay Contractor any amount remaining after deduction of the amount so withheld. City shall pay Contractor the amount so withheld, or any adjustment thereto agreed to by City and Contractor, within a reasonable time after Contractor remedies the reasons for such action to the satisfaction of City and City has confirmed such action.

14.02 *Contractor's Warranty of Title*

A. Contractor warrants and guarantees that title to all Work, materials, and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to City no later than the time of payment free and clear of all Liens.

14.03 *Partial Utilization*

A. Prior to Final Acceptance of all the Work, City may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which City determines constitutes a separately functioning and usable part of the Work that can be used by City for its intended purpose without significant interference with Contractor's performance of the remainder of the Work. City at any time may notify Contractor in writing to of any such part of the Work which City determines to be ready for its intended use. In addition, City may request in writing that Contractor permit City to use or occupy any such part of the Work that City believes to be substantially complete, subject to the following conditions:

1. At any time, Contractor may notify City that Contractor considers any such part of the Work ready for its intended use.

2. Within a reasonable time after notification as enumerated in Paragraph 14.03, City and Contractor shall make an inspection of that part of the Work to determine its status of completion. If City does not consider that part of the Work to be substantially complete, City will notify Contractor in writing giving the reasons therefor.

3. Partial Utilization by City will not constitute Final Acceptance by City.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

14.04 *Final Inspection*

A. Upon written notice from Contractor that the entire Work is complete in accordance with the Contract Documents:

1. City will promptly schedule a Final Inspection with Contractor.

2. City will notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

B. City reserves the right to deny request for Final Inspection if City determines that the entire Work is not sufficiently complete to warrant a Final Inspection.

14.05 *Final Acceptance*

A. Upon completion by Contractor to City's satisfaction, of any and all Work in accordance with the Contract Documents, including any corrections or additional Work identified in the Final Inspection and delivery of all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurances, certificates of inspection, annotated record documents and other required documents in accordance with the Contract Documents, City will issue to Contractor a letter of Final Acceptance.

14.06 *Final Payment*

A. Application for Payment

1. Upon receipt of a letter of Final Acceptance from City, Contractor may make application for Final Payment following the procedures for requesting payments in accordance with the Contract Documents.

2. The final Application for Payment must be accompanied (except as previously delivered) by:

a. all documentation called for in the Contract Documents, including but not limited to the evidence of insurance required by Paragraph 6.03;

b. consent of the surety, if any, to final payment;

c. satisfactory evidence that all title issues have been resolved such that title to all Work, materials, and equipment has passed to City free and clear of any Liens or other title defects or will so pass upon final payment.

d. a list of all Contract Claims or Damage Claims against City that Contractor believes are unsettled; and

e. affidavits of payments and complete and legally effective releases or waivers (satisfactory to City) of all Lien rights arising out of the Work, and of Liens filed in connection with the Work.

B. Payment Becomes Due: The final payment requested by Contractor, less previous payments made and less any sum to which City is entitled, including but not limited to liquidated damages, will become due and payable:

1. After City's acceptance of the Application for Payment and accompanying documentation; and

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

2. After all Damage Claims have been resolved:

   a. directly by the Contractor; or

   b. Contractor provides evidence that the Damage Claim has been reported to Contractor's insurance provider for resolution.

The making of the final payment by the City shall not relieve the Contractor of any guarantees or other requirements of the Contract that continue thereafter.

14.07 *Final Completion Delayed and Partial Retainage Release*

A. If final completion of the Work is significantly delayed, and if City so confirms, City may, upon receipt of Contractor's final Application for Payment, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by City for Work not fully completed or corrected is less than the retainage stipulated in Paragraph 14.01.D, and if bonds have been furnished as required in Paragraph 6.02, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by Contractor to City with the Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of Contract Claims.

B. *Partial Retainage Release*. If the Contract provides for separate establishment and maintenance periods and/or test and performance periods following the completion of all other construction in the Contract Documents for all Work locations, the City may release a portion of the amount retained provided that all other work is completed as determined by the City. Before the release, all submittals and final quantities must be completed and accepted for all other work. An amount sufficient to ensure Contract compliance will be retained.

14.08 *Waiver of Claims*

A. The acceptance of final payment will constitute a waiver and release by Contractor of all claims, rights, causes of action, or liabilities, including Contract Claims, against City arising out of, related to or under the Contract or for any act, omission or neglect of City.

14.09 *Correction Period*

A. If within two (2) years after the date of Final Acceptance (or such longer period of time as may be prescribed by the Contract Documents) any Work has been found to be defective, or Contractor's repair of any damages to the Site, adjacent areas, or areas made available for Contractor's use by City has been found to be defective, then after receipt of City's written notice of defect, Contractor shall promptly, without cost to City and in accordance with City's written instructions:

   1. correct the defective repairs to the Site or such adjacent areas, or areas made available for Contractor's use by City;

   2. correct such defective Work;

   3. remove the defective Work from the Project and replace it with Work that is not defective, if the defective Work has been rejected by City, and

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others, or to other land or areas resulting from the corrective measures.

B. If Contractor does not promptly comply with the terms of City's written instructions, or in an emergency where delay would cause serious risk of loss or damage, City may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. Contractor shall pay all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others).

C. In special circumstances where a particular item of equipment is placed in continuous service before Final Acceptance of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.

D. Where defective Work (and damage to other Work resulting therefrom) has been corrected, repaired or removed and replaced under this Paragraph 14.09, the correction period hereunder with respect to such Work may be extended for an additional period of one year after the end of the initial correction period.

E. Contractor's obligations under this paragraph are in addition to all other obligations and warranties. The provisions of this Paragraph 14.09 are not to be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

ARTICLE 15 – SUSPENSION OF WORK AND TERMINATION

15.01 *City May Suspend Work*

A. At any time and without cause, City may suspend the Work or any portion thereof by written notice to Contractor. City may fix the date on which Work will be resumed in such notice, and Contractor shall resume the Work on the date so fixed. During a temporary suspension of the Work covered by these Contract Documents, for any reason, the City will make no extra payment for stand-by time of construction equipment and/or construction crews.

B. Should the Contractor not be able to complete a portion of the Project due to causes beyond the control of and without the fault or negligence of the Contractor, and should it be determined by mutual consent of the Contractor and City that a solution to allow construction to proceed is not available within a reasonable period of time, Contractor may request an extension in Contract Time, directly attributable to any such suspension.

C. If it should become necessary to suspend the Work for an indefinite period, the Contractor shall store all materials in such a manner that they will not obstruct or impede the public unnecessarily nor become damaged in any way; Contractor shall take every precaution to prevent damage or deterioration of the work performed; and Contractor shall provide suitable drainage about the work, and erect temporary structures where necessary.

D. Contractor may be reimbursed for the cost of moving its equipment off the job and returning the necessary equipment to the job when it is determined by the City that construction may be resumed. Such reimbursement shall be based on actual cost to the Contractor of moving the

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

equipment and no profit or overhead will be allowed. Reimbursement may not be allowed if the equipment is moved to another construction project for the City.

15.02 *City May Terminate for Cause*

A. The occurrence of any one or more of the following events by way of example, but not of limitation, may justify termination for cause:

1. Contractor's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment, or failure to adhere to the Project Schedule established under Paragraph 2.06 as adjusted from time to time pursuant to Paragraph 7.05);

2. Failure of Contractor to perform or otherwise to comply with a material term of the Contract; or

3. Contractor's disregard of Laws and Regulations of any public body having jurisdiction; or

4. Contractor's repeated disregard of the authority of City; or

5. Contractor's failure to promptly make good any defect in materials or workmanship, or defects of any nature, the correction of which has been directed in writing by the City; or

6. Substantial indication that the Contractor has made an unauthorized assignment of the Contract or any funds due therefrom for the benefit of any creditor or for any other purpose; or

7. Substantial indication that the Contractor has become insolvent or bankrupt, or otherwise financially unable to perform the Work satisfactorily; or

8. Contractor commences legal action in a court of competent jurisdiction against the City.

B. If one or more of the events identified in Paragraph 15.02.A occurs, City will provide written notice to Contractor and Surety to arrange a conference with Contractor and Surety to address Contractor's failure to perform the Work. The conference shall be held not later than 15 days after receipt of notice. by both Contractor and surety.

1. If the City, the Contractor, and the Surety do not agree to allow the Contractor to proceed to perform the Contract, the City may, to the extent permitted by Laws and Regulations, declare a Contractor default and formally terminate the Contractor's right to complete the Contract. Contractor default shall not be declared earlier than 20 days after the Contractor and Surety have received notice of the conference to address Contractor's failure to perform the Work.

2. If Contractor's services are terminated, Surety shall be obligated to take over and perform the Work. If Surety does not commence performance thereof within 15 consecutive calendar days after date of an additional written notice demanding Surety's performance of its obligations, then City, without process or action at law, may take over any portion of the Work and complete it as described below.

a. If City completes the Work, City may exclude Contractor and Surety from the Site and take possession of the Work, and all materials and equipment stored at the Site

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

or for which City has paid Contractor, but which are stored elsewhere, and the Work as City may deem expedient.

3. Whether City or Surety completes the Work, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds the cost to complete the Work, including all related claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals) sustained by City, such excess will be paid to Contractor. If the cost to complete the Work including such related claims, costs, losses, and damages exceeds such unpaid balance, Contractor shall pay the difference to City. Such claims, costs, losses, and damages incurred by City will be incorporated in a Change Order, provided that when exercising any rights or remedies under this Paragraph 15.02, City shall not be required to obtain the lowest price for the Work performed.

4. Neither City, nor any of its respective consultants, agents, officers, elected or appointed officials, directors or employees shall be in any way liable or accountable to Contractor or Surety for the method by which the completion of the said Work, or any portion thereof, may be accomplished or for the price paid therefor.

5. City, notwithstanding the method used in completing the Contract, shall not forfeit the right to recover damages from Contractor or Surety for Contractor's failure to timely complete the entire Contract. Contractor shall not be entitled to any claim, counterclaim or offset on account of the method used by City in completing the Contract.

6. Maintenance of the Work shall continue to be Contractor's and Surety's responsibilities as provided for in the bond requirements of the Contract Documents or any special guarantees provided for under the Contract Documents or any other obligations otherwise under the Contract or prescribed by law.

C. Notwithstanding Paragraph 15.02.B, Contractor’s services will not be terminated if Contractor begins within seven days of receipt of notice of intent to terminate to correct its failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of said notice.

D. Where Contractor’s services have been so terminated by City, the termination will not affect any rights or remedies of City against Contractor then existing or which may thereafter accrue, or any rights or remedies of City against Contractor or Surety. Any retention or payment of money due Contractor by City will not release Contractor from liability.

E. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 6.02, the termination procedures of that bond shall not supersede the provisions of this Article 15.

15.03 *City May Terminate for Convenience*

A. City may, without cause and without prejudice to any other right or remedy of City, terminate the Contract, in whole or in part. Any termination shall be affected by giving notice of the termination to the Contractor specifying the extent to which performance of Work under the contract is terminated, and the date upon which such termination becomes effective. Notice shall be deemed validly given if given in accordance with Paragraph 17.01.A.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

B. After a notice of termination, has been given, and except as otherwise directed by the City, the Contractor shall:

1. stop work under the Contract on the date and to the extent specified in the notice of termination;

2. place no further orders or subcontracts for materials, services or facilities except as may be necessary for completion of such portion of the Work under the Contract as is not terminated;

3. terminate all orders and subcontracts to the extent that they relate to the performance of the Work terminated by notice of termination;

4. transfer title to the City and deliver in the manner, at the times, and to the extent, if any, directed by the City:

   a. the fabricated or unfabricated parts, Work in progress, completed Work, supplies and other material produced as a part of, or acquired in connection with the performance of, the Work terminated by the notice of the termination; and

   b. the completed, or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to the City.

5. complete performance of such Work as shall not have been terminated by the notice of termination; and

6. take such action as may be necessary, or as the City may direct, for the protection and preservation of the property related to the Contract that is in the possession of the Contractor and in which the City has or may acquire the rest.

C. At a time not later than 30 days after the termination date specified in the notice of termination, the Contractor may submit to the City a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed of in accordance with the Contract, exclusive of items the disposition of which has been directed or authorized by City.

D. Not later than 15 days after Contractor's submission of the certified list to City pursuant to Paragraph 15.03.C, the City shall accept title to such items, subject to verification of the list by the City upon removal of the items or,. If the items are stored, then City shall have 45 days after submission of the list, to verify the list submitted and accept title to such items. Any necessary adjustments to correct the list as submitted, shall be made prior to final settlement.

E. Not later than 60 days after the notice of termination has been given, the Contractor shall submit a termination claim to the City in the form and with the certification prescribed by the City. Unless an extension request is made in writing within such 60-day period by the Contractor, and granted by the City, any and all such claims of Contractor that are not submitted to City within such 60-day period shall be conclusively deemed waived.

F. Should a termination claim be timely submitted to the City, Contractor shall be paid for (without duplication of any items):

1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

and profit on such Work calculated and determined in accordance with the Contract Documents;

2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses calculated and determined in accordance with the Contract Documents; and

3. reasonable expenses directly attributable to reasonable and necessary wind-down and termination activities, without any overhead or profit.

G. In the event of the failure of the Contractor and City to agree upon the whole amount to be paid to the Contractor by reason of the termination of the Work, the City shall determine, on the basis of information submitted and available to it, the amount, if any, due to the Contractor by reason of the termination and City shall pay to the Contractor the amounts so determined. Contractor shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of, related to or resulting from such termination.

ARTICLE 16 – RESOLUTION OF DISPUTES

16.01 *Methods and Procedures*

A. Either City or Contractor may request mediation of any Contract Claim submitted for a decision under Paragraph 11.07 before such decision becomes final and binding. The request for mediation shall be submitted to the other party to the Contract. Timely submission of the request shall stay the effect of Paragraph 11.07.E.

B. City and Contractor shall participate in the mediation process in good faith. The process shall be commenced within 60 calendar days of filing of the request.

C. The parties shall agree on a mediator; however, if they cannot agree within 14 calendar days then the Denton County Alternative Dispute Resolution Program ("DCAP") shall appoint a mediator. The mediation session shall be held within 45 days of the retention of the mediator, and last for at least one full mediation day, before any party has the option to withdraw from the process. The parties may agree to continue the mediation process beyond one day, until there is a settlement agreement, or one party, or the mediator, states that there is no reason to continue because of an impasse that cannot be overcome and sends a "notice of termination of mediation." All reasonable efforts will be made to complete the mediation within 30 days of the first mediation session. All costs of mediation shall be borne equally by the parties.

D. All communications, both written and oral, during Phases A and B are confidential and shall be treated as settlement negotiations for purposes of applicable rules of evidence; however, documents generated in the ordinary course of business prior to the Dispute, that would otherwise be discoverable, do not become confidential simply because they are used in the Negotiation and/or Mediation process.

E. The process shall be confidential based on terms acceptable to the mediator and/or mediation service provider.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

F. If the Contract Claim is not resolved by mediation, City's action under Paragraph 11.07.C or a denial pursuant to Paragraphs 11.07.C.3 or 11.07.D shall become final and binding 30 days after termination of the mediation unless, within that time period, City or Contractor:

1. elects in writing to invoke any other dispute resolution process provided for in the Supplementary Conditions; or

2. agrees with the other party to submit the Contract Claim to another dispute resolution process; or

3. gives written notice to the other party of the intent to submit the Contract Claim to a court of competent jurisdiction as set forth within the Contract Documents.

ARTICLE 17 – MISCELLANEOUS

17.01 *Giving Notice*

A. Whenever any provision of the Contract requires the giving of written notice, it will be deemed to have been validly given if delivered:

1. in person, by a commercial courier service or otherwise, if to City, to the duly authorized representative of City identified in the Contract Documents or to City's Project Manager or, if to Contractor, to a member of the firm or to an officer of the corporation for whom it is intended; or

2. by registered or certified mail, postage prepaid, to the recipient's place of business; or

3. by e-mail to the recipient.

17.02 *Computation of Time*

A. When any period of time is referred to in the Contract by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day that is a state or federal holiday observed by the City, the next Business Day shall become the last day of the period.

17.03 *Cumulative Remedies*

A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws and Regulations, in equity, by special warranty or guarantee, or by other provisions of the Contract. The provisions of this Paragraph 17.03 will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

17.04 *Limitation of Damages*

A. With respect to any and all claims, disputes subject to final resolution, and other matters at issue, neither City, nor any of its officers, directors, elected or appointed officials, members, partners, employees, agents, consultants, or subcontractors, shall be liable to Contractor for any claims, costs, losses, or damages sustained by Contractor on or in connection with any other project or anticipated project. Further, the Contractor may only claim and the City may only be liable for those damages that are set forth in Subchapter I, Chapter 271 of the Texas

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

Local Government Code and the City shall not be liable for any consequential damages, exemplary damages or damages for unabsorbed home office overhead.

17.05 *No Waiver*

A. A party's non-enforcement of any provision will not constitute a waiver of that provision, nor will it affect the enforceability of that provision or of the remainder of this Contract.

B. The City has not waived its sovereign immunity except as expressly set forth in Subchapter I, Chapter 271 of the Texas Local Government Code or as expressly waived by other statute.

17.06 *Survival of Obligations*

All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract, as well as all continuing obligations indicated in the Contract, will survive final payment, completion, and Final Acceptance of the Work or termination of the Contract or of the services of Contractor.

17.07 *Assignment of Contract*

A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party to this Contract of any rights under or interests in the Contract will be binding on the other party without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract.

17.08 *Successors and Assigns*

A. City and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

17.09 *Governing Law*

A. The Contract shall be construed in accordance with the laws of the State of Texas without regard to conflicts of law principles.

17.10 *Headings*

A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

SECTION 00 73 00

SUPPLEMENTARY CONDITIONS
TO
GENERAL CONDITIONS

[Text in Blue is for information or guidance. Remove all blue text in the final project document.]

Supplementary Conditions

These Supplementary Conditions modify and supplement Section 00 72 00 - General Conditions, and other provisions of the Contract Documents as indicated below. All provisions of the General Conditions that are modified or supplemented remain in full force and effect as so modified or supplemented. All provisions of the General Conditions which are not so modified or supplemented remain in full force and effect.

Defined Terms

The terms used in these Supplementary Conditions which are defined in the General Conditions have the meaning assigned to them in the General Conditions, unless specifically noted herein.

Modifications and Supplements

The following are instructions that modify or supplement specific paragraphs in the General Conditions and other Contract Documents.

SC-5.01A

Easement limits shown on the Drawing are approximate and were provided to establish a basis for bidding. Upon receiving the final easements descriptions, Contractor shall compare them to the lines shown on the Contract Drawings.

SC-5.01A.1., "Availability of Lands"

The following is a list of known outstanding right-of-way, and/or easements to be acquired, if any as of *July 2025*:

Outstanding Right-Of-Way, and/or Easements to Be Acquired

PARCEL NUMBER	OWNER	TARGET DATE OF POSSESSION
None		

The Contractor understands and agrees that the dates listed above are estimates only, are not guaranteed, and do not bind the City.

If Contractor considers the final easements provided to differ materially from the representations on the Contract Drawings, Contractor shall within five (5) Business Days and before proceeding with the Work, notify City in writing associated with the differing easement line locations.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

SC-5.01A.2, "Availability of Lands"

Utilities or obstructions to be removed, adjusted, and/or relocated

The following is list of utilities and/or obstructions that have not been removed, adjusted, and/or relocated as of *July 2025*

EXPECTED OWNER	UTILITY AND LOCATION	TARGET DATE OF ADJUSTMENT
None		

The Contractor understands and agrees that the dates listed above are estimates only, are not guaranteed, and do not bind the City.

SC-5.03A., "Subsurface and Physical Conditions"

The following are reports of explorations and tests of subsurface conditions at the site of the Work:

See *Appendix B*, providing additional information on *soil stockpile and soil boring information.*

The following are drawings of physical conditions in or relating to existing surface and subsurface structures (except Underground Facilities) which are at or contiguous to the site of the Work:
C-003 Site Utility Plan

SC-5.05 A., "Underground Facilities

The following are additional resources for identification of Underground Facilities which are at or contiguous to the site of the Work, and which are not necessarily shown in the Drawings:
None

SC-5.06A., "Hazardous Environmental Conditions at Site"

The following are reports and drawings of existing hazardous environmental conditions known to the City:
None

SC-6.02, "Performance, Payment, and Maintenance Bonds"

The "Contract Price" for Performance, Payment, and Maintenance Bonds will be the same as indicated in Article 3 as listed in the Agreement.

SC-6.03A., "Certificates of Insurance"

The entities listed below are "additional insureds as their interest may appear" including their respective officers, directors, agents and employees.

(1) City
(2) Consultant: *Parkhill, Smith & Cooper, Inc.*
(3) Other: *None*

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

SC-6.04A., "Contractor's Insurance"

The limits of liability for the insurance required by Paragraph GC-6.04 shall provide the following coverages for not less than the following amounts or greater where required by laws and regulations:

6.04A. Workers' Compensation, under Paragraph GC-6.04A.

Statutory limits
Employer's liability
$100,000 each accident/occurrence
$100,000 Disease - each employee
$500,000 Disease - policy limit

SC-6.04B., "Contractor's Insurance"

6.04B. Commercial General Liability, under Paragraph GC-6.04B. Contractor's Liability Insurance under Paragraph GC-6.04B., which shall be on a per project basis covering the Contractor with minimum limits of:

$1,000,000 each occurrence
$2,000,000 aggregate limit

The policy must have an endorsement (Amendment – Aggregate Limits of Insurance) making the General Aggregate Limits apply separately to each job site.

The Commercial General Liability Insurance policies shall provide "X", "C", and "U" coverage's. Verification of such coverage must be shown in the Remarks Article of the Certificate of Insurance.

SC 6.04C., "Contractor's Insurance"

6.04C. Automobile Liability, under Paragraph GC-6.04C. Contractor's Liability Insurance under Paragraph GC-6.04C., which shall be in an amount not less than the following amounts:

(1) **Automobile Liability** - a commercial business policy shall provide coverage on "Any Auto", defined as autos owned, hired and non-owned.

$1,000,000 each accident on a combined single limit basis.

SC-6.04D., "Contractor's Insurance"

The Contractor's construction activities will require its employees, agents, subcontractors, equipment, and material deliveries to cross railroad properties and tracks, or perform work within 25 feet of the center line of tracks *None.*

The Contractor shall conduct its operations on railroad properties in such a manner as not to interfere with, hinder, or obstruct the railroad company in any manner whatsoever in the use or operation of its/their trains or other property. Such operations on railroad properties may require that Contractor to execute a "Right of Entry Agreement" with the particular railroad company or companies involved, and to this end the Contractor should satisfy itself as to the requirements of each railroad company and be prepared to execute the right-of-entry (if any) required by a railroad company. The requirements specified herein likewise relate to the Contractor's use of private and/or construction access roads crossing said railroad company's properties.

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

The Contractual Liability coverage required by Paragraph 5.04D of the General Conditions shall provide coverage for not less than the following amounts, issued by companies satisfactory to the City and to the Railroad Company for a term that continues for so long as the Contractor's operations and work cross, occupy, or touch railroad property:

(1) General Aggregate: *$Confirm Limits with Railroad*

(2) Each Occurrence: *$Confirm Limits with Railroad*

____ *Required for this Contract* __X__ *Not required for this Contract*

With respect to the above outlined insurance requirements, the following shall govern:

1. Where a single railroad company is involved, the Contractor shall provide one insurance policy in the name of the railroad company. However, if more than one grade separation or at-grade crossing is affected by the Project at entirely separate locations on the line or lines of the same railroad company, separate coverage may be required, each in the amount stated above.

2. Where more than one railroad company is operating on the same right-of-way or where several railroad companies are involved and operated on their own separate rights-of-way, the Contractor may be required to provide separate insurance policies in the name of each railroad company.

3. If, in addition to a grade separation or an at-grade crossing, other work or activity is proposed on a railroad company's right-of-way at a location entirely separate from the grade separation or at-grade crossing, insurance coverage for this work must be included in the policy covering the grade separation.

4. If no grade separation is involved but other work is proposed on a railroad company's right-of-way, all such other work may be covered in a single policy for that railroad, even though the work may be at two or more separate locations.

No work or activities on a railroad company's property to be performed by the Contractor shall be commenced until the Contractor has furnished the City with an original policy or policies of the insurance for each railroad company named, as required above. All such insurance must be approved by the City and each affected Railroad Company prior to the Contractor's beginning work.

The insurance specified above must be carried until all Work to be performed on the railroad right-of-way has been completed and the grade crossing, if any, is no longer used by the Contractor. In addition, insurance must be carried during all maintenance and/or repair work performed in the railroad right-of-way. Such insurance must name the railroad company as the insured, together with any tenant or lessee of the railroad company operating over tracks involved in the Project.

SC 6.04F., "Contractor's Insurance"

Add Paragraph 6.04F. Environmental Impairment/Pollution

Environmental Impairment/Pollution Insurance to include coverage for the handling, receiving, dispensing, removal, storage, testing, transportation, disposal, discharge, dispersal release or escape of any hazardous material into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including ground water, with a minimum combined bodily injury (including death) and property damage limit of *$2,000,000* per occurrence to be obtained upon substantial completion and acceptance of facility by the City.

SC-7.08C., "Concerning Subcontractors and Suppliers"

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

The following subcontractors shall be required to be utilized by the Contractor for specific portions of the Work as indicated below:

Required Subcontractors

SUBCONTRACTOR COMPANY NAME	DESCRIPTION OF WORK TO BE PERFORMED
None	

SC-7.11., "Permits and Utilities"

SC-7.11A., "Contractor obtained permits and licenses"
The following are known permits and/or licenses required by the Contract to be acquired by the Contractor:
None

SC-7.11B. "City obtained permits and licenses"
The following are known permits and/or licenses required by the Contract to be acquired by the City: *None.*

SC-7.11C. "Outstanding permits and licenses"

The following is a list of known outstanding permits and/or licenses to be acquired, if any as of *July 2025*:

Outstanding Permits and/or Licenses to Be Acquired

OWNER	PERMIT OR LICENSE AND LOCATION	TARGET DATE OF POSSESSION
None		

SC-8.02., "Coordination"

The individuals or entities listed below have contracts with the City for the performance of other work at the Site:

Vendor	Scope of Work	Coordination Authority
None	*None*	*CITY*

SC-9.01, "Communications to Contractor"

Mobilization, stockpiling material, liner testing and schedule

SC-10.01B., "City's Project Manager"

The City's Project Manager for this Contract is *Randall Morris* or his/her successor pursuant to **written notification from the City Engineer.**

SC-13.02B., "Tests and Inspections"

As noted in the relevant sections of the project manual.

SC-14.01G, "Reduction in Payment"

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Add Paragraph 14.01G.3:

3. *City may reduce payments to the Contractor, if the number of Days that have passed after the date listed on the Notice to Proceed exceeds the Contract Time for Substantial Completion.*

SC-16.01C.1, "Methods and Procedures"

None

SC – 17.01, "Documents"

Any documents submitted to the City in electronic format shall be considered equivalent to an original of such document.

END OF SECTION

Revision Log		
DATE	NAME	SUMMARY OF CHANGE

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

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.**

4X CONSTRUCTION GROUP, LLC

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.**

N/A

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:

Jeff Parrish

C84CF2F734CB491...

Signature of vendor doing business with the governmental entity

1/19/2026

Date

Docusign Envelope ID: D470A203-EF67-402E-82BA-522590081329

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

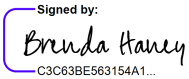
Envelope Id: D470A203-EF67-402E-82BA-522590081329
Status: Sent
Subject: Please DocuSign: City Council Contract 8907 Cell 6 Construction Project
Source Envelope:
Document Pages: 102
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Crystal Westbrook
901B Texas Street
Denton, TX 76209
crystal.westbrook@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
1/9/2026 4:55:48 PM
Holder: Crystal Westbrook
crystal.westbrook@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Crystal Westbrook crystal.westbrook@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: 1/9/2026 5:02:15 PM Viewed: 1/9/2026 5:02:28 PM Signed: 1/9/2026 5:03:25 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 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 1/9/2026 5:03:27 PM Viewed: 1/12/2026 8:17:38 AM Signed: 1/12/2026 9:47:09 AM
Leah Bush leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 1/16/2026 2:48:17 PM ID: 1d56b049-7086-457d-adb0-b5ec14dcd5a9	Signed by: 2A936B08B5D7485... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 1/12/2026 1:39:10 PM Viewed: 1/12/2026 2:29:47 PM Signed: 1/16/2026 3:03:06 PM
Jeff Parrish jeff.parrish@4xconstruction.com Managing Member 4X Construction Group, LLC Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 1/16/2026 5:40:18 PM ID: 712c5991-26b0-4db1-819c-93454aa12f3f	DocuSigned by: C84CF2F734CB491... Signature Adoption: Pre-selected Style Using IP Address: 69.162.70.148	Sent: 1/16/2026 3:03:09 PM Viewed: 1/16/2026 5:40:18 PM Signed: 1/19/2026 8:59:07 AM

Signer Events	Signature	Timestamp
Brenda Haney brenda.haney@cityofdenton.com Director Security Level: Email, Account Authentication (None)	Signed by:  C3C63BE563154A1... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 1/19/2026 8:59:10 AM Viewed: 1/20/2026 7:01:14 AM Signed: 1/20/2026 7:01:54 AM
Electronic Record and Signature Disclosure: Accepted: 1/20/2026 7:01:14 AM ID: 256c0d0f-d6a2-4ada-8d79-588347af6372		
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: 1/20/2026 7:01:57 AM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingred Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 1/9/2026 5:03:28 PM
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 1/12/2026 1:39:13 PM

Carbon Copy Events	Status	Timestamp
Electronic Record and Signature Disclosure: Not Offered via Docusign		
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: 1/20/2026 7:01:57 AM Viewed: 2/19/2026 1:59:32 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Randall Morris randall.morris@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/6/2026 6:48:21 AM ID: 58e78947-5180-4799-a8dc-9929bd9e6f7e		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	1/9/2026 5:02:15 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: March 24, 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 Professional Services Agreement with Kimley-Horn & Associates, Inc., for the Highway Safety Improvement Program design of traffic signals at the intersections of US 377 (Fort Worth Drive) at Lindsey Street and FM 1830 (Country Club Road) and Hobson Lane for the Traffic Engineering Department as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8377-013 – Professional Services Agreement for design services awarded to Kimley-Horn & Associates, Inc., in the not-to-exceed amount of $140,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility

INFORMATION/BACKGROUND

The City of Denton, in collaboration with the Texas Department of Transportation (TxDOT), approved the project following an assessment by traffic operations staff, who identified the intersections as priority candidates for traffic signal infrastructure upgrades and new installations based on historical safety performance.

The proposed cost includes the survey, signal design, and construction coordination for two (2) existing intersections. The City of Denton transportation services department has fully funded the design component of the project, and the construction part will be fully funded by TxDOT. The cost estimate for the construction is $1,488,779.

Request for Qualifications for architectural firms for professional engineering services for various vertical capital infrastructure-related projects within the City of Denton for the Capital Projects Department was solicited using the City's formal solicitation process. City Council approved a pre-qualified list of professional service firms on February 20, 2024 (Ordinance 24-276).

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 20, 2024, City Council approved RFQ 8377 for state-certified engineers for professional engineering services for various capital infrastructure-related projects within the City of Denton for the Capital Improvements Department (Ordinance 24-276).

RECOMMENDATION

Award a contract with Kimley-Horn & Associates, Inc., for the Highway Safety Improvement Program design of traffic signals at the intersections of US 377 (Fort Worth Drive) at Lindsey Street and FM 1830 (Country Club Road) and Hobson Lane for the Traffic Engineering Department, in a not-to-exceed amount of $140,000.

ESTIMATED SCHEDULE OF PROJECT

The project's design completion is estimated for Quarter 3 of 2026.

FISCAL INFORMATION

These services will be funded from Traffic Operations account 350583402.1365.40100. Requisition #174341 has been entered into the Purchasing software system in the amount of $140,000. The budgeted amount for this item is $140,000.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this agreement, contact: Chandra Muruganandham, 940-349-8221.

Legal point of contact: Leah Bush at 940-349-8333.

ORDINANCE NO. _____

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 & ASSOCIATES, INC., FOR THE HIGHWAY SAFETY IMPROVEMENT PROGRAM DESIGN OF TRAFFIC SIGNALS AT THE INTERSECTIONS OF US 377 (FORT WORTH DRIVE) AT LINDSEY STREET AND FM 1830 (COUNTRY CLUB ROAD) AND HOBSON LANE FOR THE TRAFFIC ENGINEERING DEPARTMENT AS SET FORTH IN THE CONTRACT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 8377-013 – PROFESSIONAL SERVICES AGREEMENT FOR DESIGN SERVICES AWARDED TO KIMLEY-HORN & ASSOCIATES, INC., IN THE NOT-TO-EXCEED AMOUNT OF $140,000.00).

WHEREAS, on February 20, 2024, the City Council approved a pre-qualified professional services list of state certified Transportation Engineers for various improvements and public safety-related projects within the City of Denton (Ordinance 24-276), 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; 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 & Associates, Inc., to provide professional design services for the City of Denton, 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 _____ and seconded by _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

Docusign City Council Transmittal Coversheet

PSA	8377-013
File Name	HSIP design of Traffic Signals
Purchasing Contact	Christina Dormady
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
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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 KIMLEY-HORN AND ASSOCIATES, INC., with its corporate office at 421 FAYETTEVILLE STREET, SUITE 600, RALEIGH, NC 27601 and authorized to do business in Texas, ("ENGINEER"), for a PROJECT generally described as: 8377-013 2026 HSIP design of Traffic Signals (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 $140,000 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 C.

SECTION 3
Terms of Payment

Payments to the ENGINEER will be made as follows:

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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 C 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.

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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.

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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.

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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,

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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.

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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 C 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

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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 C.

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

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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:

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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.

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

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
Attachment B - Compensation
Attachment C – 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.

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

Duly executed by each party's designated representative to be effective on _____.

BY:
CITY OF DENTON, TEXAS

_____
Sara Hensley, City Manager

BY:
ENGINEER
KIMLEY-HORN AND ASSOCIATES, INC

DocuSigned by:
Scott Arnold
D1B5A[illegible]

_____
Authorized Agent, Title

Full Name: Scott Arnold

2026-1418226
_____
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by:
Charlie Rosendahl
05[illegible]

_____
Signature

Interim Director
_____
Title

Development Services
_____
Department

Date Signed: 2/9/2026

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Signed by:
BY: Leah Bush
2A936B08B5D7485...

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ATTACHMENT "A"

Scope for Engineering Design Related Services for:

FY 2026 Highway Safety Improvements Program (HSIP) Design

The ENGINEER will perform its services pursuant to the requirements delineated below. Services under this attachment consist of engineering services for the preparation of preliminary, final plans, bid documents and construction phase for the traffic signal and paving improvements for the following intersections which are approved for funding under TxDOT 2025 HSIP program.

- US 377 (Fort Worth Drive) at Lindsey Street
- FM 1830 (Country Club Road) at US 377 and Hobson Lane

Project Understanding

ENGINEER will provide engineering design services for the traffic signal and pedestrian improvements at the locations specified above as per the approved scope of work identified under TxDOT 2025 HSIP Project Applications. The ENGINEER will develop plans for the proposed improvements consisting of traffic signal poles including pedestrian poles, controller, curb ramps, median modifications, pavement markings and signs, sidewalk, and crosswalk for the pedestrian accommodations at these intersections. Following is our understanding of the project.

- The above specified locations are approved for funding under FY 2025 TxDOT HSIP.
- A new traffic signal will be installed at the intersection of US 377 and Lindsey Street and FM 1830 and Hobson Lane.
- CITY is looking to update pavement markings and signal head adjustment to modify lane assignment at the intersection FM 1830 and US 377.
- All existing ramps at these intersections will be replaced to bring them to ADA compliance.
- Sidewalk connection will be provided along FM 1830 between Hobson Lane and US 377.
- Roadway and pedestrian lighting evaluations are not required. Luminaires will be provided on signal poles if there are no overhead conflicts.
- TDLR review will be handled by TxDOT. ENGINEER will provide necessary plans and documentation to TxDOT to complete TDLR review.
- These projects will be let by TxDOT.
- It is anticipated that the project will not require any permanent easement and temporary construction easement, and no Right-of-Way (ROW) acquisition is necessary. If required, those will be provided as additional services.
- Environmental clearance will be completed by TxDOT. ENGINEER will only provide EPIC, SW3P sheets and any additional documentation with design for TxDOT to complete environmental processes.
- It is assumed that both locations will be combined in one plan set for TxDOT letting.

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

Work under this agreement consists of project management, topographic survey, conceptual design, preliminary and final design, bid phase services, and construction phase services. The work also includes assisting CITY with the project letting.

WORK TO BE PERFORMED

Task 1. Design Management
Task 2. Preliminary Design (60%)
Task 3. Final Design (90% and 100%)
Task 4. Topographic Survey Services
Task 5. Bidding Phase Services
Task 6. Construction Phase Services

TASK 1. DESIGN MANAGEMENT.

ENGINEER will manage the work outlined in this scope to ensure efficient and effective use of ENGINEER's and CITY's time and resources. ENGINEER will manage change, communicate effectively, coordinate internally and externally as needed, and proactively address issues with the CITY's Project Manager and others as necessary to make progress on the work.

1.1. Managing the Team:

- Lead, manage and direct design team activities.
- Ensure Quality Control / Quality Assurance (QC/QA) is practiced in performance of the work.
- Communicate internally among team members.
- Task and allocate team resources.

1.2. Communications and Reporting:

- Attend pre-design project kickoff/charter meeting with CITY staff to confirm and clarify scope, understand CITY's objectives, and ensure economical and functional designs that meet CITY's requirements.
- Attend one (1) field meeting with CITY representatives prior to the 60% submittal.
- Conduct and document ***monthly*** project update meetings with CITY's Project Manager and CITY staff.
- Conduct review meetings with CITY at the end of each design phase.
- Conduct QC/QA reviews and document those activities.
- Prepare invoices and submit monthly in the format requested by the CITY.
- Prepare and submit monthly project status reports in the format provided by the CITY.
- Prepare and submit baseline project schedule initially, and project schedule updates as necessary.

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- Complete TxDOT Project Information Form (PIF), budget summary and project location map for AFA execution.
- Provide necessary documentation to TxDOT to submit the projects for TDLR review and approval.
- Coordinate with other agencies and entities as necessary for the design of the proposed infrastructure and provide and obtain information needed to prepare the design.
- With respect to coordination with permitting authorities, ENGINEER shall communicate with permitting authorities such that their regulatory requirements are appropriately reflected in the designs. ENGINEER shall work with regulatory authorities to obtain approval of the designs, and make changes necessary to meet their requirements, as part of the design scope.

ASSUMPTIONS

- One (1) pre-design project kickoff/chartering meeting
- One (1) field review meeting
- Three (3) plan review meetings
- Project design phase is estimated to be Twelve (12) months. Bidding and construction Phase is estimated to be Twelve (12) months.
- Twenty-Four (24) monthly updates of project status reports.

DELIVERABLES

- Meeting summaries with action items
- Baseline design schedule and schedule updates as needed.
- Monthly project status reports.
- Monthly invoices
- AFA supporting documents
- Plans for TDLR review

TASK 2. PRELIMINARY DESIGN (60 PERCENT).

Preliminary plans and specifications shall be submitted to CITY per the approved Project Schedule.

The purpose of the preliminary design is for the ENGINEER to identify, develop, communicate through the defined deliverables, and recommend the design concept that successfully addresses the design problem, and to obtain the CITY and TxDOT endorsement of the preliminary design.

ENGINEER will develop the preliminary design of the infrastructure as follows.

2.1. Data Collection

- In addition to data obtained from the CITY, ENGINEER will research and make efforts to obtain pertinent information to aid in coordination of the proposed

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improvements with any planned future improvements that may influence the project. ENGINEER will also identify and seek to obtain data for existing conditions that may impact the project including; utilities, agencies (CITY, TxDOT, etc), CITY Master Plans, and property ownership as available from the Tax Assessor's office.

- The ENGINEER will consult with the CITY's Public Works Department, public utilities, private utilities, and government agencies to determine the approximate location of above and underground utilities, and other facilities (current and future) that have an impact or influence on the project.

2.2. Utility Clearance

- ENGINEER will develop the design of CITY facilities to avoid or minimize conflicts with existing utilities, and where known and possible consider potential future utilities in designs. Where conflicts cannot be avoided, coordination of Utility Conflicts will begin at the Preliminary Design phase.
- In the case of a public utility conflict, the ENGINEER will design CITY facilities to avoid or minimize conflicts with existing utilities, and where known and possible consider potential future utilities in designs.

2.3. The Preliminary Design Package will consist of the following:

- Preliminary cover and index of sheets including project limits, area location map and beginning and end station limits.
- Quantity Summary page.
- Existing topography of the project area which will consist of existing ROW, existing curbs, sidewalks, and curb ramps.
- Preliminary design plan sheets showing existing and proposed improvements consisting of curb ramps, signal poles, foundations, conduit, service connection, controller etc. The preliminary plans also consist of existing and proposed ROW, existing and proposed drainage structures, and CITY owned and franchise utilities.
- Documentation of key design decisions.
- Opinion of probable construction cost (OPCC). 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.

2.4. Constructability Review

- After 60% percent submittal with the CITY, the ENGINEER shall schedule and attend a project site visit with the CITY Project Manager and CITY staff to walk the

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project. The ENGINEER shall summarize the comments from the field visit and submit this information to the CITY in writing.

ASSUMPTIONS

- PDF plan sheets of 11”x17” size plans will be submitted to the CITY for the 60% design.
  ENGINEER shall not proceed with Final Design activities without written approval by the CITY of the 60% Design Package.

- 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.

DELIVERABLES

- Preliminary Design drawings
- OPCC
- Key Design Decision Documents

TASK 4. FINAL DESIGN (90 PERCENT) AND FINAL CONSTRUCTION DOCUMENTS (100 PERCENT).

Upon approval of the Preliminary plans, ENGINEER will prepare construction plans as follows:

- Final draft construction plans (90%) including specifications will be submitted to CITY per the approved Project Schedule.

- Following a 90% construction plan review meeting with the CITY, the ENGINEER shall submit Final Plans (100%) to the CITY per the approved Project Schedule. Each plan sheet shall be stamped, dated, and signed by the ENGINEER registered in State of Texas.

- A Quantity Summary page will be included in both the 90% and 100% design packages. Each design sheet of those packages will include a quantity take off table.

- The ENGINEER shall submit an OPCC with both the 90% and 100% design packages. This estimate will use TxDOT’s bid items.

ASSUMPTIONS

- PDF plan sheets of 11”x17” size drawings will be delivered for the 90% Design package.
- PDF plan sheets of 11”x17” size drawings will be delivered for the 100% Design package.

Docusign Envelope ID: 94A518D8-2FE5-468E-9830-AE52343E122E

DELIVERABLES

- 90% construction plans.
- 100% construction plans and applicable letting forms and documents.
- Detailed OPCC including summaries of bid items and quantities using CITY's standard bid items and format.

TASK 4. TOPOGRAPHIC SURVEY SERVICES.

ENGINEER will provide survey support as follows.

4.1 Design Survey

- ENGINEER will perform field surveys to collect horizontal and vertical elevations and other information needed by ENGINEER in design and preparation of plans for the project. Information gathered during the survey will consist of topographic data, elevations of all sanitary and adjacent storm sewers, rim/invert elevations, location of buried utilities, structures, trees (measure caliper, identify overall canopy, and have qualified arborist identify species of trees), and other features relevant to the final plan sheets. Existing drainage at intersections will be verified by field surveys. Spot elevations will be shown on intersection layouts with cross slope to fit intersecting grade lines.

- The minimum survey information to be provided on the plans shall consist of the following:

  – A Project Control Sheet, showing **ALL** Control Points, used or set while gathering data. Generally, on a scale of not less than 1:400:

  – The following information about each Control Point;

    a. Identified (Existing. CITY Monument #8901, PK Nail, 5/8" Iron Rod)

    b. X, Y and Z Coordinates, in an identified coordinate system, and a referred bearing base. Z coordinate on CITY Datum only.

    c. Descriptive Location.

  – Coordinates on all P.C.'s, P.T.'s, P.I.'s, Manholes, Valves, etc., in the same coordinate system, as the Control.

  – No less than two horizontal bench marks, per line or location.

  – Bearings given on all proposed centerlines, or baselines.

  – Station equations relating utilities to paving, when appropriate.

ASSUMPTIONS

- Survey will extend approximately 200 feet from center of all three (3) intersections on all approaches.

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DELIVERABLES

- Drawing of the project layout with dimensions and coordinate list.

TASK 5. BIDDING PHASE SERVICES

ENGINEER will complete the following tasks for the bidding phase of the project.

5.1. Bidding Support

- Prepare TxDOT LGPP forms for the project letting to submit to TxDOT.
- Prepare Addenda as necessary.
- Assist with bidder questions.

DELIVERABLES

- TxDOT LGPP forms.
- Addenda.
- Responses to bidder questions.

TASK 6. CONSTRUCTION PHASE SERVICES.

ENGINEER will support the construction phase of the project as follows.

6.1. Construction Support

- The ENGINEER shall attend the preconstruction conference.
- *Visits to Site and Observation of Construction*. ENGINEER will make up to ten (10) visits as directed by CITY in order to observe the progress of the work. Such observations will not be exhaustive or extend to every aspect of Contractor's work. Observations will to be limited to spot checking, selective measurement, and similar methods of general observation. Based on information obtained during site visits, ENGINEER will evaluate whether 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.

  ENGINEER will not supervise, direct, or have control over Contractor's work, nor shall ENGINEER have authority to stop the Work or have responsibility for the means, methods, techniques, equipment choice and usage, schedules, or procedures of construction selected by Contractor, for safety programs incident to Contractor's work, or for any failure of Contractor to comply with any laws. ENGINEER does not guarantee the performance of any Contractor and has no responsibility for Contractor's failure to perform its work in accordance with the Contract Documents.
- *Clarifications and Interpretations*. ENGINEER will respond to reasonable and appropriate Contractor requests for information and issue necessary clarifications and interpretations of the Contract Documents. Any orders authorizing variations from the Contract Documents will be made by CITY or TxDOT.

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- *Shop Drawings and Samples.* ENGINEER will 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. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, schedules, or procedures of construction or to related safety programs.

- *Substantial Completion*. ENGINEER will, after notice from Contractor that it considers the Work ready for its intended use, in company with City, TxDOT, and Contractor, conduct a site visit to determine if the Work is substantially complete. Work will be considered substantially complete following satisfactory completion of all items with the exception of those identified on a final punch list.

- *Final Notice of Acceptability of the Work.* ENGINEER will conduct a final site visit to determine if the completed Work of Contractor is generally in accordance with the Contract Documents and the final punch list.

ASSUMPTIONS

- Six (6) site visits are assumed.
- Three (3) submittal reviews are assumed.
- Two (2) RFI's are assumed.

DELIVERABLES

- Response to Contractor's Request for Information.
- Review of shop drawings.
- Final Punch List items.

ADDITIONAL SERVICES NOT INCLUDED IN THE EXISTING SCOPE OF SERVICES

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 the 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 the following:

- Sub-surface Utility Engineering (SUE)
- Roadway design and drainage design
- Preparation of ROW acquisition or easement documents.
- Negotiation of easements or property acquisition.
- Additional traffic analysis including crash research, analysis and crash exhibit
- Landscaping and irrigation design

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- Environmental permitting or studies
- Submittal and permitting fees.
- Color renderings and graphics
- Services related to development of the CITY's project financing and/or budget.
- Construction management services
- Performance of materials testing or specialty testing services.
- Services necessary due to the default of the Contractor.
- Services related to damages caused by fire, flood, earthquake or other acts of God.
- Services related to warranty claims, enforcement and inspection after final completion.
- Services to support, prepare, document, bring, defend, or assist in litigation undertaken or defended by the CITY.
- Performance of miscellaneous and supplemental services related to the project as requested by the CITY.

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ATTACHMENT "B"

Compensation for Engineering Design Related Services for:

FY 2026 Highway Safety Improvements Program (HSIP) Design

Total compensation for the ENGINEER contemplated under the terms of this agreement **shall be lump sum total not-to-exceed $140,000** for all services including reimbursable expenses. The CITY shall compensate the ENGINEER as follows:

The total compensation for Task 1 – Task 6 shall be on a lump sum basis and not to exceed **$140,000**.

Progress payments for shall be paid monthly based on the actual work satisfactorily completed per month.

• Task 1 – Design Management	$ 12,000
• Task 2 – Preliminary Design (60 Percent)	$ 38,000
• Task 3 – Final Design (90 Percent and 100 Percent)	$ 57,000
• Task 4 – Topographic Survey Services	$ 20,000
• Task 5 – Bidding Phase	$ 5,000
• Task 6 – Construction Phase Services	$ 8,000
Sub-total:	***$ 140,000***
Grand Total	**$140,000**

ENGINEER will not exceed the total maximum fee shown without authorization from the CITY. Individual task amounts are provided for budgeting purposes only.

All permitting, application, and similar project fees will be paid directly by the CITY.

Payment will be due within 30 days of your receipt of the invoice and should include the invoice number and ENGINEER project number.

As requested by the CITY for budgeting purposes, following breakdown of total compensation is provided for each intersection. The breakdown shown below is for informational purposes only.

Project	Design Management	60% Design	90% Design	Final Design	Topographic Survey	Bidding Phase	Construction Phase	Total
US 377 at Lindsey Street (CSJ 0081-04-046)	$5,500	$18,000	$18,000	$9,000	$9,000	$2,500	$4,000	$66,000
FM 1830 at Hobson Lane (CSJ 1785-01-044)	$6,500	$20,000	$20,000	$10,000	$11,000	$2,500	$4,000	$74,000
Total	**$12,000**	**$38,000**	**$38,000**	**$19,000**	**$20,000**	**$5,000**	**$8,000**	**$140,000**

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Attachment "C"
FY 2026 Highway Safety Improvements Program (HSIP) Desgin Project
Kimley-Horn and Associates, Inc.

TASK	START DATE	END DATE
Project Initiation		
Design Notice to Proceed	Jan-26	Jan-26
Design		
Data Collection/Survey	Jan-26	Jan-26
60% Submittal	Jan-26	May-26
City/TxDOT Review	May-26	Jun-26
90% Submittal	Jun-26	Sep-26
City Review	Sep-26	Oct-26
TxDOT Review	Oct-26	Dec-26
Final Design Submittal	Dec-26	Jan-27
TxDOT Ready to Let Submittal	Jan-27	Feb-27
Bidding		
Bid Advertisement	Oct-27	Nov-27
Contractor Selection	Nov-27	Jan-28
Conctractor Notice to Proceed	Jan-28	
Construction		
Construction	Jan-28	Jul-28

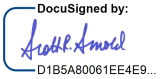
Certificate Of Completion

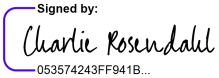
Envelope Id: 94A518D8-2FE5-468E-9830-AE52343E122E
Status: Sent
Subject: Please DocuSign: City Council Contract 8377-013 HSIP design of Traffic Signals
Source Envelope:
Document Pages: 30
Signatures: 3
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Christina Dormady
901B Texas Street
Denton, TX 76209
christina.dormady@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
2/6/2026 10:41:34 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: 198.49.140.104	Sent: 2/6/2026 10:46:18 AM Viewed: 2/6/2026 10:46:31 AM Signed: 2/6/2026 10:46:53 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	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/6/2026 10:46:54 AM Viewed: 2/6/2026 12:52:26 PM Signed: 2/6/2026 12:52:49 PM
Leah Bush Leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/6/2026 2:53:16 PM ID: c34fec20-fbfb-4665-95e1-1a3ce944ddf8	 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 2/6/2026 12:52:52 PM Viewed: 2/6/2026 2:53:16 PM Signed: 2/6/2026 3:12:32 PM
Scott Arnold Scott.Arnold@kimley-horn.com Vice President Kimley-Horn and Associates, Inc. Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/27/2020 10:55:11 AM ID: a1f38400-e5cc-4b57-8548-4dd7e031355d	 Signature Adoption: Uploaded Signature Image Using IP Address: 130.41.174.19	Sent: 2/6/2026 3:12:35 PM Viewed: 2/9/2026 11:14:12 AM Signed: 2/9/2026 2:23:25 PM

Signer Events	Signature	Timestamp
Charlie Rosendahl Charlie.rosendahl@cityofdenton.com Interim Director Security Level: Email, Account Authentication (None)	Signed by:  053574243FF941B... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/9/2026 2:23:29 PM Viewed: 2/9/2026 4:03:41 PM Signed: 2/9/2026 4:04:20 PM
Electronic Record and Signature Disclosure: Accepted: 2/9/2026 4:03:41 PM ID: ba5c9aef-8fa7-4f8d-9d27-05c8ed85b4e3		
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: 2/9/2026 4:04:27 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 2/6/2026 10:46:55 AM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 2/9/2026 4:04:25 PM Viewed: 2/12/2026 4:18:25 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		
ChandrakanthMuruganandham chandrakanth.muruganandham@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 11/4/2025 12:30:35 PM ID: 41022d02-7f86-4b56-8538-463adac96792		
Scott Arnold Scott.Arnold@kimley-horn.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/27/2020 10:55:11 AM ID: a1f38400-e5cc-4b57-8548-4dd7e031355d		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/6/2026 10:46:19 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: March 24, 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 Professional Services Agreement with Halff Associates, Inc., for professional landscape architecture design services for Pecan Creek Linear Trail Segments 1, 3, and 4A for the Capital Projects and Parks and Recreation Departments as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8596-003 – Professional Services Agreement for landscape architect services awarded to Halff Associates, Inc., in the not-to-exceed amount of $2,079,400.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Strengthen Community and Quality of Life.

INFORMATION/BACKGROUND

The Pecan Creek Linear Trail Segments 1, 3, and 4A project will deliver approximately 3.25 miles of new multi-use trail along Pecan Creek, enhancing connectivity and recreational access within the community. The project includes the design and construction of a 10- to 12-foot-wide concrete path extending from Jackson Street at the DCTA Rail Trail to East McKinney Street. Key features include two (2) pedestrian bridges, 911 emergency location signage, a 12-foot-wide crosswalk at Lakey Street, ADA-compliant ramps, incidental trailhead amenities, an underpass at Mayhill Road, and safety lighting within the underpass.

The Texas Department of Transportation (TxDOT) has authorized this project to receive federal funding through the 2023 Transportation Alternatives Set-Aside (TA) Program. The TA Program supports locally sponsored bicycle and pedestrian infrastructure projects statewide, providing 80 percent federal participation with a required 20 percent local match. TxDOT has approved an Advanced Funding Agreement (AFA) with the City, providing federal reimbursement up to $10,971,904. The City's required match is $2,742,976, resulting in a total estimated project cost of $13,714,880.

As required by TxDOT and the TA program funds of the grant, additional qualifications were requested from the approved list of pre-qualified firms for the Landscape Architecture category for RFQ 8596 Pre-Qualified List for Park Professional Services, adding the Disadvantaged Business Enterprise (DBE) goal of 4.5 percent. Fourteen (14) statements of additional qualifications were received and evaluated based on criteria including overall experience and qualification of the firm, past performance and relevant experience on similar projects, availability, and experience of the proposed staff members. Based upon this evaluation,

the recommended award is to Halff Associates, Inc., and is determined to be the most qualified firm for the City for this project.

Request for Qualifications for state-certified firms to provide various professional services as needed for projects for the Parks and Recreation Department was solicited using the City's formal solicitation process. City Council approved a pre-qualified list of professional service firms on February 18, 2025 (Ordinance 25-288).

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On February 18, 2025, City Council approved RFQ 8596 for state-certified firms to provide various professional services as needed for projects for the Parks and Recreation Department (Ordinance 25-288).

RECOMMENDATION

Award a contract with Halff Associates, Inc., for professional landscape architecture design services for Pecan Creek Linear Trail Segments 1, 3, and 4A for the Capital Projects and Parks and Recreation Departments, in a not-to-exceed amount of $2,079,400.

PRINCIPAL PLACE OF BUSINESS

Halff Associates, Inc.
Richardson, TX

ESTIMATED SCHEDULE OF PROJECT

This project's projected design completion is estimated to be May of 2027.

FISCAL INFORMATION

Per the AFA, TxDOT will reimburse the not-to-exceed amount of $10,971,904 (80%) in federal funding for the entire project (design through construction). The City's 20% match of $2,742,976 will be funded using Park Land Dedication/Development Funds and 2023 Bond Program Park Trail Improvement Funding.

This PSA for design services will be funded as follows:

400349915.1360.20100	Park Land Dedication Funds	$750,500.00
400349916.1360.20100	Park Land Development Funds	528,000.00
400349475.1360.21100	2023 Bond Program Park Trail Improvement Funds	800,900.00
	Total:	*$2,079,500.00*

Requisition #173945 has been entered into the Purchasing software system in the amount of $2,079,400. The budgeted amount for this item is $2,079,400.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Robin Davis, 940-349-7713.

Legal point of contact: Leah Bush at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HALFF ASSOCIATES, INC., FOR PROFESSIONAL LANDSCAPE ARCHITECTURE DESIGN SERVICES FOR PECAN CREEK REGIONAL TRAIL SEGMENTS 1, 3, AND 4A FOR THE CAPITAL PROJECTS AND PARKS AND RECREATION DEPARTMENTS AS SET FORTH IN THE CONTRACT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 8596-003 – PROFESSIONAL SERVICES AGREEMENT FOR LANDSCAPE ARCHITECT SERVICES AWARDED TO HALFF ASSOCIATES, INC., IN THE NOT-TO-EXCEED AMOUNT OF $2,079,400.00).

WHEREAS, on February 18, 2025, the City Council approved a pre-qualified list for the Parks and Recreation Department (Ordinance 25-288), 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 [Parks and zoos]; 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 Halff Associates, Inc., for professional landscape architecture design services for Pecan Creek Linear Trail Segments 1, 3, and 4A for the Capital Projects and Parks and Recreation Departments, 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 _____ and seconded by _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

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Docusign City Council Transmittal Coversheet

PSA	8596-003
File Name	Pecan Creek Regional Trails
Purchasing Contact	Cori Power
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

STANDARD AGREEMENT FOR LANDSCAPE ARCHITECTURAL RELATED PROFESSIONAL SERVICES (PSA 8596-003)

This AGREEMENT is between the City of Denton, a Texas home-rule municipality ("CITY"), and Halff Associates, Inc., with its corporate office at 2380 Performance Drive Bldg. C Suite 150, Richardson, TX 75028 and authorized to do business in Texas, ("LANDSCAPE ARCHITECT"), for a PROJECT generally described as: Pecan Creek Regional Trail – Segments 1, 3, and 4A (the "PROJECT").

SECTION 1
Scope of Services

A. The CITY hereby agrees to retain the LANDSCAPE ARCHITECT, and the LANDSCAPE ARCHITECT hereby agrees to perform, professional architectural services set forth in the CITY's 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 LANDSCAPE ARCHITECT or its consultants, subcontractors and/or suppliers that has not been ordered in advance and in writing. It is specifically agreed that LANDSCAPE ARCHITECT shall not be compensated for any additional work resulting from oral orders of any person.

SECTION 2
Compensation and Term of Agreement

A. The LANDSCAPE ARCHITECT shall be compensated for all services provided pursuant to this AGREEMENT in an amount not to exceed $2,079,400.00 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. LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT will be made as follows:

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A. Invoice and Payment

(1) The Landscape Architect shall provide the City reasonably 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT for billings contested in good faith within 60 days of the amount due, the LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT shall have no liability to CITY for delays or damages caused the CITY because of such suspension of services.

SECTION 4
Obligations of the Landscape Architect

A. General

The LANDSCAPE ARCHITECT will serve as the CITY's professional architect representative under this AGREEMENT, providing professional architectural consultation and advice and furnishing customary services incidental thereto.

B. Standard of Care

The LANDSCAPE ARCHITECT shall perform its services:

(1) with the professional skill and care ordinarily provided by competent architects practicing in the same or similar locality and under the same or similar circumstances and professional license; and

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(2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent architect.

C. Subsurface Investigations

(1) As applicable, the LANDSCAPE ARCHITECT 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 architectural work to be performed hereunder. The LANDSCAPE ARCHITECT 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) As applicable, 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 LANDSCAPE ARCHITECT.

D. Preparation of Architectural Drawings

The LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT shall not be liable for the use of such drawings for any project other than the PROJECT described herein. The transfer of copyright interest or ownership of Documents shall not extent to Consultant’s standard details, standard features of overall design, functional elements of overall design or individual aspects and components the Consultant has developed and/or used previously on other projects.

E. Architect's Personnel at Construction Site

(1) The presence or duties of the LANDSCAPE ARCHITECT 's personnel at a construction site, whether as on-site representatives or otherwise, do not make the LANDSCAPE ARCHITECT 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

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in accordance with the AGREEMENT Documents and any health or safety precautions required by such construction work. The LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT be construed as requiring LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT makes on-site observation(s) of a deviation from the AGREEMENT Documents, the LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT makes no warranty that the CITY's actual PROJECT costs, financial aspects, economic feasibility, or schedules will not vary from the LANDSCAPE ARCHITECT 's opinions, analyses, projections, or estimates.

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G. Construction Progress Payments

Recommendations by the LANDSCAPE ARCHITECT to the CITY for periodic construction progress payments to the construction contractor will be based on the LANDSCAPE ARCHITECT '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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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) LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT involving transactions relating to this AGREEMENT. LANDSCAPE ARCHITECT agrees that the CITY shall have access during normal working hours to all necessary LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT reasonable advance notice of intended audits.

(2) LANDSCAPE ARCHITECT 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

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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) LANDSCAPE ARCHITECT and subconsultant agree to photocopy such documents as may be requested by the CITY. The CITY agrees to reimburse LANDSCAPE ARCHITECT 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) LANDSCAPE ARCHITECT'S INSURANCE

a. Commercial General Liability – the LANDSCAPE ARCHITECT 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. LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 architect owns no vehicles, coverage for hired or non-

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owned is acceptable.

i. LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT pursuant to this AGREEMENT or under any applicable auto physical damage coverage.

c. Workers' Compensation – LANDSCAPE ARCHITECT 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. LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT pursuant to this AGREEMENT.

d. Professional Liability – LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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.

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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 LANDSCAPE ARCHITECT 's insurance policies including endorsements thereto and, at the CITY's discretion; the LANDSCAPE ARCHITECT 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

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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 LANDSCAPE ARCHITECT shall be required by the LANDSCAPE ARCHITECT to maintain the same or reasonably equivalent insurance coverage as required for the LANDSCAPE ARCHITECT. When sub consultants/subcontractors maintain insurance coverage, LANDSCAPE ARCHITECT shall provide CITY with documentation thereof on a certificate of insurance.

K. Independent Consultant

The LANDSCAPE ARCHITECT 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.

L. Disclosure

The LANDSCAPE ARCHITECT 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, in property abutting the proposed PROJECT and business relationships with abutting property cities. The LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 architectural practice standards which the LANDSCAPE ARCHITECT should have been aware of at the time this AGREEMENT was executed, the LANDSCAPE ARCHITECT shall revise plans and specifications, as required, at its own

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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 LANDSCAPE ARCHITECT could not have been reasonably aware of, the LANDSCAPE ARCHITECT shall notify the CITY of such changes and an adjustment in compensation will be made through an amendment to this AGREEMENT.

O. Schedule

LANDSCAPE ARCHITECT shall manage the PROJECT in accordance with the schedule developed per Attachment A to this AGREEMENT.

P. Equal Opportunity

(1) **Equal Employment Opportunity:** LANDSCAPE ARCHITECT and LANDSCAPE ARCHITECT'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:** LANDSCAPE ARCHITECT and LANDSCAPE ARCHITECT'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

LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT as required for the LANDSCAPE ARCHITECT 's performance of its services. The CITY will perform, at no cost to the LANDSCAPE ARCHITECT, such tests of equipment, machinery, pipelines, and other components of the CITY's facilities as may be required in connection with the LANDSCAPE ARCHITECT 's services. The CITY will be responsible for all acts of the CITY's personnel.

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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 LANDSCAPE ARCHITECT 's services or PROJECT construction.

D. Timely Review

The CITY will examine the LANDSCAPE ARCHITECT '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 LANDSCAPE ARCHITECT whenever CITY observes or becomes aware of any development that affects the scope or timing of the LANDSCAPE ARCHITECT 's services or of any defect in the work of the LANDSCAPE ARCHITECT or construction contractors.

F. Asbestos or Hazardous Substances Release.

(1) CITY acknowledges LANDSCAPE ARCHITECT will perform part of the work at CITY's facilities that may contain hazardous materials, including asbestos containing materials, or conditions, and that LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT’s negligence or if LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 's Personnel at Construction Site, and provisions providing for contractor indemnification of the CITY and the LANDSCAPE LANDSCAPE for contractor's negligence.

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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 LANDSCAPE ARCHITECT, its officers, employees, and subcontractors, for any claim arising out of, in connection with, or resulting from the architectural services performed. Only the CITY will be the beneficiary of any undertaking by the LANDSCAPE ARCHITECT."

(2) This AGREEMENT gives no rights or benefits to anyone other than the CITY and the LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT.

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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT, 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 LANDSCAPE ARCHITECT 's cost of or time

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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

LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT, 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 LANDSCAPE ARCHITECT will be at the CITY's sole risk. The CITY shall own the final designs, drawings, specifications and documents. The transfer of copyright interest or ownership of Documents shall not extend to Consultants standard details, standard features of overall design, functional elements of overall design or individual aspects and components the Consultant has developed and/or used previously on other projects.

C. Force Majeure

The LANDSCAPE ARCHITECT is not responsible for damages or delay in performance caused by acts of God, fires, strikes, lockouts, accidents, or other events beyond the control of the LANDSCAPE ARCHITECT that prevent LANDSCAPE ARCHITECT’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 LANDSCAPE ARCHITECT.

b. by either the CITY or the LANDSCAPE ARCHITECT 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.

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(2) If this AGREEMENT is terminated for the convenience of the City, the LANDSCAPE ARCHITECT will be paid for termination expenses as follows:

a. Cost of reproduction of partial or complete studies, plans, specifications or other forms of LANDSCAPE ARCHITECT '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 LANDSCAPE ARCHITECT '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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT s personnel and subcontractors, and LANDSCAPE ARCHITECT 's compensation will be made.

F. Indemnification

IN ACCORDANCE WITH TEXAS LOCAL GOVERNMENT CODE SECTION 271.904, THE LANDSCAPE ARCHITECT SHALL INDEMNIFY OR HOLD HARMLESS THE CITY AGAINST LIABILITY FOR ANY DAMAGE COMMITTED BY THE LANDSCAPE ARCHITECT OR LANDSCAPE ARCHITECT'S AGENT, EMPLOYEES, SUBCONSULTANT UNDER CONTRACT, OR ANOTHER ENTITY OVER WHICH THE LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT'S LIABILITY.

G. Assignment

Neither party shall assign all or any part of this AGREEMENT without the prior written consent of the other party.

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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

LANDSCAPE ARCHITECT shall at all times observe and comply with all applicable federal and State laws and regulations and with all applicable 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. LANDSCAPE **ARCHITECT 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

LANDSCAPE ARCHITECT 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, LANDSCAPE ARCHITECT shall provide CITY with copies of all I-9 forms and supporting eligibility documentation for each employee who performs work under this AGREEMENT. LANDSCAPE ARCHITECT 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 LANDSCAPE ARCHITECT employee who is not legally eligible to perform such services. **LANDSCAPE ARCHITECT SHALL INDEMNIFY CITY AND HOLD CITY HARMLESS FROM ANY PENALTIES, LIABILITIES, OR LOSSES DUE TO VIOLATIONS OF THIS PARAGRAPH BY LANDSCAPE ARCHITECT,** LANDSCAPE **ARCHITECT'S EMPLOYEES, SUBCONTRACTORS, AGENTS, OR LICENSEES.** CITY, upon written notice to LANDSCAPE ARCHITECT, shall have the right to immediately terminate this AGREEMENT for violations of this provision by LANDSCAPE ARCHITECT.

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L. Prohibition On Contracts with Companies Boycotting Israel

LANDSCAPE Architect 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,*** Landscape ***Architect certifies that*** Landscape ***Architect's signature provides written verification to the City that Landscape Architect: (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, Landscape Architect certifies that Landscape Architect's signature provides written verification to the City that Landscape Architect, 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

Landscape Architect 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, Landscape Architect certifies that Landscape Architect's signature provides written verification to the City that Landscape Architect: (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.

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O. Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations

Landscape Architect 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, Landscape Architect certifies that Landscape Architect's signature provides written verification to the City that Landscape Architect: (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.

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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 and Project Schedule
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

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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

_____.

BY:
CITY OF DENTON, TEXAS

_____
SARA HENSLEY, CITY MANAGER

BY:
LANDSCAPE ARCHITECT
HALFF ASSOCIATES INC.

DocuSigned by:
Lenny Hughes
977210D913424D3...
AUTHORIZED AGENT, TITLE

Full Name: Lenny Hughes

2026-1409421
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APROVED AS TO LEGAL FORM:

MACK REINWAND, CITY ATTORNEY

BY: Signed by:
Leah Bush
2A936B08B5D7485...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Signed by:
Seth Garcia
A13701E6BC954EC...
SIGNATURE

Seth Garcia
PRINTED NAME

Director of Capital Projects
TITLE

Capital Projects
DEPARTMENT

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2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

Attachment A

January 13, 2026

Project No. (AVO): 046556.002

City of Denton
Parks and Recreation Department
Attn: Ziad Kharrat, Assistant Director
321 E McKinney Street
Denton, TX 76201

RE: Pecan Creek Regional Trail – Segments 1, 3, and 4A

Dear Mr. Kharrat,

At Halff, we improve lives and communities by turning ideas into reality. We do that by working alongside great clients on projects that matter. With that in mind, we are pleased to submit the attached Scope of Services for the Pecan Creek Regional Trail – Segments 1, 3, and 4A for the City of Denton.

The proposed scope includes landscape architecture, engineering, environmental, surveying, and coordination services to advance the project from previously completed 30 percent schematic plans through final construction documents, bidding support, and associated agency coordination. These trail segments represent a key investment in Denton's regional trail system and will improve connectivity, access, and mobility along the Pecan Creek corridor.

The services to be provided by Halff are described in detail in the Scope of Services (Attachment A). Services not included within the base scope are identified in the Additional Services section; these items may be provided upon request under a separate agreement. A Basis of Compensation (Attachment B) is also included for reference.

Unless otherwise modified, the Scope of Services described herein shall remain valid for a period of ninety (90) calendar days, after which it may be renewed by mutual written agreement between the City and Halff.

Thank you for the opportunity to continue working with the City of Denton on this important project. Please feel free to contact me if you have any questions or would like to discuss the scope in more detail.

Sincerely,

Carter Smith, PLA, ASLA
Team Leader
carter.smith@halff.com
Cell: 479.579.3978

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2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

ATTACHMENT 'A'

Scope of Services
Landscape Architecture and Engineering Design Services for
The Pecan Creek Regional Trail – Segments 1, 3, & 4A
Denton, TX

This proposal is for *Landscape Architectural, Engineering Design and Consulting Services* by Halff (CONSULTANT) for the City of Denton (CLIENT).

PURPOSE

The purpose of this project is to advance the design of the Pecan Creek Regional Trail – Segments 1, 3, and 4A from previously completed schematic (30%) plans to final construction documents suitable for bidding and construction. These trail segments total approximately 3.25 miles and generally extend from the DCTA Rail Trail at Fred Moore Park to East McKinney Street, following the Pecan Creek corridor.

Services shall include Landscape Architecture, Civil, Structural, Hydraulic and Hydrology Engineering, Right-of-Way (ROW) Services, Environmental Services, Utility Coordination, Surveying, and Geotechnical Exploration. All work will comply with City of Denton standards and TxDOT federal funding requirements.

Proposed considerations and scope for Preliminary and Final Design: (60%) Design Development, (90%) Construction Documents, (100%) Final Construction Documents and Bidding phase includes:

- Incorporate and refine the existing 30% schematic design prepared by Halff for Segments 1, 3, and 4A.
- Prepare 60% Design Development Documents including alignment refinements, grading, drainage, structure layouts (bridges, retaining walls and underpass crossings), preliminary trail details, TxDOT LGPP required submittal documents, and OPCCs.
- Develop 90% Construction Documents with pre-final design elements, technical specifications, refined details, TxDOT LGPP required submittal documents, and updated OPCCs.
- Prepare 100% Final Construction Documents including signed and sealed plan sets, final specifications, TxDOT LGPP required submittal documents, and bid-ready quantities and OPCCs.
- Conduct hydrologic and hydraulic analyses to confirm floodplain compliance and support floodplain development permitting.
- Perform environmental coordination and documentation to satisfy NEPA and related state and federal requirements.
- Provide survey control, property boundary, and easement exhibits necessary for ROW acquisition.
- Complete a geotechnical investigation with recommendations for pavement and structural design.

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2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

- Provide subsurface utility engineering (SUE) Level A Locating and Level B thru D designation and investigation to support utility coordination.
- Coordinate with utility owners to identify and address potential conflicts, mitigation or relocations.
- Assist the City with TxDOT review and federal funding documentation as needed, including all LGPP submittal requirements.
- Conduct two (2) stakeholder coordination meetings during design.

PROGRAM

PECAN CREEK REGIONAL TRAIL - The proposed completion of the Pecan Creek Regional Trail Segments 1, 3, and 4A will advance the City of Denton's long-term vision for a connected regional trail network. When built, these segments will extend the trail approximately 3.25 miles from the DCTA Rail Trail at Fred Moore Park toward East McKinney Street, following the Pecan Creek corridor.

The Pecan Creek Regional Trail will serve as a vital alternative transportation and recreation route linking neighborhoods, parks, schools, and employment centers to the city's larger trail system. The corridor is a key component of the City's adopted Pecan Creek Regional Trail Master Plan, and will ultimately connect downtown Denton, the DCTA Rail Trail, and destinations toward Lake Lewisville. The project supports Denton's goals for improved mobility, public health, and access to safe, all-ages active transportation infrastructure.

Trail Program Improvements as outlined in the Scope of Work shall include:

PECAN CREEK REGIONAL TRAIL PROJECT CONNECTIONS

This project includes the design and documentation of Segments 1, 3, and 4A of the Pecan Creek Regional Trail, totaling approximately 3.25 miles of new 10'–12' wide concrete shared-use path and 1,300 linear feet of spur connections. These segments will provide a continuous trail corridor linking Fred Moore Park and the DCTA Rail Trail to East McKinney Street, further advancing the City's long-term regional trail network vision.

Program elements include multiple pedestrian bridges, an underpass, trail signage, ADA-compliant street crossings, and minor trailhead improvements. The design will build upon the previously completed 30% schematic plans and incorporate environmental, hydraulic, and structural refinements required for federally funded projects.

Segment 1: Lakey St. (Fred Moore Park) to South Woodrow LN. (~4,750 LF)

Segment 1 begins at Fred Moore Park and extends north and east along Pecan Creek to South Woodrow Lane. The alignment parallels portions of the existing creek corridor and roadway network.

Preliminary program elements include:

- Approximately 4,750 LF of 12' wide concrete shared-use trail.

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- Pedestrian bridge over Pecan Creek and underpass crossing at South Woodrow Lane.
- Trailhead enhancements and signage at Fred Moore Park.
- Wayfinding, 911 markers, and interpretive signage.
- ADA-compliant crossings, striping, and ramps at roadway intersections.
- Handrail design at underpass.
- Tree survey of 6" caliper and larger within a 100' swath.
- Top and toe of channel elevations and low chord data at underpass crossings.

Segment 3: Loop 288 to Park Area Property (~7,300 LF + ~1,300 LF spurs)

Segment 3 will provide a critical east–west connection from Loop 288 toward the central park property along Pecan Creek. The corridor will include multiple creek crossings and connect existing neighborhoods and future development areas.

Preliminary program elements include:

- Approximately 7,300 LF of 12' wide concrete trail plus 1,300 LF of spur trails.
- Two pedestrian bridge crossings over Pecan Creek and underpass crossing at Mayhill Road
- Wayfinding, signage, and trail markers.
- Grading, retaining walls, and erosion protection as needed.
- Coordination with adjacent property owners for ROW/easement acquisition.
- Tree survey, topographic survey, and channel data for floodplain analysis.
- Environmental and hydraulic coordination with TxDOT and the City of Denton.

Segment 4A: East McKinney Street to Project Limits (~2,000 LF)

Segment 4A will extend the trail corridor north to East McKinney Street, providing for a trail spur connection to Pecan Creek Regional Trail.

Preliminary program elements include:

- Approximately 2,000 LF of 12' wide concrete trail.
- Culvert crossings, retaining wall and associated handrail where needed based on stream/tributary crossings and existing topography.
- Trailhead monument or signage at East McKinney Street.
- Wayfinding and mileage markers.
- Integration of final alignment and grading from the 30% schematic plans and upon alignment confirmation from the CLIENT.

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

2380 Performance Drive
Building C Suite 150
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SCOPE

Design Development and Contract Documents

1. CONSULTANT shall engage the CLIENT at initiation, interim, and completion of each design phase: Design Development (60%), Construction Documents (90%), and Final Construction Documents (100%) submittals.
2. CONSULTANT shall provide all boundary, topographic, and tree surveys necessary to support the project scope, including mapping of utilities, channel top and toe, and low chord elevations at underpass crossings.
3. CONSULTANT shall obtain geotechnical information at representative trail and bridge locations. The number (21) and location of borings is detailed in Phase 7 – Geotechnical Investigation below and will be provided by the Geotechnical Engineer prior to field work.
4. Engineering and design of pavement, trails, pedestrian bridges, underpasses, and trail-related amenities shall conform to **AASHTO, TxDOT, PROWAG MUTCD, USACE, and City of Denton** requirements.
5. All plans shall be prepared in accordance with **City of Denton** standards and TxDOT federal-aid project requirements.
6. CONSULTANT shall submit bidding documents in electronic (PDF) format for posting on the City's procurement website and/or TxDOT's letting portal as required.
7. CONSULTANT shall conduct two (2) public meetings for community and stakeholder engagement during the design process, and shall prepare all presentation materials, exhibits, and comment summaries for CLIENT review.
8. CONSULTANT shall attend one (1) pre-bid meeting, one (1) bid opening and one (1) pre-construction meeting as requested by the CLIENT.
9. All plans shall be prepared at a scale suitable for 22"x34" format and compatible with City and TxDOT submittal standards.

Permitting

CONSULTANT will be responsible for obtaining the following required environmental and regulatory permits. Permit fees are not included and shall be paid directly by CLIENT:

a. **Storm Water Pollution Prevention Plan (SWP3)** and associated EPIC Sheet
b. **Floodplain Development Permit** in coordination with the City's Floodplain Administrator.
c. **U.S. Army Corps of Engineers (USACE)** Section 404 Nationwide Permit for impacts to Waters of the U.S.
d. **TxDOT NEPA environmental documentation** (anticipated Categorical Exclusion) and related coordination with state and federal agencies.
e. Any permits not listed above can be obtained by CONSTULTANT as an Additional Service.

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Building C Suite 150
Richardson, TX 75082
(817) 764-7446

The following items will be supplied by the CLIENT to the CONSULTANT:

1. **Existing project data** –CLIENT will provide any remaining City departmental feedback on the schematic (30%) design, City GIS data, and available aerial imagery.
2. **Property ownership and rights-of-entry** – CLIENT will provide parcel data, right-of-entry access for survey, and coordination with private property owners as needed.
3. **Environmental investigations** – CLIENT will provide any available environmental reports, studies, or prior clearances for the project corridor.
4. **Existing utility information** – CLIENT will furnish as-built utility plans and mapping for all known public utilities within the design corridor.
5. **Hydraulic and floodplain data** – CLIENT will supply available floodplain and drainage models or reports relevant to Pecan Creek, to be supplemented and verified by CONSULTANT.

The scope of services is defined as follows:

- **Basic Services;**
- **Special Services to be Provided; and**
- **Additional Services** which can be provided, if required.

Each of the services is described on the following pages.

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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BASIC SERVICES

PHASE 1 - PROJECT MANAGEMENT

1.1 Internal Team Meetings

Halff will conduct up to twenty-four, bi-weekly (24) internal team meetings during the design phase of the project. The internal team meetings will include internal coordination of project processes, program items and schedules.

1.2 **Predevelopment** Program Meeting

The CONSULTANT will conduct an in-person, predevelopment programming meeting, for an assumed length of three hours, with the CLIENT to define current and anticipated programming objectives for the project. The CONSULTANT will identify and outline specific desired elements defined in the Scope of Services. One (1) refined program of elements for the project will be prepared for approval by the CLIENT.
Total: One (01) Meeting

1.3 **Trail Design Review Meeting**

The CONSULTANT will conduct a conceptual design review meeting, up to three hours, with the CLIENT to confirm and assess all input related to the project alignment. The meeting and programming goals are as follows:

- Alignment review and confirmation
- Identify all designated agencies
- Review inclusion of all connecting projects
- Review allocated Construction Budget
- Review Design Schedule and Agency Reviews

Total: One (01) Meeting

1.4 Advanced Agency Coordination Meetings

Advanced Agency Coordination will be conducted with the City of Denton, TXDOT, USACE, franchise utilities and other entities as necessary to establish project programming goals and objectives within each entity and identify parameters for all anticipated further planning and design coordination efforts. These meetings are assumed to be one-hour in length and be virtual meetings.
Total: Ten (10) Meetings

1.5 **Monthly Project Coordination Meetings**

CONSULTANT will meet with the CLIENT monthly, over the course of the project schedule (18 months). Up to eighteen (18), one-hour meetings will be held to answer questions related to the PROJECT and update the CLIENT on the PROJECT'S progress and schedule during design phase. Notes will be taken by the CONSULTANT to record items discussed and decisions made during this meeting and provided to all attendees. Meetings are assumed virtual unless otherwise agreed; in-person meetings requiring travel may incur additional expense.
Total: Eighteen (18) Meetings

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Building C Suite 150
Richardson, TX 75082
(817) 764-7446

1.6 **Design Submittal Review Meetings**

Halff will conduct a design submittal review meeting with the CLIENT to discuss all comments related to the project at each submittal milestone. All design submittal review meetings will be assumed to be no more than three hours in length and will be held at the Client's office. The meeting and submittal milestones shall be as follows:
- 60% Design Development Drawings – One (1) meeting
- 90% Design Development Drawings – One (1) meeting
- 100% Final Design Drawings – One (1) meeting
Total: Three (3) Meetings

1.7 **Stakeholder Meetings**

The CONSULTANT in conjunction with the CLIENT will hold two (2), in-person Stakeholder meetings to engage key landowners so that the design reflects the needs and preferences of local area stakeholders, with an assumed meeting length of two-hours. The CLIENT shall coordinate meeting place, solicitation of flyers and additional meetings. CONSULTANT shall take notes, provide meeting minutes, and supply graphics and boards.
Total: Two (2) Stakeholder meetings

1.8 Monthly Progress Report

The CONSULTANT will provide written monthly progress reports to provide a written status update based on the assumed length of the project through end of design.

1.9 Invoicing

The CONSULTANT will prepare monthly invoices based on the assumed length of the project through end of design for the progress completed to date.

PHASE 1 DELIVERABLES:

Deliverables provided by the CONSULTANT shall include the following:

- One (1) digital PDF copy of notes and refined program summary from the Predevelopment Program Meeting
- One (1) digital PDF copy of notes from the Trail Design Review Meeting
- One (1) digital PDF copy of notes from each Advanced Agency Coordination meeting
- One (1) digital PDF copy of notes from each Monthly Project Coordination Meeting
- One (1) digital PDF copy of notes from each Design Submittal Review Meeting
- One (1) digital PDF copy of graphics, boards, and meeting notes prepared for Stakeholder Meetings
- Monthly Progress Reports, provided as digital PDF copies
- Monthly Invoices, provided as digital PDF copies

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Richardson, TX 75082
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PHASE 2 - DATA COLLECTION BASE MAP PREPARATION

2.1 **Field Walks and Spot Staking**

Walk segments to verify 30% assumptions, spot stake tie points where helpful, note constraints, and identify priority trees for preservation.
Total: Two (2) All-Day Outings

2.2 **Design Survey**

Provide topographic survey, utilities, and easement information within a 100 foot wide corridor, 50 feet either side of centerline, for Segments 1, 3, and 4A and identified spur connections. Include:

- Horizontal and vertical control tied to NAD 83 and NAVD 88
- One foot contours and spot grades where needed
- Visible above ground utilities and record based subsurface utilities
- Trees 6 inch caliper and larger with species where feasible
- Channel top and toe at crossings or parallel segments
- Approximate low chord elevations at the Woodrow Lane and Loop 288 underpass crossings
- Prepare drawings showing: cover, survey control, existing conditions, utilities, contours, and key features.

2.3 **Base Mapping**

Prepare CAD base maps on 22 x 34 sheets with property lines, contours, utilities, tree data, channel features, and survey control organized for PS&E production.

2.4 Boundary Research

The CONSULTANT will perform boundary research impacted by the proposed Pecan Creek Trail Segments 1, 3, and 4A. Research will include review of recorded plats, deeds, right-of-way documents, and other available public records necessary to confirm parcel boundaries and existing easements within the project limits.

2.5 **QA/QC Survey Review**

Perform QAQC and address comments.

PHASE 2 DELIVERABLES:

Deliverables provided by the CONSULTANT shall include the following:

- One (1) Digital PDF copy of field walk notes and spot-staking documentation
- One (1) digital PDF set of CAD base map sheets for CLIENT review
- One (1) digital PDF copy of QA/QC review comments and responses

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Building C Suite 150
Richardson, TX 75082
(817) 764-7446

PHASE 3 - 30% SCHEMATIC VERIFICATION

30% Schematic Plans produced by CONSULTANT and approved by CLIENT in 2023 exist. This task is limited to verification and gap filling to support advancement to 60% and does not include redesign or significant alignment shifts outside of the funding-approved trail corridors for Segments 1 and 3. Segment 4A alignment is pending per discussion with the CLIENT and will be verified upon completion of this phase.

3.1 Discipline Check

- Validate existing 30% plans' horizontal alignment against new survey and property limits
- Identify profile constraints and structure needs at bridges and underpasses
- Confirm preliminary grading and drainage approach
- Note temporary and permanent easement footprints

3.2 H&H Check

Perform a preliminary H&H screening to confirm feasibility of proposed crossings and underpass sections prior to 60%. See H&H scope for full analysis at 60%.

3.3 Targeted Updates

- Update demolition limits, layout, typical sections, preliminary grading and drainage, and key details where base data changed
- Identify bridge and underpass concept footprints and clearance needs
- Provide preliminary bid items and quantities.

3.4 Update Engineer's Opinion of Probably Construction Cost (OPCC)

Prepare an initial opinion of probable construction cost based on recent, relevant bid tabulations from Consultant's previous projects and available TxDOT average bid unit price data

3.5 QA/QC Review and Responses

Provide an updated schematic verification memo to CLIENT identifying modifications to the 30% Schematic Design before 60%.

PHASE 3 DELIVERABLES:

Deliverables provided by the CONSULTANT shall include the following:

- One (1) Digital PDF memo summarizing 30 percent schematic verification findings, including alignment validation, structural needs, grading considerations, and easement footprint notes
- One (1) updated schematic verification plan set in digital PDF format reflecting targeted updates (demolition limits, layout adjustments, typical sections, preliminary grading and drainage, and key details)
- One (1) digital PDF Engineer's Opinion of Probable Construction Cost (OPCC)
- One (1) digital PDF copy of QA/QC comments and responses

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Building C Suite 150
Richardson, TX 75082
(817) 764-7446

PHASE 4 - 60% AND 90% CONSTRUCTION DOCUMENTS

CONSULTANT shall prepare, for approval by the CLIENT, a complete set of construction documents and specifications for the PROJECT as defined below.

Consultant shall prepare (1) digital pdf file copy of drawings for review and comment at **60%, AND 90% Construction Documents** including opinions of probable construction costs. Drawings and specifications shall be submitted for final approval and use by the City for bidding. One (1) digital copy of construction plans in PDF format shall be provided. Consultant will provide the following drawings for submittal:

Prepared plans will illustrate the proposed trail/bike facility horizontal alignment and trail vertical profile. Plans shall be at 1"=40' scale and prepared in AutoCAD (.dwg) format.

i. Cover Sheet
ii. Index of Sheets and Legend
iii. Typical Sections
iv. General Notes
v. Control and Survey Data
vi. Summary of Quantities
vii. Summary of Small Signs (Regulatory/Advanced Warning)
viii. Traffic Control Phasing Plans
ix. Traffic Control Details
x. Demolition Plans
xi. Geometric Layout Plans
xii. Landscape Planting Plans
xiii. Irrigation Plans
xiv. Trail Plan and Profile Sheets with Grading shown
xv. Prepare Trail Overlooks, Sections & Details
xvi. Prepare Trail Signage, Kiosk Layout and Details
xvii. Prepare Trailheads and Gateways, Sections & Details
xviii. Mid-Block Crossing and RRFB Layout Plans
xix. Pavement Standard Details
xx. Drainage/Culvert Plans and Profiles
xxi. Drainage Area Map
xxii. Drainage Calculations
xxiii. Drainage Standard Details
xxiv. Pedestrian Bridge Plans and Profiles
xxv. Pedestrian Bridge Details
xxvi. Retaining Wall Plans and Profiles
xxvii. Retaining Wall Details
xxviii. Miscellaneous Structural Details
xxix. Signing and Pavement Marking Plans
xxx. Signing and Pavement Markings Standard Details
xxxi. SWP3 Plans and EPIC Sheet(s)
xxxii. Erosion and Sediment Control Plans
xxxiii. Erosion Control Details
xxxiv. Trail Cross Sections

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Building C Suite 150
Richardson, TX 75082
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4.1 Landscape Architecture

- Prepare Demolition Plan and Details
- Prepare Trail Layout and Stationing
- Prepare Trail Details and Specifications
- Show Temporary and Permanent Easements
- Prepare Landscape and Irrigation Plans, Sections & Details
- Prepare Trail Overlooks, Sections & Details
- Prepare Trail Signage, Kiosk Layout and Details
- Prepare Trailheads and Gateways, Sections & Details
- Prepare Quantity Sheet

4.2 Civil Engineering

- Prepare Trail Profile, Geometric Layout, Cross Sections, Details and Specifications
- Prepare Pavement Markings and Signage Plans
- Prepare Traffic Control Phasing Plan and Details
- Prepare Erosion Control Plan
- Prepare Trail Grading and Drainage
- Drainage Area Map
- Drainage Calculations
- Drainage Design
- Prepare Quantity Sheets

4.3 Structural Engineering

- Prepare Bridge Layout
- Prepare Bridge Details and Specifications
- Prepare Structural Layout and Design for pedestrian bridge abutments
- Review alternate prefabricated pedestrian bridge types, select desired bridge and structural configuration for the bridge. Incorporate alternative for custom modifications at ends of bridge.
- Prepare Structural Layout and Design for Retaining Walls
- Prepare Retaining Wall Details
- Prepare Quantity Sheet

4.4 Engineer's Opinion of Probable Construction Cost (OPCC)

4.5 Project Specifications

4.6 LGPP Requirements, Coordination, Documentation and Form Preparation for TxDOT Submittal (See Appendix for required documents as part of the LGP Submittal Checklist)

4.7 QA/QC Design Reviews and Responses

PHASE 4 DELIVERABLES:

Deliverables provided by the CONSULTANT shall include the following:

- One (1) Digital PDF copy of the 60 and 90 percent construction document plan set, including all sheets listed in the Phase 4 scope

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

- One (1) digital PDF copy of project specifications at 60 and 90 percent
- One (1) digital PDF copy of the Engineer's Opinion of Probable Construction Cost (OPCC) at 60 and 90 percent
- One (1) digital PDF copy of LGPP coordination materials, documentation, and completed TxDOT-required forms
- One (1) digital PDF copy of QA/QC comments and responses for each submittal phase
- One (1) digital PDF copy of QA/QC comments and responses

PHASE 5 – FINAL CONSTRUCTION DOCUMENTS

Receive CLIENT comments from the 60% & 90% plan submittal and begin preparation of the 100% design plans. Prepare plans showing proposed trail/bike facility horizontal alignment and trail vertical profile. Plans shall be at 1"=40' scale and prepared in AutoCAD (.dwg) format.

5.1 Landscape Architecture

- Prepare Final Demolition Plan and Details
- Prepare Final Trail Layout, Stationing, and Signage
- Prepare Final Trail Details and Specifications
- Show Final Easements
- Prepare Final Landscape and Irrigation Plans, Sections & Details
- Prepare Final Trail Overlooks, Gateway Monuments and Trail Amenities Sections & Details
- Prepare Final Trail Signage, Kiosk Layout and Details
- Prepare Final Trailhead and Gateway, Sections & Details
- Prepare Final Quantity Sheets

5.1 Civil Engineering

- Prepare Final Trail Profile, Geometric Layout, Cross Sections, Details and Specifications
- Prepare Final Mid-Block Crossing Plans and RRFB Layout
- Prepare Final Pavement Markings and Signage Plans
- Prepare Traffic Control Phasing Plan and Details
- Prepare Final Trail Grading
- Drainage Area Map
- Final Drainage Calculations
- Final Drainage Plans and Profiles
- Prepare Final Erosion Control Plan
- Prepare SWP3 and EPIC Sheet
- Prepare Final Quantity Sheets

5.2 Structural Engineering

- Prepare AND Update Final Bridge Layout
- Prepare AND Update Final Bridge Details and Specifications
- Prepare AND Update Final Structural Layout and Design for pedestrian bridge, and abutments.
- Prepare Final Structural Layout and Design for Retaining Walls
- Prepare Final Retaining Wall Details

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

- Prepare Quantity Sheet

5.3 Prepare Engineer's Opinion of Probable Construction Cost (OPCC)

5.4 **Prepare Project Specifications**

5.5 LGPP Requirements, Coordination, Documentation and Form Preparation for TxDOT Submittal (See Appendix for required documents as part of the LGP Submittal Checklist)

5.6 QA/QC Design Review and Response

5.7 Client and TXDOT Final Review

- CONSTULTANT to review and address one (1) round of CLIENT and TXDOT provided comments
- CONSULTANT to resubmit plans to CLIENT and TxDOT for approval

PHASE 5 DELIVERABLES:

Deliverables provided by the CONSULTANT shall include the following:

- One (1) Digital PDF copy of the 100 percent Final Construction Document plan set, including all sheets identified in Phase 5
- AutoCAD (.dwg) files for all 100 percent plan sheets
- One (1) digital PDF copy of final project specifications
- One (1) digital PDF copy of the Final Engineer's Opinion of Probable Construction Cost (OPCC)
- One (1) digital PDF copy of LGPP documentation, coordination materials, and required TxDOT submittal forms
- One (1) digital PDF copy of QA/QC comments and responses
- One (1) digital PDF copy of CLIENT review comments and CONSULTANT responses
- One (1) digital PDF copy of the resubmitted 100 percent Final Construction Document plans for CLIENT approval

PHASE 6 – BIDDING SERVICES

6.1 Bid Support for one design package

- Distribute Contract Documents and Maintain Plan Holders List
- Attend one (1) Pre-bid Conference
- Respond to Bidder Questions
- Issue up to two (2) Addenda packages
- Attend one (1) Bid Opening
- Tabulate Bids and Provide Referral Letter on Qualified Low Bidder
- Coordinate with Qualified Low Bidder and Issue Conformed Contract Documents

PHASE 6 DELIVERABLES:

Deliverables provided by the CONSULTANT shall include the following:

- One (1) Digital PDF copy of the distributed Contract Documents

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

- One (1) digital PDF copy of the maintained Plan Holders List
- One (1) digital PDF copy of Pre-bid Conference notes
- One (1) digital PDF copy of the written responses to bidder questions
- One (1) digital PDF copy of all Addenda issued during the bidding period
- One (1) digital PDF copy of the Bid Tabulation
- One (1) digital PDF copy of the Referral Letter identifying the qualified low bidder
- One (1) digital PDF copy of Conformed Contract Documents issued to the qualified low bidder

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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(817) 764-7446

SPECIAL SERVICES TO BE PROVIDED

PHASE 7 – GEOTECHNICAL INVESTIGATION

The CONSULTANT shall retain a qualified SUBCONSULTANT to perform subsurface soil investigation, testing, and geotechnical engineering services for the Pecan Creek Regional Trail Segments 1, 3, and 4A.

7.1 Subsurface Exploration

The SUBCONSULTANT will perform a drilling and sampling program that includes **twenty-one (21) soil borings** within the project limits. Anticipated boring types and depths include:

- **Bridge Locations:** Six borings advanced to refusal or to estimated depths in the range of 45 to 50 feet.
- **Major Retaining Structures:** Seven borings advanced to depths of approximately 35 feet.
- **Minor Retaining Structures:** One boring advanced to a depth of approximately 25 feet.
- **Trail Alignment:** Seven borings advanced to depths of approximately 10 feet.

Borings will be performed using truck-mounted drilling equipment in accordance with applicable ASTM and TxDOT procedures. Cohesive and non-cohesive soil samples will be obtained using Shelby tubes and split-spoon samplers. If limestone, shale, or cemented sand is encountered, rock hardness and quality will be logged in accordance with TxDOT cone penetration methods.

Field logs will document soil classifications, sampling intervals, groundwater observations, and hand penetrometer readings. Samples will be sealed, preserved, and transported to the SUBCONSULTANT's laboratory for testing. Boring locations will be identified using handheld GPS. Backfilling and surface plugging of boreholes will be completed following drilling activities. Traffic control measures will be implemented for boring locations within right-of-way corridors, and light brush clearing may be required in certain areas.

7.2 Laboratory Testing

Laboratory testing will be performed to determine engineering characteristics of the recovered samples. Testing may include:

- Moisture content and soil identification
- Sieve analysis and percent passing No. 200
- Atterberg limits
- Hydrometer analysis
- Unconfined compression testing
- Direct shear testing
- Unit weight determinations
- Absorption pressure and/or one-point swell
- Eades and Grim lime series (as needed for subgrade treatment evaluation)

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

The final testing program will be based on actual field conditions encountered during drilling.

7.3 Engineering Report

The SUBCONSULTANT will prepare a geotechnical engineering report, sealed by a Professional Engineer licensed in the State of Texas. The report will include:

- Description of soil and groundwater conditions
- Bridge foundation recommendations, including allowable bearing pressures and minimum pier embedment depths (if applicable)
- Retaining wall design parameters and lateral earth pressures
- Global slope stability analyses for proposed retaining structures and bridge abutments (geometry provided by the CONSULTANT)
- Pavement subgrade preparation and pavement design recommendations
- Earthwork considerations, including fill placement and compaction
- Recommendations for utility and storm drain bedding, backfill, and trench safety considerations

The SUBCONSULTANT will provide one electronic copy and up to two hard copies of the final report. Should deferred borings be required, one (1) supplemental report will be issued to incorporate the additional data and update recommendations accordingly.

PHASE 8 – ENVIRONMENTAL SERVICES

8.1 Project Management and Communication

Halff (CONSULTANT) will meet internally with staff for coordination and communication related to Task 2 of this PROJECT.

8.2 Categorical Exclusion (CE)

Categorical Exclusion (CE) Documentation:

Environmental review and appropriate documentation is required for federally funded projects in accordance with the National Environmental Policy Act (NEPA) of 1969, 23 Code of Federal Regulations (CFR) Part 771, and 43 Texas Administrative Code (TAC) Chapter 2. This scope of work and fee estimate assumes this project meets the requirements of 23 CFR 771.117, Categorical Exclusions, and the environmental process will follow guidance published by TxDOT regarding CE determinations. This project is assumed to be considered “c-list” CE projects based on 23 CFR 771.117(c)(3) Construction of bicycle and pedestrian lanes, paths, and facilities. In the event it is determined by TxDOT that a CE is not the appropriate level of documentation for this project, CONSULTANT will notify the CLIENT and a supplemental scope of work will be prepared to allow completion of other necessary documentation. CONSULTANT will perform the following tasks which are necessary to receive a CE determination from the TxDOT Dallas District.

Project Scoping:

The purpose of this task is to provide scoping documentation to the TxDOT Dallas District to initiate the CE process and identify the technical studies that will be required to obtain a CE determination. CONSULTANT will obtain digital environmental information available from

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

appropriate local, state, and federal agencies. Data collected for this task will be stored in Geographic Information System (GIS) format. CONSULTANT shall complete the Work Plan Development (WPD) I and WPD II Environmental Compliance Oversight System (ECOS) screens for this project and submit to TxDOT. The following resources will be addressed in the scoping documentation:

- Air Quality
- Cultural Resources
- Community Impacts
- Biological Resources
- Water Resources
- Hazardous Materials
- Traffic Noise
- Section 4(f) & Section 6(f)
- Parks and Wildlife Code, Chapter 26
- Natural Resources Code, Chapter 183
- Public Involvement

Site Visit:
CONSULTANT will participate in one (1) site visit to document existing conditions. This task includes taking on-site photographs of existing conditions.

Technical Reports:
CONSULTANT will prepare resource agency coordination requests and technical reports for resources that require additional assessment as defined in the WPD ECOS screens. The following technical reports are anticipated to be required to receive a CE Determination, which are further described in the following tasks:

- Species Analysis Form, Species Analysis Spreadsheet, Best Management Practices Form
- Surface Water Analysis Form, Water Features Delineation Report, Section 404/10 Impacts Table
- Project Coordination Requests (PCR) for Historical Studies
- Archeological Background Study (ABS)
- Archeological Survey
- Hazardous Materials Initial Site Assessment (ISA)
- Section 4(f) Exception Checklists (6), including letter to Official with Jurisdiction (OWJ)

The technical reports will be submitted to the TxDOT Dallas District and revised in accordance with comments received during up to two (2) rounds of review.

Species Analysis Form and Species Analysis Spreadsheet:
CONSULTANT will participate in an assessment of vegetation and protected habitat impacts in accordance with the MOU between TxDOT and Texas Parks and Wildlife Department (TPWD). The analysis shall consider vegetation/land cover found in the project area as compared to TPWD's Ecological Mapping Systems of Texas (EMST).

This task includes a review of current species lists from the TPWD and the United States Fish and Wildlife Service (USFWS), and a search request from TPWD's Texas Natural Diversity

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(817) 764-7446

Database (TXNDD). Conclusions will be made, based on general observations from the visual survey and the literature review and database search, regarding whether preferred habitat or designated critical habitat for any listed species is present within the project area, whether any listed species is likely to occur, and whether there is a potential effect or impact to listed species.

This task includes the following deliverables for this project:

- Species Analysis Form
- Species Analysis Spreadsheet
- Best Management Practices Form

Water Resource Deliverables
A preliminary jurisdictional assessment of waters of the United States, including wetlands, shall be made within the existing and/or proposed ROW and any proposed temporary or permanent easements. This assessment will include the delineation of the boundaries and ordinary high-water mark of potential jurisdictional waters within the existing and/or proposed ROW and easements.

This task includes the following deliverables for this project:

- Surface Water Analysis Form
- Water Features Delineation Report
- Section 404/10 Impacts Table

Historical Studies PCR:
CONSULTANT shall complete a Non-Archeological Historic Resources PCR form for this project, which will be sent to TxDOT for review. The PCR form will provide information regarding the potential for the presence of historic-age properties in the project's Area of Potential Effects (APE). A review of the Texas Historical Commission's (THC) online Historic Sites Atlas will be conducted to identify previously recorded historic sites within the APE. The PCR form will also include attachments with maps of the proposed project limits and the project APE.

Archeological Background Study:
CONSULTANT will produce an Archeological Background Study for this project. The Background Study will include the following:

- Define the APE, which includes existing property, private and public property, existing rights-of-way (ROW), easements (temporary and permanent), and any other project-specific location designated by the State as well as consideration of the likely depth of impacts resulting from the proposed project.
- Review of existing data, including, but not limited to, the Texas Archeological Sites Atlas, geologic maps, soil maps, aerial photographs, and historic maps.
- Identification of the areas that require field investigation to evaluate the project's effects on archeological resources (including cemeteries) and identify the areas in which the proposed project would have no effect on archeological resources and cemeteries. The Background Study shall identify any areas where field investigations are recommended.

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Archeological Survey:
CONSULTANT will prepare an Archeological Survey report to satisfy requirements for determining whether archeological sites are present in the project APE. This task includes the following performed by a professional archeologist:

- Prepare a Texas Antiquities Permit application and scope of work for approval by TxDOT, USACE and the THC prior to conducting the archeological survey.
- Perform an archeological survey, including the excavation of shovel tests, as appropriate, throughout the APE to characterize the soils, potential disturbances, and determine whether archeological resources are present and, if so, assess those resources.
- Following the field survey, an Archeological Survey Report shall be prepared for coordination with TxDOT, USACE, and the THC.

Hazardous Materials ISA:
CONSULTANT will perform a Hazardous Materials ISA for potential hazardous materials impacts. The ISA shall determine the potential for encountering hazardous materials in the study area, including possible environmental liability, increased handling requirements (e.g., soil or groundwater), and potential construction worker health and safety issues. The ISA shall include the following:

- Determine the appropriate project-specific level of inquiry for the ISA.
- Consider the project design and right-of-way requirements, including project excavation requirements, anticipated additional right-of-way acquisition, and the demolition or modification of structures.
- Produce and submit to TxDOT a completed ISA, including copies of list search reports, maps depicting locations, photographs, recommendations, and any other supporting information gathered to complete the ISA.

Should the findings of the ISAs conclude that additional investigation, special considerations, or other commitments from TxDOT or the project sponsor are required during project development, CONSULTANT shall review those findings with the CLIENT and TxDOT.

Section 4(f) Resources:
Section 4(f) applies when a U.S. DOT agency approves a transportation program or project that uses Section 4(f) property. This scope of services only includes the evaluation that may be necessary for processing Section 4(f) exception checklists.

The CONSULTANT shall prepare an evaluation, including appropriate supporting documentation, for TxDOT to process an exception checklist for up to six (6) Section 4(f) resources. The CONSULTANT shall document the following:

- Applicability of Section 4(f) to the park, recreation, refuge, or historic property proposed to be used by the project;
- Whether or not there is a use of Section 4(f) property;
- Activities, features, and attributes of the Section 4(f) property;
- Analysis of the impacts to the Section 4(f) property; and
- Results of coordination with the OWJ.

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Notice and Opportunity to Comment:
The CONSULTANT will mail out a notice and opportunity to comment as well as a project location map to affected property owners. A mailing list and corresponding property owner map will be prepared. Documentation will be prepared including any comments received and responses to comments.

Environmental Permits, Issues, and Commitments (EPIC) Sheet:
An environmental permits, issues, and commitments (EPIC) design sheet will be prepared and submitted to TxDOT and revised in accordance with comments received from TxDOT.

Task 8.2 Deliverables:
Deliverables provided by the CONSULTANT shall include Digital PDF copies the following documents:

- *Digital PDF copy of the WPD I and II ECOS Screens*
- *Digital PDF copy of the Species Analysis Form, Species Analysis Spreadsheet, and Best Management Practices Form*
- *Digital PDF copy of the Surface Water Analysis Form, Delineation Report, and Section 404/10 Impacts Table*
- *Digital PDF copy of the Historical Studies PCR*
- *Digital PDF copy of the Archeological Background Study*
- *Digital PDF copy of the Archeological Scope of Work and Survey*
- *Digital PDF copy of the Hazardous Materials ISA*
- *Digital PDF copy of the Section 4(f) Exception Checklists, including letter to OWJ (6)*
- *Digital PDF copy of the NAOC letters and summary*
- *Digital PDF copy of the EPIC Sheet*

8.3 USACE Permitting

Section 404 Permitting

Halff will prepare and provide a draft and final Section 404/10 NWP package in accordance with ENV's Documentation Standard for USACE Pre-Construction Notification (PCN). Up to two (2) permitting packages will be prepared for the USACE Fort Worth district. Halff assumes a nationwide permit with PCN. If other permitting is required, supplemental services would be needed.

ENVIRONMENTAL EXCLUSIONS:
The following items are excluded from this scope of services:

1. Technical reports for the following items: noise, air quality, community impacts, and section 4(f) de minimis and/or individual determinations.
2. Threatened or endangered species surveys or Section 7 consultation with the USFWS under the Endangered Species Act.
3. Preparation of a research design, performing reconnaissance survey (i.e., on the ground or archival research for historic structures/districts), evaluation of National

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Building C Suite 150
Richardson, TX 75082
(817) 764-7446

Register of Historic Places (NRHP) eligibility for any non-archeological historic resources, evaluation of effects on NRHP-eligible or -listed sites, or development of mitigation plans.

4. Effort to obtain right-of-entry from public or private land owners to allow for the completion of environmental services.
5. Public meetings and hearings for this project.
6. Additional hazardous materials investigations include Phase 1 and/or Phase 2 site assessments.

Other:
A supplemental services agreement will be required to add scope and fee if TxDOT, or another regulatory agency, requires additional information other than that specified in this scope of work.

PHASE 9 – WATER RESOURCES SERVICES

Consultant shall perform a floodplain analysis related to the proposed Pecan Creek Trail Segments 1, 3, and 4A in the City of Denton (PROJECT). The study aims to analyze impacts to the Pecan Creek (below SCS Dam #16) and PEC-4 floodplains from Kerley Street to just upstream of confluence with Pec Tributary 6. The proposed trail segments will also cross Pec Tributary 9. The purpose of the floodplain analysis is to ensure no negative impacts to the FEMA effective and City of Denton ultimate (fully developed) floodplains due to the proposed trail project. Based off the effective FIRM (48121C0380G eff. 4/18/2011), there is an effective Zone AE with floodway and established Base Flood Elevations (BFEs) along Pecan Creek and PEC-4. The Pec Tributary 9 is a Zone A/AE floodplain. The effective FEMA model will have to be extended upstream of the Pec Tributary 9 to evaluate the impacts of the project on this tributary. This scope assumes the following for the PROJECT:

- PROJECT will be kept within Segments 1, 3, and 4A;
- The ultimate (fully developed) hydrologic conditions from the Pecan Creek and North Pecan Creek Watershed Study and Alternative Analysis (Halff 2021) will be used. New hydrology will only be performed for Pec Tributary 9 as part of this study. No new hydrology will be performed for any other streams within the project area;
- Per Section 3.8.1 of the City of Denton Stormwater Design Manual, a CLOMR and Flood Study will be required and performed;
- LOMR is excluded from this scope. An additional service will be provided after construction is completed.
- The FEMA effective model for Pecan Creek (below SCS Dam #16) will be used for the hydraulic analysis. If this model is not available, then additional services and fees would be required to develop a pre-project model.

9.1 Project Management and Communication

CONSULTANT will meet internally with staff for coordination and communication. CONSULTANT will meet and coordinate with CLIENT regularly and as necessary. This scope assumed a maximum of three (3) virtual meetings with CLIENT.

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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9.2 Data Collection and Terrain Generation

Data Collection and Analysis:

If applicable, obtain plat map, site plans, surveys, GIS files, and any other pertinent information available from internal source and/or CLIENT.
Obtain effective City fully developed backwater model, if available.
Retrieve effective FEMA models, Flood Insurance Study (FIS), and/or City of Denton's current existing hydrologic and hydraulic models for Pecan Creek from internal source and/or CLIENT.
Retrieve existing floodplain information from CLIENT and FEMA files.
Conduct a site visit (one day) to inspect the site, take photographs, and evaluate existing drainage conditions.
Survey will be utilized within the project area. Survey fee is not scoped under this service.

Terrain Generation:

Retrieve topographic maps from the City of Denton, Texas Geographic Information Office (TxGIO), and North Central Texas Council of Governments (NCTCOG), as necessary.
Prepare the existing terrain file (i.e., Digital Elevation Model (DEM)) using the best available topography. The topography will include 2010 or newer TxGIO Light Detection and Ranging (LIDAR) if more recent topography is not available.
Update the pre-project conditions DEM to include proposed and/or post-project conditions.

9.3 Hydrology

Hydrologic Analysis:

Utilize FEMA effective discharges for the 10-year, 50-year, 100-year, 500-year, and floodway storm events.
Utilize ultimate (fully developed) hydrologic conditions from the Pecan Creek and North Pecan Creek Watershed Study and Alternative Analysis (Halff 2021) for the 1-year, 25-year, and 100-year discharges.
Utilize aerials/Lidar to delineate drainage area for Pec Tributary 9 only, if necessary.
No new hydrologic analysis for Pecan Creek and/or other tributaries of Pecan Creek will be performed.
Quality assurance and quality control of the hydrologic model.

9.4 Floodplain Analysis and Downstream Assessment

Pre- Project Hydraulic Analysis:

- Utilize the City of Denton's existing models as the base for Hydraulic analysis. Execute and establish existing base flood levels. If the City of Denton's existing model is not available, use the FEMA effective model as the base model for Hydraulic analysis.
- Modify existing conditions to reflect revised existing (pre-project) conditions based upon survey information obtained for this project and recent topography through the project limits.
- Execute and debug the models to establish pre-project flood elevations for the 100-year FEMA and 1-, 25-, and 100-year fully developed storm events.
- Compare the revised existing model results to existing model conditions results.

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Building C Suite 150
Richardson, TX 75082
(817) 764-7446

- Quality assurance and quality control of hydraulic models.
- Map the pre-project 100-year FEMA and 100-year fully developed floodplains using the best available topography through the project area to include in the flood study report.

Post-Project Hydraulic Analysis:

- Modify the pre-project conditions hydraulic model to use both FEMA effective and the City's 1-, 25-, and 100-year fully developed discharges to reflect the 30%, 60%, 90% proposed design conditions.
- Execute and debug the proposed condition models.
- Identify the impacts to adjacent properties under pre-project and proposed design conditions.
- Perform valley storage analysis to satisfy the City of Denton floodplain criteria for the 100-year fully developed model only.
- The HEC-RAS model volume results will be used to evaluate valley storage loss due to the potential maximum floodplain reclamation for the 100-year fully developed model only.
- If proposed project using FEMA effective discharges does not meet the FEMA criteria, develop and model up to total three (3) grading modifications using the 100-year FEMA model only.
- Identify and record the need for structure in lieu of fill due to valley storage loss, if necessary.
- Create water surface elevation, velocity, and valley storage comparison tables.
- Analyze velocities for the fully developed 1-, 25-, and 100-year storm events to ensure that acceptable velocities are being maintained in accordance with Table 3.2.& 3.3 of iSWM Hydraulic Manual, new fill and grading are protected, and that erosive potential is not increased.
- Quality assurance and quality control of hydraulic models.
- Map the post-project floodway, 100-year FEMA and 100-year fully developed floodplains using the best available topography through the project area to include in the flood study report.

Downstream Assessment:

- Perform downstream assessment to determine downstream impacts and/or detention requirements.
- Determine zone of influence
- Evaluate potential detention required to offset the increased runoff due to the development. Size detention pond as needed to meet City of Denton detention requirements. Detention pond design is not included in the scope and will be an additional service.
- Demonstrate no adverse impacts per guidance contained in the City of Denton Stormwater Design Criteria Manual.

Technical Report:

- Preliminary Report – Prepare a hydrologic/hydraulic analysis report documenting findings and recommendations, if needed, for the study. Submit one (1) electronic copy of the draft report to CLIENT for review and comment.
- Meet with the CLIENT's Staff to receive comments and to discuss incorporation of the comments into the final study report.

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Building C Suite 150
Richardson, TX 75082
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- Final Report – Incorporate CLIENT comments into a final study report and submit one (1) pdf copy to the City including all computer modeling data according to the “CLOMR, No-rise & Fully Developed Flood Study Checklist”.

9.5 FEMA Conditional Letter of Map Revision (CLOMR)

The approved Flood study, referenced above, will be the basis of CLOMR. Any deviations in design or construction from that study will require additional services and fees. The following task will be performed to support a CLOMR application submittal to FEMA:

Hydraulic Analysis:

The Flood Study proposed conditions FEMA model shall be used for the CLOMR submittal; therefore, no additional proposed conditions hydraulic modeling will be required.

- Utilize hydraulic modeling approved under flood study to compute revised existing and proposed water surface elevations using FEMA effective discharges.
- Compare against effective conditions results.
- Perform FEMA Floodway analysis to determine potential changes in floodway limits.
- Compile comparison tables, including but not limited to, a 100-year flood elevation comparison table and floodway comparison table.
- Delineate 100-year, 500-year, and regulatory floodway boundaries.
- Perform QAQC on the CLOMR package.

Forms and Exhibits

Complete the following forms, and include attachments and exhibits as required by FEMA:

- Form 1 - Overview and Concurrence Form
- Form 2 - Riverine Hydraulics and Hydrology Form
- Form 3 - Riverine Structures Form.
- Payment Information Form
- Compile comparison tables, including but not limited to, a 1-percent-annual-chance flood elevation (100-year) comparison table and floodway comparison table.
- Prepare FEMA required workmap showing existing and proposed topography, proposed site plan, existing and proposed floodplains, and floodway.
- Prepare a scaled revised DFIRM exhibit and annotate.

Compliance with the Endangered Species Act (ESA)

- Perform a desktop review of listed species and limited field work to confirm that no endangered species will be harmed.
- Apply for an Incidental Take Permit (ITP) from the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (USFWS) if necessary.
- Obtain a letter from the NMFS and the USFWS indicating their determination that the project is "not likely to adversely affect" any endangered species.

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Richardson, TX 75082
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CLOMR Application Report

- Update the Flood Study Report to a CLOMR Report package to be submitted to the City and FEMA.
- Submit and present the report to the City for review, approval, and signatures. This scope of work includes one (1) meeting with the City for the purpose of review and signature of the CLOMR report.
- Prepare documentation and notification letters to affected property owners.
- Digital CLOMR submittal to FEMA LOMC Depot via online submittal.
- Online FEMA fee for CLOMR review is $6,500 (subject to change) as of July 2024 and is included in this scope and fee
- Coordination with the City during review.
- Coordination with FEMA during the review stage, modifications to analysis and report as required by FEMA.

PHASE 10 - SUBSURFACE UTILITY ENGINEERING (SUE)

The CONSULTANT will perform Subsurface Utility Engineering (SUE) services for Pecan Creek Trail Segments 1, 3, and 4A in accordance with ASCE 38-22, Standard Guideline for Investigating and Documenting Existing Utilities. The SUE effort will include Quality Levels D, C, B, and A, as described below.

10.1 Quality Level D and C (Records Research and Surface Features)

The CONSULTANT will conduct background research and field reconnaissance to identify existing utilities through:
• Review of utility records provided by owners and municipal departments
• Coordination with Texas One-Call
• Field identification of visible utility features such as manholes, valves, meters, hydrants, and pedestals
This information will be compiled and used to develop the initial utility base map. Utilities for which records or surface indicators are unavailable will be classified as unknown.

10.2 Quality Level B (Designating)

The CONSULTANT will designate the approximate horizontal position of up to 19,000 linear feet of subsurface utilities using accepted surface geophysical methods. Work will include gas, telecommunications, electric, water, sanitary sewer, storm sewer, and traffic signal utilities where detectable.

Limitations:
• Irrigation lines and non-toneable utilities are excluded unless detectable in the field
• Overhead lines are not included as part of SUE designating
Designated utilities will be surveyed using project control established for the trail project.

10.3 Quality Level A (Test Holes / Locating)

The CONSULTANT will perform Quality Level A test holes at locations determined after review of QL-B results. This effort will include up to sixteen (16) test holes distributed among Trail Segments 1, 3, and 4A.

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Each test hole will include:
• Vacuum excavation to expose the utility
• Measurement of size, material, configuration, and depth to top of utility
• Survey of horizontal and vertical position
• Backfilling with suitable material and restoring the surface
Pavement coring (up to 12 inches) is included if required. Full-depth pavement repair, subsurface rock excavation, or any work beyond 18 feet deep is excluded unless specifically authorized.

10.4 Survey, Right-of-Entry, and Traffic Control

• The CONSULTANT will survey all designating marks and test holes using project control provided for the project.
• Right-of-entry will be provided by the CLIENT for all public and private parcels where needed.
• Temporary traffic control consisting of cones and portable signage is included.
Engineered traffic control plans, lane closures, flaggers, or message boards are excluded unless specifically authorized.

Deliverables:

The CONSULTANT will provide:
• CAD files depicting all QL-B, C & D designated utilities and QL-A test hole results
• Test hole summary table including coordinates, utility attributes, and depths
• Supporting documentation consistent with ASCE 38-22 requirements
All deliverables will be provided in AutoCAD and PDF formats.

PHASE 11 – BOUNDARY AND EASEMENT SUPPORT

11.1 Easement Exhibits and Legal Descriptions

The CONSULTANT will prepare up to fifteen (15) permanent easement exhibits and up to fifteen (15) temporary construction easement (TCE) exhibits, each with accompanying legal descriptions, for use by the CLIENT during property acquisition. An ownership and status table will be provided summarizing parcel numbers, owners of record, easement needs, and acquisition status as provided by CLIENT.

The CONSULTANT shall address one (1) round of CLIENT comments on the exhibits prior to providing finalized, signed and sealed exhibits.

Deliverables:

The CONSULTANT will provide:
• Digital Copy PDF of up to fifteen (15) signed and sealed permanent easement exhibits
• Digital Copy PDF of up to fifteen (15) signed and sealed temporary construction easement exhibits
• One (1) Digital Copy PDF of Ownership and Status Table

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Building C Suite 150
Richardson, TX 75082
(817) 764-7446

PHASE 12 – CONSTRUCTION ADMINISTRATION

12.1 Construction Administration

CONSULTANT will provide Construction Administration Services for the Pecan Creek Regional Trail for a duration of three (3) months. The three (3) month time period will begin at the kick-off meeting and will conclude after the duration of said time. Please see following tasks:

- Participate in one (1) pre-construction conference. Meeting notes will be prepared to record items discussed during this conference.
- Participate and attend one (1) Kick-off meeting. Meeting notes will be prepared to record items discussed during this meeting.
- Participate in up to three (3) monthly meetings and site visits during construction. Construction observation reports accompanied by construction progress photographs will be prepared for each site visit.
- Review requests for information (RFI's), shop drawings and submittals providing clarifications as required up to ten (10).
- Provide written responses, up to ten (10) to RFIs submitted by the Contractor in the form of Proposal Requests, Change Orders or Construction Change Directives.
- Prepare documentation for change orders up to three (3); if required. Hourly service.
- Participate in one (1) preliminary punch list of deficient items. (N/A)
- Participate in one (1) follow-up site visit to observe completion of punch list items.(N/A)
- Prepare final As-Recorded Drawings of Construction Plans as submitted by contractor to be incorporated in CADD standard format. Drawings to consist of 1 CADD file and 1 PDF document.

12.2 Accessibility Review

- CONSULTANT will submit drawings and specifications to the Texas Department of Licensing and Regulation for review of accessibility. We will incorporate any comments received and make adjustments to the plans as needed.
- Site Review and Inspection fees payable to TDL&R will be paid and delivered with transmittal of the plans to TDL&R. Printing of plans and specifications and shipping will be reimbursable expenses as defined herein.

Deliverables:

The CONSULTANT will provide:

- Digital Copy PDF of meeting minutes, RFI's and Addendums
- Digital Copy PDF and CADD file of As-Recorded Drawings as provided by the Contractor.
- Digital Copy PDF Submission sets as required by TDL&R, record set for the CLIENT.

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Richardson, TX 75082
(817) 764-7446

ADDITIONAL SERVICES

Other additional services, not included in the Scope of Services, will be negotiated with the CLIENT as needed. Compensation will be based upon a mutually agreed lump sum fee or an hourly rate as shown below. Items that are considered additional services include:

- Any service not specifically listed herein;
- Revisions to the horizontal alignment or vertical alignment requested by the City after the 60% design milestone;
- Trail and park improvements other than those listed in the scope of work;
- MEP Electrical Engineering design for lighting;
- Meetings or presentations not specified herein;
- Revisions to plans requested by the City after the plans are approved;
- Permit fees, filing fees, pro rated fees, impact fees, and taxes;
- Preparation of easement or right of way documents beyond the quantities included in the scope (additional permanent easements or TCEs);
- Right of Way Services including property acquisition, condemnation, appraisal, relocation or negotiations;
- Design of gas, telephone, or other utility improvements except as noted herein;
- Printing of drawings, specifications, and contract documents except as noted herein (digital submittals are included);
- Full time construction inspection and preparation of as built drawings;
- Certification that the work is built in accordance with plans and specifications (by City);
- Graphic products except as noted herein;
- Design of utilities or other improvements outside of the trail boundary or roadway rights of way (not in scope);
- Attendance or preparation for meetings and public hearings except as noted herein;
- Preparation of bid packages other than one original digital set;
- Quality control and material testing services during construction;
- Traffic engineering report or studies;
- Construction Administration Services, as noted above in Phase 12 is limited to three (3) months.
    - Construction Administration Services beyond 3 months, Construction staking, management or inspection; Design of off site facilities, pay application reviews are not included;
- Design of existing utility relocations or modifications beyond conflict resolution shown in plans;
- Design of water or wastewater systems or facilities;
- Design of storm water detention facilities; if it is determined during the Water Resources Services phase that design of detention facilities are needed, they can be provided for an additional fee to be negotiated at a later date;
- Design Survey for boundary and topography related to location of any storm water detention facilities; if it is determined during the Water Resources Services phase that survey for the location of detention facilities is needed, it can be provided for an additional fee to be negotiated at a later date;

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

- Design or coordination of illumination, power, phone, and gas services.
- Illumination Study and Lighting Design
- Negotiations or agreements with adjacent property owners;
- CLIENT to confirm an approved Property Acquisition Map;
- Technical reports for the following items are excluded from this scope of services: noise, air quality, community impacts, indirect impacts, and cumulative impacts;
- Effort to obtain right of entry from public or private land owners to allow for the completion of environmental services; Threatened or endangered species surveys, preparation of a Biological Assessment under the Endangered Species Act, or formal consultation with USFWS;
- Preparation of a USACE Section 404 Individual Permit application (Nationwide Permit support only is assumed);
- Reconnaissance or intensive surveys for historic resources, evaluation of effects on sites determined eligible or listed on the NRHP, development of Section 106 mitigation plans, or Section 4(f) evaluations;
- Phase I Environmental Site Assessment per ASTM standards, or any sampling and laboratory analysis (e.g., hazardous materials sampling and analysis, asbestos surveys, lead based paint surveys).

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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Building C Suite 150
Richardson, TX 75082
(817) 764-7446

Time for Completion

Halff Associates agrees to complete and submit all work required by the CLIENT under the Scope of Work within an estimated eighteen (18) months from the date of written authorization to proceed, excluding agency review durations and environmental permitting timelines. This schedule assumes concurrent City of Denton and TxDOT review periods at schematic and construction document deliverable milestones, as well as concurrent progress by the CONSULTANT's hydraulics and hydrology, environmental, and TxDOT Local Government Project (LGP) coordination teams.

TxDOT environmental review and approval is anticipated to require approximately six (6) to eight (8) months and is assumed to be completed prior to the ninety percent (90%) Construction Documents submittal. FEMA Conditional Letter of Map Revision (CLOMR) review is anticipated to require approximately four (4) to six (6) months and is assumed to be completed prior to the one hundred percent (100%) Final Construction Documents submittal.

The timeframe may be extended or suspended due to delays in agency or franchise utility reviews, environmental approvals, or other matters beyond the control of the Engineer or Landscape Architect, with the mutual written consent of both parties.

Milestones include:

Task	Duration
Survey and Geotechnical Investigation	6 weeks
Schematic Verification	8 weeks
Design Development Documents (60%)	16 weeks
Construction Documents (90%)	16 weeks
Final Construction Documents (100%)	12 weeks
Bidding Support and Coordination	8 weeks
TOTAL	**76 weeks**

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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ATTACHMENT 'B'
Basis of Compensation
Landscape Architecture and Engineering Design Services for
The Pecan Creek Regional Trail – Segments 1, 3 & 4A
Denton, Texas

The basis of compensation for the services is **Lump Sum** and shall be as follows:

Phase	Task	Name		
		BASIC SERVICES		
01		**PROJECT MANAGEMENT**	**$**	**133,000.00**
	1	Internal Team Meetings		
	2	Predevelopment Program Meeting		
	3	Trail Design Review Meeting		
	4	Advanced Agency Coordination Meetings		
	5	Monthly Project Coordination Meetings		
	6	Design Submittal Review Meetings		
	7	Stakeholder Meetings		
	8	Monthly Progress Reporting		
	9	Invoicing		
02		**DATA COLLECTION BASE MAP PREPARATION**	**$**	**301,000.00**
	1	Field Walks and Spot Staking		
	2	Design Survey		
	3	Base Mapping		
	4	QA/QC Design Review		
03		**30% SCHEMATIC VERIFICATION**	**$**	**19,500.00**
	1	Discipline Check		
	2	Targeted Updates		
	3	OPCC		
	4	QA/QC Design Review		
04		**60% AND 90% CONSTRUCTION DOCUMENTS**	**$**	**577,500.00**
	1	Landscape Architecture		
	2	Civil Engineering		
	3	Structural Engineering		
	4	OPCC		
	5	Specifications		
	6	LGPP and TxDOT		
	7	QA/QC Design Review		
5		**FINAL CONSTRUCTION DOCUMENTS**	**$**	**269,500.00**
	1	Landscape Architecture		
	2	Civil Engineering		
	3	Structural Engineering		

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2380 Performance Drive
Building C Suite 150
Richardson, TX 75082
(817) 764-7446

	4	OPCC		
	5	Specifications		
	6	LGPP and TxDOT		
	7	QA/QC Design Review		
	8	Client Final Review		
06		**BIDDING SERVICES**	**$**	**23,000.00**
		TOTAL BASE SERVICES	**$**	**1,323,500.00**
		SPECIAL SERVICES TO BE PROVIDED		
07		**GEOTECHNICAL INVESTIGATION**	**$**	**95,000.00**
08		**ENVIRONMENTAL SERVICES**	**$**	**167,900.00**
	1	Project Management and Communication		
	2	Categorical Exclusion (CE)		
	3	USACE Permitting		
09		**WATER RESOURCES**	**$**	**250,000.00**
	1	Project Management and Communication		
	2	Data Collection and Terrain Generation		
	3	Hydrology		
	4	Floodplain Analysis and Downstream Assessment		$140,000.00
	5	FEMA Conditional Letter of Map Revision (CLOMR)		$80,000.00
10		**SUBSURFACE UTILITY ENGINEERING (SUE)**	**$**	**95,000.00**
11		**BOUNDARY AND EASEMENT SUPPORT**	**$**	**99,000.00**
12		**CONSTRUCTION ADMINISTRATION**	**$**	**49,000.00**
	1	Construction Administration Services (3 months)		$32,000
	2	As-Recorded Drawings		$10,500
	3	TDLR Review/Inspection		$6,500
		TOTAL SPECIAL SERVICES	**$**	**755,900.00**
		Estimated Included Reimbursable Expenses		$18,000.00
		GRAND TOTAL	**$**	**2,079,400.00**

The estimated fees established above, shall be considered lump sum. The fees will not be exceeded without prior approval from the client. Costs incurred will be carefully monitored during the progress of this project. Our services will be invoiced monthly, based on the work completed. Direct costs including printing and reproduction, postage, messenger service, and travel will be considered reimbursable.

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Richardson, TX 75082
(817) 764-7446

APPENDIX

Exhibit 'A' – Project Map

Exhibit 'B' – LG Plans Submittal Checklist

Exhibit 'C' – FPAA/SLOA Construction Requirements

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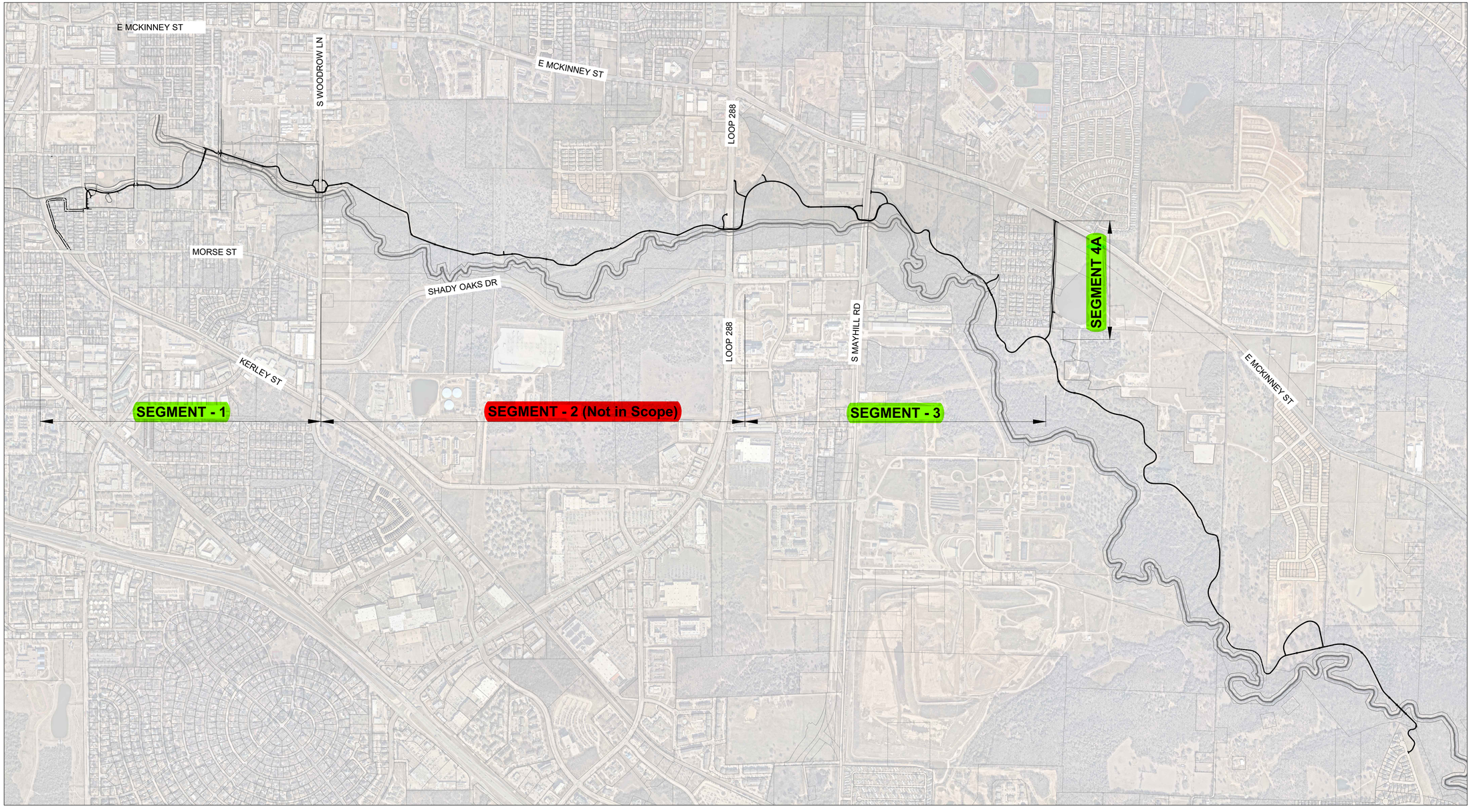

DENTON PECAN CREEK TRAIL SYSTEMS
Denton, TX

CITY OF DENTON

halff
1201 NORTH BOWSER RD.
RICHARDSON, TEXAS 75081-2275
TEL: (214) 346-6200

REVISION NO.	DATE	DESCRIPTION

PRELIMINARY
FOR INTERIM REVIEW ONLY

THESE DOCUMENTS ARE FOR INTERIM REVIEW AND ARE NOT INTENDED FOR REGULATORY APPROVAL, PERMIT, BIDDING OR CONSTRUCTION PURPOSES. THEY WERE PREPARED BY OR UNDER THE SUPERVISION OF:

JOE D. BUCHANAN — 2570
NAME — R.L.A. NO.
DATE — $DATE$

THE SEAL APPEARING ON THIS DOCUMENT WAS AUTHORIZED BY:

JOE D. BUCHANAN
R.L.A. NO. # 2570 ON 6/5/2023.

ALTERATION OF A SEALED DOCUMENT WITHOUT PROPER NOTIFICATION TO THE RESPONSIBLE ENGINEER IS AN OFFENSE UNDER THE TEXAS ENGINEERING PRACTICE ACT.

THE RECORD COPY OF THIS DRAWING IS ON FILE AT THE OFFICES OF:

HALFF ASSOCIATES, INC.
1201 NORTH BOWSER ROAD
RICHARDSON, TEXAS 75081
TBPELS ENGINEERING FIRM #F-312

PROJECT NO.:	46556
ISSUED:	-
DRAWN BY:	PK
CHECKED BY:	JDB
SCALE:	AS SHOWN

SHEET TITLE
OVERALL SHEET INDEX PLAN

L0.01

FILE NAME: \\rchcephclust01\archive\EAVAULT02\download\ah4341@halff.com-046556.001-24ef15af-a2db-4052-9367-4347581688f3\CADD\SheetsRCHL0.00-22x34.dwg DATE: June 25, 2024, TIME: 10:41 AM, USER: ah4341 AVO: XXXXX

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

TxDOT - DALLAS DISTRICT
LG PLANS SUBMITTAL CHECKLIST

All documents listed under each submittal are required and must be included before TxDOT can review.
****** PLEASE INCLUDE 4 WEEKS OF TXDOT REVIEW TIME FOR EACH SUBMITTAL****

Preliminary Bridge Layout Review (PBLR)

All Federally Funded projects consisting of bridges or bridge class culverts require PBLR review

- ☐ BRIDGE LAYOUTS
- ☐ PLAN AND PROFILE
- ☐ CROSS SECTIONS
- ☐ H&H FILES
- ☐ FORM 1002 (FLAT PDF REQUIRED)

SCHEMATIC

******All trail and reconstruction projects will require a schematic******
******Must include horizontal and vertical alignment data******

- ☐ PLAN SET
- ☐ OPINION OF PROBABLE CONSTRUCTION COST
- ☐ FORM 1002 (FLAT PDF REQUIRED)
- ☐ DESIGN WAIVER/EXCEPTION REQUESTS

30% SUBMITTAL

- ☐ PLAN SET (STANDARDS NOT INCLUDED, ONLY LISTED ON THE INDEX)
- ☐ OPINION OF PROBABLE CONSTRUCTION COST
- ☐ FORM 1002 (FLAT PDF REQUIRED)
- ☐ FORM 2443 (FLAT PDF REQUIRED)
- ☐ DESIGN WAIVER/EXCEPTION REQUESTS

60% SUBMITTAL

- ☐ PLAN SET (STANDARDS MUST BE INCLUDED)
- ☐ GENERAL NOTES
- ☐ OPINION OF PROBABLE CONSTRUCTION COST
- ☐ FORM 1002 (FLAT PDF REQUIRED)
- ☐ FORM 2443 (FLAT PDF REQUIRED)

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

TxDOT - DALLAS DISTRICT
LG PLANS SUBMITTAL CHECKLIST

All documents listed under each submittal are required and must be included before TxDOT can review.

****** PLEASE INCLUDE 4 WEEKS OF TXDOT REVIEW TIME FOR EACH SUBMITTAL******

95% SUBMITTAL

- ☐ PLAN SET (STANDARDS MUST BE INCLUDED)
- ☐ CROSS SECTIONS
- ☐ GENERAL NOTES
- ☐ OPINION OF PROBABLE CONSTRUCTION COST
- ☐ FORM 1002 (FLAT PDF REQUIRED W/ PG 3 SIGNED BY TXDOT)
- ☐ FORM 2443 (FLAT PDF REQUIRED)
- ☐ FORM 2229 (FLAT PDF REQUIRED)
- ☐ TDLR REGISTRATION DOCUMENTATION
- ☐ CONSTRUCTION SCHEDULE
- ☐ DRAFT BID DOCUMENT/PROJECT MANUAL
- ☐ LGP CHECKLIST WITH FULLY FILLED OUT SECTION 7.6

100% SUBMITTAL

- ☐ SIGNED AND SEALED APPROVED PLAN SET
- ☐ CROSS SECTIONS
- ☐ APPROVED SCHEMATIC (IF APPLICABLE)
- ☐ ENVIRONMENTAL CLEARANCE EMAIL
- ☐ OPINION OF PROBABLE CONSTRUCTION COST
- ☐ FORM 1002 (FLAT PDF REQUIRED W/ PG 3 SIGNED BY TXDOT)
- ☐ FORM 2443 (FLAT PDF REQUIRED)
- ☐ FORM 2229 (FLAT PDF REQUIRED)
- ☐ TDLR REGISTRATION DOCUMENTATION
- ☐ SIGNED CLEARANCE CERTIFICATES
- ☐ CONSTRUCTION END DATE (SIGNED PDF)
- ☐ CONSTRUCTION SUMMARY ESTIMATE (KEEP THIS A FILLABLE PDF)
- ☐ CONSTRUCTION SCHEDULE (SIGNED AND DATED)
- ☐ FINAL BID DOCUMENT/PROJECT MANUAL
- ☐ LGP CHECKLIST WITH FULLY FILLED OUT SECTION
- ☐ CHECK FROM THE LG TO TXDOT (DIRECT STATE COSTS FROM AFA ATTACHMENT

****** PLEASE INCLUDE 4 WEEKS OF TXDOT REVIEW TIME FOR EACH SUBMITTAL ******

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To request the FPAA/SLOA for construction we need:

1) 100% Plans approved by TxDOT (PS&E review complete)
2) Approved schematic (if applicable)
3) Environmental Clearance Email
4) Signed title sheet (signed by the LG and Consultant)
5) Signed clearance certifications
6) CST Performance End Date Form (PDF and signed)
7) Construction Summary Estimate (please keep this form a fillable PDF)
8) OPCC with no contingency shown
9) Construction schedule (signed and dated)
10) LGP Checklist Section 7.6 fully filled out with page number references and LG certification
11) Check from the LG to TxDOT (Direct State Cost for Construction, second payment from the AFA Attachment C)

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Attachment 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.**

Halff 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.**

Lenny Hughes

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:

Lenny Hughes

97721DD913424D3...

Signature of vendor doing business with the governmental entity

3/2/2026

Date

Docusign Envelope ID: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681

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

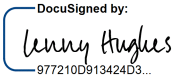
Envelope Id: EEC5BF00-8CFE-43D4-86E8-0CF0E391A681
Status: Sent
Subject: Please DocuSign: City Council Contract 8596-003 Pecan Creek Regional Trails
Source Envelope:
Document Pages: 60
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Cori Power
901B Texas Street
Denton, TX 76209
cori.power@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
2/20/2026 8:42:40 AM
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: 198.49.140.104	Sent: 2/20/2026 8:50:17 AM Viewed: 2/20/2026 8:50:41 AM Signed: 2/20/2026 8:51:07 AM
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: 198.49.140.104	Sent: 2/20/2026 8:53:17 AM Viewed: 2/20/2026 8:53:58 AM Signed: 2/20/2026 8:54:04 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: 2/20/2026 8:51:10 AM Viewed: 2/20/2026 10:55:49 AM Signed: 2/20/2026 11:09:02 AM
Leah Bush leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/20/2026 1:04:52 PM ID: a88fc2dc-becf-4c56-8371-0192acd3c55d	Signed by: Leah Bush 2A936B08B5D7485... Signature Adoption: Pre-selected Style Using IP Address: 63.196.246.37	Sent: 2/20/2026 11:09:06 AM Viewed: 2/20/2026 1:04:52 PM Signed: 2/20/2026 2:19:34 PM

Signer Events	Signature	Timestamp
Lenny Hughes lhughes@halff.com Vice President Security Level: Email, Account Authentication (None)	DocuSigned by:  977210D913424D3... Signature Adoption: Pre-selected Style Using IP Address: 199.87.249.19	Sent: 2/20/2026 2:19:38 PM Resent: 2/24/2026 10:18:04 AM Viewed: 3/2/2026 9:27:13 AM Signed: 3/2/2026 9:32:52 AM
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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: 3/2/2026 9:32:57 AM Viewed: 3/2/2026 10:05:35 AM Signed: 3/2/2026 10:06:02 AM
Electronic Record and Signature Disclosure: Accepted: 3/2/2026 10:05:35 AM ID: 8ff2b40d-4ac0-4a16-b2d1-5d334d4df28f		
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None)		Sent: 3/2/2026 10:06:06 AM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None)		
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None)		
Electronic Record and Signature Disclosure: Not Offered via Docusign		

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

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: 2/20/2026 8:51:10 AM
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: 3/2/2026 10:06:06 AM Viewed: 3/3/2026 9:25:36 AM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Robin Davis Robin.Davis@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/10/2026 2:05:48 PM ID: b2f0a278-8e2d-4050-946c-209a7b198e99		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
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Envelope Updated	Security Checked	2/20/2026 8:53:16 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 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: March 24, 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 RT Solutions Group LLC., for uninterrupted power supply services for various city buildings for the Facilities Management Department, providing for the expenditure of funds therefor; and providing an effective date (RFP 8960 – awarded to RT Solutions Group LLC., for one (1) year, with the option for four (4) additional one (1) year extensions, in total five (5) year not-to-exceed amount of $2,123,920.00).

STRATEGIC ALIGNMENT

This action supports the Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

Facilities Management oversees essential infrastructure, including Uninterrupted Power Supplies (UPS), which provide backup power to critical systems such as fire suppression equipment, emergency lighting, and electrical distribution networks. These systems ensure operational continuity during power fluctuations or outages, preventing disruptions in key municipal facilities such as government offices, emergency response centers, and public utilities. Reliable operation of UPS units is fundamental to maintaining safety, efficiency, and service delivery across the city.

Due to deferred maintenance and the aging of critical components, several UPS units are exhibiting signs of performance degradation. In November 2023, assessments conducted by facility engineers identified an increased risk of failures, emphasizing the need for proactive intervention. Without timely maintenance and component replacements, these units may struggle to provide consistent backup power, leaving essential systems vulnerable to electrical disturbances and unexpected power loss. Addressing these concerns now mitigates long-term risks and ensures uninterrupted operations.

Regular upkeep—including battery replacements, circuit evaluations, and load testing—will ensure system reliability, enhance energy efficiency, and prevent costly emergency repairs. If preventative maintenance is not carried out, the likelihood of equipment failure will increase, potentially resulting in operational inefficiencies, disruptions to municipal services, and financial burdens associated with reactive maintenance and emergency equipment replacements. By proactively addressing these maintenance needs, Facilities Management ensures the continued resilience of essential infrastructure, supporting the city's ability to operate without interruption.

The contract amount is based on past spending at City properties, focusing on Uninterrupted Power Supply systems. It includes costs for backup power, batteries, and system reliability. Future estimates also look at current power setups, how facilities may be used differently, and planned improvements like stronger power systems and smarter energy controls. The cost supports the City's goal of keeping services running during outages and improving energy reliability.

ESTIMATED CONTRACTED EXPENSES

	FY25-26	FY 26-27	FY 27-28	FY28-29	FY 29-30	Total
Maintenance and repairs	$111,000	$114,330	$117,760	$121,293	$124,931	$583,314
Replacement/Additions	270,000	278,100	286,443	295,036	303,887	1,433,466
Sub Total	**$381,000**	**$392,430**	**$404,203**	**$416,329**	**$428,818**	**$2,022,780**
Contingency	19,050	19,622	20,210	20,816	21,442	101,140
Total	**$400,050**	**$412,052**	**$424,413**	**$437,145**	**$450,260**	**$2,123,920**

Request for Proposals was sent to 408 prospective suppliers, including 11 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Three (3) proposals were received, references were checked, and proposals were evaluated based upon published criteria, including price, compliance with specifications, and probable performance. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, RT Solutions Group LLC. was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	207 - Computer Accessories & Supplies
Notifications sent for Solicitation sent in IonWave:	408
Number of Suppliers that viewed Solicitation in IonWave:	26
HUB-Historically Underutilized Business Invitations sent out:	83
SBE-Small Business Enterprise Invitations sent out:	171
Responses from Solicitation:	3

RECOMMENDATION

Award a contract with RT Solutions Group LLC., for uninterrupted power supply services for various city buildings for the Facilities Management 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 $2,123,920.

PRINCIPAL PLACE OF BUSINESS

RT Solutions Group LLC.
Fort Worth, TX

SUSTAINABILITY MEASURES

The most cost-effective and efficient parts available will be used when using Uninterrupted Power Supply services.

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 Outside Contracted Services account 880200.6545 or different department accounts. Requisitions will be entered into the Purchasing software system on an as-needed basis. New additions or new construction will be funded from the capital budget. The budgeted amount for this item is $2,123,920.

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: David Moore, 940-349-7247.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2
RFP 8960 - Pricing Evaluation for Uninterrupted Power Supply Services

			RT Solutuions Group LLC.	Viking Power	CS Global Tech LLC
		Respondent's Business Name:	RT Solutuions Group LLC.	Viking Power	CS Global Tech LLC
		Principal Place of Business (City and State):	Fort Worth, TX	Farmers Branch, TX	Houston, TX
Line #	**Description**	**UOM**	**Unit**	**Unit**	**Unit**
1	BI-ANNUAL MAINTENANCE (2PM visits per year) LABOR	HR	**$207.20**	$300.00	$450.00
2	REGULAR BUSINESS HOURS LABOR	HR	**$207.20**	$200.00	$400.00
3	OUTSIDE BUSINESS HOURS LABOR	HR	**$310.80**	$400.00	$425.00
4	EMERGENCY SERVICE LABOR	HR	**$310.80**	$400.00	$450.00
5	Disposable Fee for Battery Replacement (Price per each battery)	EA	**$0.00**	$20.00	$35.00
6	Other Applicable Fees (Please explain) - Freight will be billed as needed/at actual cost	EA	**$0.00**	$500.00	$350.00
7	Markup Percentage on Replacement Parts from cost (with documentation)		**20.0%**	20.0%	10.0%
8	Sub-contractor Mark-up Fee		**0.0%**	20.0%	10.0%
		Total:	**$1,036.00**	$1,820.00	$2,110.00

Evaluation				
Item #	**Standard Criteria**	**RT Solutuions Group LLC.**	Viking Power	CS Global Tech LLC
1	Compliance with Specifications - 30%	**22.00**	10.00	10.00
2	Probable Performance - 30%	**26.00**	16.00	10.00
3	Price, Total Cost of Ownership - 40%	**40.00**	22.77	19.64
	Total Score:	**88.00**	48.77	39.64

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH RT SOLUTIONS GROUP LLC., FOR UNINTERRUPTED POWER SUPPLY SERVICES FOR VARIOUS CITY BUILDINGS FOR THE FACILITIES MANAGEMENT DEPARTMENT, PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8960 – AWARDED TO RT SOLUTIONS GROUP LLC., FOR ONE (1) YEAR, WITH THE OPTION FOR FOUR (4) ADDITIONAL ONE (1) YEAR EXTENSIONS, IN TOTAL FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF $2,123,920.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for uninterrupted power supply services for various city buildings for the Facilities Management 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
8960	RT Solutions Group LLC.	$2,123,920.00

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, 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	8960
File Name	UNINTERRUPTED POWER SUPPLY SERVICES
Purchasing Contact	Crystal Westbrook
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 RT SOLUTIONS GROUP LLC.
(Contract # 8960)

THIS CONTRACT is made and entered into this date _____, by and between RT Solutions Group LLC. a Texas limited liability company, whose address 7505 Fresh Springs RD., Fort Worth, Texas 76120, 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 #8960 Uninterrupted Power Supply 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 #8960 (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
RT SOLUTIONS GROUP LLC.

Signed by:
Eric Smith
BD8C0ABA5DA34E2...

Authorized Signature

Printed Name: Eric Smith

Title: Owner

Email Adress: admin@rtsolutionsgrp.com

2026- 1427394
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

BY:
CITY OF DENTON, TEXAS

Sara Hensley, City Manager

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Signed by: Leah Bush 2A936B08B5D7485...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

Docusigned by:
Tom Gramer
7B58DA8FCE5F49C...
SIGNATURE

Director
TITLE

Facilities
DEPARTMENT

Contract 8960

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Exhibit A
Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed $2,123,920.00. 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.

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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.

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 #8960

On File at the Office of the Purchasing Agent

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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.

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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:

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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,

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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.

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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.

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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.

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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:

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- 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.***

- 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

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injury (including death) and property damage limits of $1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

B. <u>WORKERS' COMPENSATION and EMPLOYERS LIABILITY INSURANCE</u>

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.

C. <u>BUSINESS AUTOMOBILE LIABILITY INSURANCE</u>

Business Automobile Liability Insurance covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage limit of $500,000.00 per occurrence.

NOTE:

a. If CONTRACTOR does not have owned, hired and non-owned autos or vehicles and/or no autos or vehicles will not be used in the performance of services under the contract, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement for owned autos.

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

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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

Line #	Description	UOM	RT Solutuions Group Unit Pricing
1	BI-ANNUAL MAINTENANCE (2PM visits per year) LABOR	HR	$207.20
2	REGULAR BUSINESS HOURS LABOR	HR	$207.20
3	OUTSIDE BUSINESS HOURS LABOR	HR	$310.80
4	EMERGENCY SERVICE LABOR	HR	$310.80
5	Disposable Fee for Battery Replacement (Price per each battery)	EA	$0.00
6	Other Applicable Fees (Please explain) - Freight will be billed as needed/at actual cost	EA	$0.00
7	Markup Percentage on Replacement Parts from cost (with documentation)		20.0%
8	Sub-contractor Mark-up Fee		0%

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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.**

RT SOLUTIONS GROUP LLC.

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.**

Crystal Westbrook

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: Eric Smith BD8C0ABA5DA34F2...

Signature of vendor doing business with the governmental entity

3/2/2026

Date

Docusign Envelope ID: 9E7D86D5-509D-4C43-8FAF-383E539A1641

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: 9E7D86D5-509D-4C43-8FAF-383E539A1641
Status: Sent
Subject: Please DocuSign: City Council Contract 8960 Uninterrupted Power Supply Services
Source Envelope:
Document Pages: 36
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Crystal Westbrook
901B Texas Street
Denton, TX 76209
crystal.westbrook@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
2/17/2026 9:54:54 AM
Holder: Crystal Westbrook
crystal.westbrook@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Crystal Westbrook crystal.westbrook@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: 2/17/2026 10:01:16 AM Viewed: 2/17/2026 10:01:33 AM Signed: 2/17/2026 10:03:21 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: 2/17/2026 10:03:24 AM Viewed: 2/17/2026 12:54:03 PM Signed: 2/17/2026 12:54:42 PM
Leah Bush leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/18/2026 1:38:28 PM ID: a453d56a-a63d-4e6d-8718-ff0054995afe	Signed by: Leah Bush 2A936B08B5D7485... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/17/2026 12:55:53 PM Viewed: 2/18/2026 1:38:28 PM Signed: 2/18/2026 2:07:04 PM
Eric Smith admin@rtsolutionsgrp.com Owner Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/2/2026 10:51:33 AM ID: 0c28f48c-4ec1-46c9-a7d0-9eeedb511c54	Signed by: Eric Smith BD8C0ABA5DA34F2... Signature Adoption: Pre-selected Style Using IP Address: 2603:8080:6a00:383a:4cbe:cf69:6a80:85ae	Sent: 2/18/2026 2:07:14 PM Viewed: 3/2/2026 10:51:33 AM Signed: 3/2/2026 11:10:18 AM

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: 198.49.140.10	Sent: 3/2/2026 11:10:21 AM Viewed: 3/2/2026 11:13:43 AM Signed: 3/2/2026 11:13:52 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: 3/2/2026 11:13:55 AM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 2/17/2026 10:03:25 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:**	COPIED	Sent: 2/17/2026 12:55:55 PM

Carbon Copy Events	Status	Timestamp
Not Offered via Docusign		
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: 3/2/2026 11:13:56 AM Viewed: 3/3/2026 9:26:22 AM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
David Moore david.moore@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	2/17/2026 10:01:16 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: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute an Interlocal Cooperative Purchasing Agreement with the City of Justin, under the Texas Government Code, Section 791.001, to authorize the City of Justin and City of Denton to utilize each entities' solicited contracts for the purchasing of various goods and services; authorizing the expenditure of funds therefor; and declaring an effective date (File 8978 – award an Interlocal Cooperative Purchasing Agreement with the City of Justin).

INFORMATION/BACKGROUND

Chapter 791 of the Texas Government Code authorizes respective participating governments to enter into agreements for the purchase of goods and services. The attached agreement is an authorization for the City of Denton to participate in contracts awarded by the City of Justin and for the City of Justin to participate in contracts awarded by the City of Denton. The contract will remain in effect until terminated by either party.

This Agreement will allow both entities to utilize contracts for goods and services competitively solicited by the other party to the contract. The solicitation process followed by both entities meets all statutory procurement requirements per Local Government Code 271.102. Upon approval of the Agreement, the City of Justin intends to utilize the City of Denton's RFP 7840 Debt Management Software.

Section 791 of the Government Code requires that all Cooperative Agreements must be authorized by the governing body, regardless of the dollar amount.

RECOMMENDATION

Award an Interlocal Cooperative Purchasing Agreement with the City of Justin for various goods and services.

PRINCIPAL PLACE OF BUSINESS

City of Justin
Justin, TX

ESTIMATED SCHEDULE OF PROJECT

This Agreement is effective upon approval by the City of Denton and will remain in effect until terminated by either party.

FISCAL INFORMATION

Each future acquisition, based on the Agreement, will follow the City of Denton fiscal verification process and be charged to the appropriate budget account.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance and Interlocal Agreement

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Lori Hewell, 940-349-7100.

Legal point of contact: Leah Bush at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL COOPERATIVE PURCHASING AGREEMENT WITH THE CITY OF JUSTIN, UNDER THE TEXAS GOVERNMENT CODE, SECTION 791.001, TO AUTHORIZE THE CITY OF JUSTIN AND CITY OF DENTON TO UTILIZE EACH ENTITIES' SOLICITED CONTRACTS FOR THE PURCHASING OF VARIOUS GOODS AND SERVICES; AUTHORIZING THE EXPENDITURE OF FUNDS THEREFOR; AND DECLARING AN EFFECTIVE DATE (FILE 8978 – AWARD AN INTERLOCAL COOPERATIVE PURCHASING AGREEMENT WITH THE CITY OF JUSTIN).

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager, or their designee, is hereby authorized to execute the Interlocal Cooperative Purchasing Agreement with the City of Justin under Section 791.001 of the Texas Government Code, a copy of which is attached hereto and incorporated by reference herein (the "Agreement").

SECTION 2. The City Manager, or their designee, is authorized to expend funds pursuant to the Agreement for the purchase of various goods and services.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

Docusign Envelope ID: 0BA1B31A-E06C-4A94-8C93-87B299AF9FD5

Docusign City Council Transmittal Coversheet

FILE	8978
File Name	INTERLOCAL WITH CITY OF JUSTIN
Purchasing Contact	Crystal Westbrook
City Council Target Date	
Piggy Back Option	Not Applicable
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: 0BA1B31A-E06C-4A94-8C93-87B299AF9FD5

INTERLOCAL COOPERATIVE PURCHASING AGREEMENT BETWEEN CITY OF JUSTIN AND CITY OF DENTON, TEXAS

STATE OF TEXAS

COUNTY OF DENTON

THIS INTERLOCAL COOPERATIVE PURCHASING AGREEMENT (the "Agreement") is made on the _____ day of _____, 20___, between the City of Denton, and City of Justin; jointly referred to herein as "parties" and each separately as a "party."

WHEREAS, each party is authorized by Chapter 791 of the Texas Government Code (the "Interlocal Cooperation Act"), to enter into joint contracts and agreements for the performance of governmental functions and services including administrative functions normally associated with the operation of government such as purchasing necessary materials and supplies;

WHEREAS, Section 271.102 of the Texas Local Government Code authorizes a local government to participate in a cooperative purchasing program with another local government or a local cooperative organization;

WHEREAS, the parties recognize that participation in this cooperative purchasing program will be highly beneficial to the taxpayers of the parties through anticipated savings to be realized;

WHEREAS, the parties cannot normally obtain the best possible purchase price for materials and supplies acting individually and without cooperation;

WHEREAS, it is deemed in the best interest of all parties that said governments enter into a mutually satisfactory agreement for the purchase of certain materials and supplies; and

WHEREAS, the parties, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party;

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants and conditions contained herein and pursuant to the authority permitted under the Interlocal Cooperation Act, promise and agree as follows:

I.
Purpose

A. The purpose of this Agreement is to establish a cooperative purchasing program between the parties, which will allow each party to purchase goods and services under each other's competitively bid contracts pursuant to Subchapter F, Chapter 271 of the Texas Local Government Code.

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II.
Duration of Agreement

A. This Agreement shall be in full force and effect from the date it is duly executed by all parties until terminated by either party to this Agreement. Any party may modify and/or terminate this Agreement in accordance with the following terms and conditions:

- The terms and conditions of this Agreement may be modified upon the mutual consent of all parties. Mutual consent will be demonstrated by approval of the governing body of each party hereto. No modification to this Agreement shall be effective and binding unless and until it is reduced to writing and signed by duly authorized representatives of all parties.

- This Agreement may be terminated at any time by either party, with or without cause, upon thirty days' written notice to the other party. Unless otherwise specified, written notice shall be deemed to have been duly served if delivered in person, sent (i) as an attachment to an email, (ii) by fax with a successful send confirmation, or (iii) by certified mail to the address as listed herein:

City of Denton:

Procurement Division
Attn: Purchasing Manager
City of Denton
901 B Texas Street
Denton, TX 76209
Phone: 940-349-7100
Fax: 940-293-1837
purchasing@cityofdenton.com

City of Justin:

Finance Department
Attn: Director of Finance
City of Justin
415 N College Avenue
Justin, TX 76247
940-648-2541 ext 101
hpayne@cityofjustin.com

III.
Relationship of Parties

A. It is agreed that the parties, in receiving products and/or services specified in this Agreement, shall each act as an independent purchaser and shall have control of its needs and the way any such products and/or services are acquired. Neither party is an agent, employee or joint enterprise of the other, and each party is responsible for its own actions, forbearance, negligence and deeds, and for those of its agents or employees, in conjunction with the

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utilization and/or cooperative solicitation of any supplier agreement obtained in accordance with Texas law.

B. The parties shall notify, using the notice procedures set forth in Section II.A, all participating entities of available contracts to include terms of contract, commodity cost, contact names and addresses, and shall keep participating parties informed of all changes to the list of contracts available for cooperative purchasing.

C. Each party shall ensure that all applicable laws and ordinances have been satisfied with respect to any action taken by such party pursuant to this Agreement.

D. Nothing in this Agreement shall prevent any participating party from accepting and awarding bids for commodities subject to this Agreement individually and on its own behalf.

E. Purchasing Agent or their designee, is the official representative to act for the City of Denton in all matters relating to this Agreement.

F. Director of Finance or their designee, is the official representative to act for City of White Settlement in all matters relating to this Agreement.

IV.
Purchase of Goods and Services

A. All products and services shall be procured in accordance with all appropriate procedures governing competitive bids and competitive proposals, as required by the laws of the State of Texas.

B. The parties will be able to purchase from those contracts established by the other party where notice has been given in the bid specifications and the successful bidder has accepted terms for cooperative purchasing agreements for local governments.

C. The parties hereto agree that the ordering of products and services through this Agreement shall be their individual responsibility and that the successful bidder or bidders shall bill each party directly or, if deemed advantageous by the parties, to both parties.

D. The parties agree to pay successful bidders directly for all products or services received from current revenues available for such purchase. Each party shall be liable to the successful bidder only for products and services ordered by and received by such party and shall not, by the execution of this Agreement, assume any additional liability.

E. The parties do not warrant and are not responsible for the quality or delivery of products or services from the successful bidder. The participating parties shall receive all warranties provided by the successful bidder for the products or services purchased.

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F. If any dispute arises between individual parties and a successful bidder, such dispute shall be handled by and between the participating party's governmental body and the bidder.

V.
Liability and Immunity Provisions

A. It is understood and agreed between the parties that each party hereto shall be responsible for its own and its employees' acts of negligence in connection with this Agreement. Neither party shall be responsible for any negligent act or omission of the other party or its employees in connection with this Agreement. It is specifically agreed that, as between the parties, each party to this Agreement shall be individually and respectively responsible for responding to, dealing with, insuring against, defending, and otherwise handling and managing liability and potential liability of itself and its employees pursuant to this Agreement.

B. Notwithstanding the foregoing, each party hereto reserves and expressly does not waive any immunity or defense available at law or in equity, including governmental immunity, for any claim or cause of action whatsoever that may arise or result from the services provided and/or any circumstances arising under this Agreement. These provisions are solely for the benefit of the parties hereto and are not for the benefit of any person or entity not a party hereto; this Agreement shall not be interpreted nor construed to give any claim or cause of action to any third party. Neither party shall be held legally liable for any claim or cause of action arising pursuant to or out of the services provided under this Agreement, except as specifically provided by law. Where injury or property damages results from the joint or concurrent negligence of both parties, liability, if any, shall be shared by each party based on comparative responsibility in accordance with the applicable laws of the State of Texas, subject to all defenses available to them, including governmental immunity.

C. This Agreement is expressly made subject to the parties' governmental immunity under the Texas Civil Practice and Remedies Code and all applicable federal, state, and local laws, rules, regulations, ordinances, and policies. Nothing in this Agreement shall be deemed to waive, modify, or amend any legal defense available at law or in equity to either party or to create any legal rights or claim on behalf of any third party. Neither party waive, modify, or alter, to any extent whatsoever, the availability of the defense of governmental immunity under the laws of the State of Texas.

VI.
Miscellaneous

A. Each party has the full power and authority to enter into and perform this Agreement and the person signing this Agreement on behalf of each party has been properly authorized and empowered to enter into this Agreement. The persons executing this Agreement hereby represent that they have authorization to sign on behalf of their respective party.

B. In the event any one or more of the provisions contained in this Agreement shall be held, for any reason, to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality,

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or unenforceability shall not affect the other provisions and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

C. This Agreement shall be binding upon the parties hereto, their successors, heirs, personal representatives, and assigns. Neither party will assign or transfer an interest in this Agreement without the prior written consent of the other party.

D. By entering into this Agreement, the parties do not create any obligations, express or implied, other than those set forth herein, and this Agreement shall not create any rights in, or claims by, third parties who are not signatories to this Agreement.

E. This Agreement shall be interpreted in accordance with the laws of the State of Texas and venue of any cause of action concerning this Agreement shall be in a court of competent jurisdiction sitting in Denton County, Texas.

F. This Agreement, together with any referenced exhibits and attachments, constitutes the entire agreement between the parties hereto, and any prior agreement, assertion, statement, understanding, or other commitment occurring during the term of this Agreement, or subsequent thereto, has no legal force or effect whatsoever, unless properly executed in writing in accordance with Section II.A, and if appropriate, recorded as an amendment of this Agreement.

G. Failure of any party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision nor in any way affect the validity of this Agreement or the right of either party thereafter to enforce each provision hereof. No term of this Agreement shall be deemed waived or any breach excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver or excuse of any other different or subsequent breach.

H. 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.

I. Each party agrees that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

[*Signature Page to Follow*]

Docusign Envelope ID: 0BA1B31A-E06C-4A94-8C93-87B299AF9FD5

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers thereon the day and the year first above written.

CITY OF JUSTIN, TEXAS
JARROD GREENWOOD

_____
CITY MANAGER

ATTEST:
AMY PIUKANA, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
CITY ATTORNEY

BY: _____

CITY OF DENTON, TEXAS
SARA HENSLEY

_____
CITY MANAGER

ATTEST:
INGRED REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Signed by:

2A936B08B5D7485...

BY: _____

Certificate Of Completion

Envelope Id: 0BA1B31A-E06C-4A94-8C93-87B299AF9FD5
Status: Sent
Subject: Please DocuSign: City Council Contract Interlocal City of Justin
Source Envelope:
Document Pages: 7
Signatures: 1
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Crystal Westbrook
901B Texas Street
Denton, TX 76209
crystal.westbrook@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
2/11/2026 3:41:31 PM
Holder: Crystal Westbrook
crystal.westbrook@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Crystal Westbrook crystal.westbrook@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: 2/11/2026 3:44:53 PM Viewed: 2/11/2026 3:45:01 PM Signed: 2/11/2026 3:45:34 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 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/11/2026 3:45:35 PM Viewed: 2/11/2026 4:54:08 PM Signed: 2/11/2026 4:54:17 PM
Leah Bush leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/13/2026 3:58:18 PM ID: 173c31a6-eab8-4e27-b2a4-668dd32a2b48	Signed by: 2A936B08B5D7485... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 2/13/2026 8:23:27 AM Viewed: 2/13/2026 3:58:18 PM Signed: 2/13/2026 4:08:39 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: 2/13/2026 4:08:42 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None)		

Signer Events	Signature	Timestamp
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Ingred Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 2/11/2026 3:45:35 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: 2/11/2026 4:54:19 PM Viewed: 3/13/2026 12:11:37 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	COPIED	Sent: 2/13/2026 8:23:28 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	COPIED	Sent: 2/13/2026 4:08:41 PM

Carbon Copy Events	Status	Timestamp
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Hailey Payne hpayne@cityofjustin.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	2/11/2026 3:44:53 PM
Envelope Updated	Security Checked	3/6/2026 2:49:21 PM
Envelope Updated	Security Checked	3/6/2026 2:49:21 PM
Envelope Updated	Security Checked	3/6/2026 2:49:21 PM
Envelope Updated	Security Checked	3/6/2026 2:56:49 PM
Envelope Updated	Security Checked	3/6/2026 2:56:49 PM
Envelope Updated	Security Checked	3/6/2026 3:26:02 PM
Envelope Updated	Security Checked	3/6/2026 3:26:02 PM
Envelope Updated	Security Checked	3/6/2026 3:26:02 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: March 24, 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 Closner Equipment Co., Inc., for the acquisition, rental, maintenance, and repairs of various medium-duty and heavy-duty construction equipment for the Fleet Services Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8987 – awarded to Closner Equipment Co., Inc., 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 $4,168,500.00). The Public Utilities Board will consider this item on Monday, March 23, 2026.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The City of Denton Fleet Services Department is establishing a contract for the acquisition, rental, repairs, and maintenance of various medium-duty and heavy-duty construction equipment. Current assets are utilized by various departments, including Streets, Electric, Water, and Wastewater, to maintain City operations such as maintenance of streets, water and sewer mains, electrical underground and overhead power, mowing, and landfill waste management. Existing construction equipment includes, but is not limited to, asphalt milling machines and pavers, road graders and rollers, and road sweepers. Reliable equipment is essential for both citizen safety and uninterrupted City services, as any downtime caused by vehicle malfunctions or acquisition delays can disrupt these services. Having contracts in place will assist in continued timely repairs and maintenance, allowing for minimized vehicle downtime.

Closner Equipment plays a central role in the existing fleet strategy and is a firm specializing exclusively in asphalt and concrete paving machinery, offering a large selection of road construction equipment, alongside comprehensive repair and onsite training services. Leveraging the vendor's regional presence also reduces downtime through specialized mobile field service, specialized parts availability, warranty administration, and technical support for the heavy-duty equipment in the City's fleet.

Additionally, the proposed contract streamlines the procurement of vehicles and parts, allowing the City to address both current needs and future growth. The contract supports scalable operations, enabling the City to adapt to evolving requirements while maintaining high service standards, ensuring public services remain reliable and efficient. Fleet Services strategizes asset management, including planning for new acquisitions and asset replacement, integrated within the City's annual budget process. Additions are based on projected

department growth, service expansions, or new operational requirements that necessitate increased fleet capacity. The contract value is based on historical spending levels and includes estimates for future assets and services.

Estimated Contract Expenses

Category	FY 25/26	FY26/27	FY 27/28	FY28/29	FY 29/30	Total
Asset Additions	$ -	$210,000	$ -	$230,000	$ -	$440,000
Asset Replacements	-	210,000	440,000	450,000	230,000	1,330,000
Repair Services	420,000	440,000	440,000	450,000	450,000	2,200,000
Sub Total	**$420,000**	**$860,000**	**$880,000**	**$1,130,000**	**$680,000**	**$3,970,000**
Contingency	21,000	43,000	44,000	56,500	34,000	198,500
Total	**$441,000**	**$903,000**	**$924,000**	**$1,186,500**	**$714,000**	**$4,168,500**

Request for Proposals was sent to 801 prospective suppliers, including 47 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. One (1) proposal was received, and references were checked to ensure the vendor can provide the services requested in the Scope of Work. The proposal was evaluated based upon published criteria including compliance with specifications, probable performance, and price. Best and Final Offer (BAFO) was requested from the firm. The department is awarding the contract to Closner Equipment Co., Inc.

NIGP Code Used for Solicitation:	913 - (Service Only) - Construction Services, Heavy (Incl. Maintenance and Repair Services)
Notifications sent for Solicitation sent in IonWave:	801
Number of Suppliers that viewed Solicitation in IonWave:	17
HUB-Historically Underutilized Business Invitations sent out:	90
SBE-Small Business Enterprise Invitations sent out:	247
Responses from Solicitation:	1

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 23, 2026, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award a contract with Closner Equipment Co., Inc., for the acquisition, rental, maintenance, and repairs of various medium-duty and heavy-duty construction equipment for the Fleet Services Department, in a three (3) year, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of $4,168,500.

PRINCIPAL PLACE OF BUSINESS

Closner Equipment Co., Inc.
Schertz, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial three (3) year contract with options to extend the contract for two (2) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

These products and services will be funded through Operating and Capital Fund accounts. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is $4,168,500.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: 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.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CLOSNER EQUIPMENT CO., INC., FOR THE ACQUISITION, RENTAL, MAINTENANCE, AND REPAIRS OF VARIOUS MEDIUM-DUTY AND HEAVY-DUTY CONSTRUCTION EQUIPMENT FOR THE FLEET SERVICES DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8987 – AWARDED TO CLOSNER EQUIPMENT CO., INC., 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 $4,168,500.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for the acquisition, rental, maintenance, and repairs of various medium-duty and heavy-duty construction equipment for the Fleet Services 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
8987	Closner Equipment Co., Inc.	$4,168,500.00

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

Docusign City Council Transmittal Coversheet

RFP	8987
File Name	Heavy Duty Road Construction equipment
Purchasing Contact	Kayla Clark
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 CLOSNER EQUIPMENT CO., INC.
(Contract #8987)

THIS CONTRACT is made and entered into this date _____, by and between CLOSNER EQUIPMENT CO., INC. a Texas corporation, whose address PO BOX 917 SCHERTZ, TX 78154, 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 #8987 - Heavy Duty Road Construction equipment, 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 8987 (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
CLOSNER EQUIPMENT CO., INC.
Signed by:
48C7BD94E7AF48E...
Authorized Signature

Printed Name: Collin Nunnelee

Title: North Texas Sales Manager

Email Adress: collin.n@CLOSNER.COM

Collin.n@closner.com
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

BY:
CITY OF DENTON, TEXAS

Sara Hensley, City Manager

ATTEST:
INGRID REX, CITY SECRETARY

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: Tom Gramer
7B58DA8FCE5F49C...
SIGNATURE

Director
TITLE

Fleet
DEPARTMENT

Contract 8987

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

Exhibit A
Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed $4,168,500. 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 three (3) year, effective from date of award. The City and the Supplier shall have the option to renew this contract for an additional two (2) 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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.

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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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:

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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,

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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**

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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-

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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,

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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-each

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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 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.

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

(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.

Bid Lines

Exhibit F

1	Shop Labor					
	Quantity: 200	UOM: Per hour		Price: $190.00	Total:	$38,000.00
	Item Notes: Hours (Mon.-Fri,. 6am-4:30pm)					
2	Field Labor					
	Quantity: 300	UOM: Per hour		Price: $210.00	Total:	$63,000.00
3	After hours Labor Rates					
	Quantity: 100	UOM: Per hour		Price: $270.00	Total:	$27,000.00
	Item Notes: (Weekdays after 4:30pm, weekends and holidays)					
4	Parts					
	(Line excluded from response total)					
					Total:	0%
	Item Notes: Please specify % discount or % markup					
5	**Additional Fees**					
	(Line excluded from response total)					
	Item Notes: Please define % discount or % markup					
6	Shop supplies					
	(Line excluded from response total)					
					Total:	8%
	Supplier Notes: 8% of labor					
7	OEM options					
	(Line excluded from response total)					
					Total:	0%
8	Non-OEM options					
	(Line excluded from response total)					
					Total:	0%
9	Environmental fee					
	Quantity: 50	UOM: EA		Price: $0.00	Total:	$0.00
	Supplier Notes: Included in shop supplies					
10	Diagnosis fee					
	Quantity: 40	UOM: Per hour		Price: $190.00	Total:	$7,600.00
11	Mileage					
	Quantity: 1	UOM: Per Mile		Price: $4.50	Total:	$4.50
12	Trip Fee					
	Quantity: 1	UOM: EA		Price: $100.00	Total:	$100.00

13	**Equipment Costs** *(Line excluded from response total)* Item Notes: Please define % discount or % markup
14	Track Asphalt Pavers *(Line excluded from response total)* Total: 5% Supplier Notes: 5% discount
15	Pneumatic Compactors *(Line excluded from response total)* Total: 25% Supplier Notes: 25% discount
16	Sweepers/Broom Equipment *(Line excluded from response total)* Total: 5% Supplier Notes: 5% discount
17	Smooth Drum Compactors *(Line excluded from response total)* Total: 25% Supplier Notes: 25% discount
18	Track Curb & Gutter Machines *(Line excluded from response total)* Total: 0%
19	All other road construction equipment *(Line excluded from response total)* Total: 0% Supplier Notes: Machine specific discounts apply
20	Equipment Rentals *(Line excluded from response total)* Total: 1% Supplier Notes: discount- Rentals only when Machines need repairs

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.**

CLOSNER EQUIPMENT CO., 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:

48C7BD94E7AF48E...
Signature of vendor doing business with the governmental entity

3/2/2026
Date

Docusign Envelope ID: 890E08CA-8D4C-491A-96A3-E289801DE2EC

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.

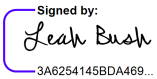
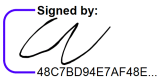
Certificate Of Completion

Envelope Id: 890E08CA-8D4C-491A-96A3-E289801DE2EC
Status: Sent
Subject: Please DocuSign: City Council Contract 8987 - Heavy Duty Road Construction equipment
Source Envelope:
Document Pages: 36
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: 198.49.140.10

Record Tracking

Status: Original
2/27/2026 6:03:09 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: 198.49.140.10	Sent: 2/27/2026 6:04:20 AM Viewed: 2/27/2026 6:04:30 AM Signed: 2/27/2026 6:05:03 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: 2/27/2026 6:05:05 AM Viewed: 2/27/2026 8:47:34 AM Signed: 2/27/2026 8:48:22 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: 63.196.246.33	Sent: 2/27/2026 8:48:25 AM Viewed: 2/27/2026 2:37:35 PM Signed: 2/27/2026 2:40:21 PM
Collin Nunnelee collin.n@CLOSNER.COM North Texas Sales Manager Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/2/2026 2:17:10 PM ID: 476d72f4-f5cd-4254-bf5f-c4d10383319b	 Signature Adoption: Drawn on Device Using IP Address: 2a02:26f7:d15e:fff0:e000::26 Signed using mobile	Sent: 2/27/2026 2:40:25 PM Viewed: 3/2/2026 2:17:10 PM Signed: 3/2/2026 2:22:45 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: 198.49.140.10	Sent: 3/2/2026 2:22:49 PM Viewed: 3/2/2026 2:32:11 PM Signed: 3/2/2026 2:32:28 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: 3/2/2026 2:32:32 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 2/27/2026 6:05:05 AM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:**	COPIED	Sent: 3/2/2026 2:32:31 PM Viewed: 3/3/2026 7:24:37 AM

Carbon Copy Events	Status	Timestamp
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

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/27/2026 6:04:20 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: March 24, 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 Ferguson Enterprises, LLC, for the supply of concrete and cement for various City departments to be stocked in the Warehouse; providing for the expenditure of funds therefor; and providing an effective date (IFB 8992 – awarded to Ferguson Enterprises, LLC, 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 $120,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The concrete and cement on this Invitation for Bid will support multiple City departments in both construction and repair activities. The Water and Wastewater Departments utilize concrete for joint reinforcement, thrust blocking, connector support, and related infrastructure needs. Additional departments rely on these materials for street repairs and other construction-related work.

All items will be purchased on an as-needed basis through the City of Denton Warehouse. The Warehouse will maintain appropriate inventory levels, and upon distribution, the items will be charged back to the department.

Project Description	Estimated 5-Year Expenditure
Year 1	$24,000.00
Year 2	24,000.00
Year 3	24,000.00
Year 4	24,000.00
Year 5	24,000.00
Total	**$120,000.00**

Invitation for Bids was sent to 58 prospective suppliers of this item, including 10 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download, and

advertised in the local newspaper. Three (3) bids meeting specifications were received. The lowest bid was received by Ferguson Enterprises, LLC.

NIGP Code Used for Solicitation:	210 - Concrete and Metal Products, Culverts, Pilings, Septic Tanks, Accessories and Supplies
Notifications sent for Solicitation sent in IonWave:	218
Number of Suppliers that viewed Solicitation in IonWave:	14
HUB-Historically Underutilized Business Invitations sent out:	30
SBE-Small Business Enterprise Invitations sent out:	82
Responses from Solicitation:	3

RECOMMENDATION

Award a contract with Ferguson Enterprises, LLC, for the supply of concrete and cement for various City departments to be stocked in the 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 $120,000.

PRINCIPAL PLACE OF BUSINESS

Ferguson Enterprises, LLC
Euless, 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 out of the Warehouse Working Capital account, stocked in the Warehouse, and charged back to the using department as needed. The budgeted amount for this item is $120,000.

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 8992 - Bid Tabulation for the Supply of Concrete and Cement

						Respondent's Business Name:	**Ferguson Enterprise, LLC**	Oldcastle APG		Greenville Enterprises LLC	
						Principal Place of Business (City and State):	**Euless, TX**	Grapevine, TX		Southlake, TX	
Line #	**Description**	**Mfgr**	**Mfgno**	**Qty**	**UOM**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**
1	**SECTION A: CONCRETE AND CEMENT**										
2	Cement, Portland 90LB Portland Type 1, Gray	TXI	4609	500	EA	**$16.96**	**$8,480.00**	$17.75	$8,875.00	$18.50	$9,250.00
3	High-Strength Concrete Mix 80LB	Sackrete		1,500	EA	**$5.41**	**$8,115.00**	$5.40	$8,100.00	$22.50	$33,750.00
4	High-Strength Concrete Mix 40LB	Sackrete		800	EA	**$4.35**	**$3,480.00**	$4.33	$3,464.00	$17.50	$14,000.00
5	Concrete Block Hollow 4"x8"x16"			288	EA	**$2.61**	**$751.68**	$1.85	$532.80	$15.50	$4,464.00

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH FERGUSON ENTERPRISES, LLC, FOR THE SUPPLY OF CONCRETE AND CEMENT FOR VARIOUS CITY DEPARTMENTS TO BE STOCKED IN THE WAREHOUSE; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (IFB 8992 – AWARDED TO FERGUSON ENTERPRISES, LLC, 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 $120,000.00).

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
8992	Ferguson Enterprises, LLC	$120,000.00

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

Docusign City Council Transmittal Coversheet

IFB	8992
File Name	Supply of Concrete and Cement
Purchasing Contact	Ginny Brummett
City Council Target Date	
Piggy Back Option	Yes
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND FERGUSON ENTERPRISES, LLC
(Contract #8992)

THIS CONTRACT is made and entered into this date _____, by and between and entered into this date _____, by and between Ferguson Enterprises, LLC a Virginia limited liability company whose address is 7125 Belton St., Fort Worth, TX 76118, 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 IFB #8992 Supply of Concrete and Cement, 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 8992 (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

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

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
Ferguson Enterprises LLC

Signed by:
Ryan Moore
B82B911283AE4D...
Authorized Signature

Printed Name: Ryan Moore

Title: Region VP

Email Adress: Ryan.moore@ferguson.com

2026-1418160
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

BY:
CITY OF DENTON, TEXAS

Sara Hensley, City Manager

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Signed by: Leah Bush
2A936B08B5D7485...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

DocuSigned by:
Christine Taylor
2B3E02ECE3184D8...
SIGNATURE

Assistant City Manager
TITLE

City Manager's 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 adjusted in accordance with the percent change not to exceed the 8% limit per year. The Contractor should provide documentation

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

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 $120,000. Pricing shall be per Exhibit E attached.

7. Delivery Lead Time

Products or services will be delivered 2 weeks after the receipt of order from the City.

8. 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.

9. Cooperative Purchasing

It is the intent of the City that any contract resulting from this solicitation be made available for

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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.

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

Exhibit B
City of Denton's IFB # 8992

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.

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

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.

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

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:

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

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

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

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.

Docusign Envelope ID: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9

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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8992 Supply of Concrete and Cement
Exhibit E-Pricing

						Ferguson Waterworks (Ferguson Enterprise)
Line #	**Description**	**Mfgr**	**Mfgno**	**QTY**	**UOM**	**Unit**
1	SECTION A: CONCRETE AND CEMENT					
2	Cement, Portland 90LB Portland Type 1, Gray	TXI	4609	500	EA	$16.96
3	High-Strength Concrete Mix 80LB	Sackrete		1500	EA	$5.41
4	High-Strength Concrete Mix 40LB	Sackrete		800	EA	$4.35
5	Concrete Block Hollow 4"x8"x16"			288	EA	$2.61

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EXHIBIT F-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).

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.** Ferguson Enterprises, LLC

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 *Steven Schwartz* 1/30/2026

Signature of vendor doing business with the governmental entity Date

Certificate Of Completion

Envelope Id: DAF4BD74-C2E2-4C19-9654-7CDCB67560E9
Status: Sent
Subject: Please DocuSign: City Council Contract 8992 Supply of Concrete and Cement
Source Envelope:
Document Pages: 32
Signatures: 3
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Ginny Brummett
901B Texas Street
Denton, TX 76209
Ginny.Brummett@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
2/19/2026 2:57:20 PM
Holder: Ginny Brummett
Ginny.Brummett@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Ginny Brummett Ginny.Brummett@cityofdenton.com Buyer City of Denton Security Level: Email, Account Authentication (None)	**Completed** Using IP Address: 198.49.140.10	Sent: 2/19/2026 3:16:02 PM Viewed: 2/19/2026 3:16:10 PM Signed: 2/19/2026 3:16:24 PM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Lori Hewell lori.hewell@cityofdenton.com Purchasing Manager City of Denton Security Level: Email, Account Authentication (None)	Initial Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/19/2026 3:16:27 PM Viewed: 2/19/2026 4:47:17 PM Signed: 2/19/2026 4:47:59 PM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Leah Bush leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None)	Signed by: 2A936B08B5D7485... Signature Adoption: Pre-selected Style Using IP Address: 63.196.246.32	Sent: 2/19/2026 4:48:00 PM Viewed: 2/20/2026 2:21:35 PM Signed: 2/20/2026 2:32:27 PM
Electronic Record and Signature Disclosure: Accepted: 2/20/2026 2:21:35 PM ID: 2ec14c6d-27aa-425c-8d69-fc3bd4ea0e73		
Ryan Moore ryan.moore@ferguson.com General Manager Security Level: Email, Account Authentication (None)	Signed by: B82B911283AE400... Signature Adoption: Pre-selected Style Using IP Address: 75.104.93.26	Sent: 2/20/2026 2:32:28 PM Viewed: 2/23/2026 10:21:01 AM Signed: 2/23/2026 10:21:35 AM
Electronic Record and Signature Disclosure: Accepted: 2/23/2026 10:21:01 AM ID: 5726cdfd-5090-4b63-a851-d4d01e7a3467		

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: 198.49.140.10	Sent: 2/23/2026 10:21:37 AM Viewed: 2/23/2026 10:31:03 AM Signed: 2/23/2026 10:31:16 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: 2/23/2026 10:31:19 AM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 2/19/2026 3:16:27 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:**	COPIED	Sent: 2/23/2026 10:31:19 AM Viewed: 2/27/2026 10:15:57 AM

Carbon Copy Events	Status	Timestamp
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: 1/20/2026 7:50:41 AM ID: 665520a2-5649-4719-ae94-0f3a649688e9		
Steve Schwartz steven.schwartz1@ferguson.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	2/19/2026 3:16:02 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: March 24, 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 Schweitzer Engineering Laboratories, Inc., for the purchase of protective relay panels for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFP 8965 – awarded to Schweitzer Engineering Laboratories, Inc., in the not-to-exceed amount of $110,583.00). The Public Utilities Board will consider this item on Monday, March 23, 2026.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

Denton Municipal Electric (DME) has projects in its five (5) year Capital Improvement Plan that require the purchase of protective relay panels that house microprocessor-based protective relays, control switches, test switches, and other devices necessary to operate and protect transmission lines, distribution lines, and substation equipment. The projects are as follows:

- **Masch Branch T2 Addition** – Project to extend existing bus and install (1) 25kV substation power transformer, switchgear building, and associated equipment to serve new load, increase reliability, and add redundancy.

- **Jim Christal T3 Addition** – Project to extend existing bus and install (1) 25kV substation power transformer, switchgear building, and associated equipment to serve new load, increase reliability, and add redundancy.

Protective relays are the “brains” of the protection systems that continuously monitor currents, voltages, and other inputs, and initiate actions, including opening circuit breakers when abnormal conditions are sensed, and perform other protective actions. Relays also provide metering functions, remote terminal unit functions (RTU), and control output functions. Relay panels are fabricated from steel to provide a sturdy framework for mounting protective relays and other equipment required for protection and control inside the substation. Relay panel construction includes installation of wiring, mounting of all hardware, testing, and delivery to Denton Municipal Electric.

The contract estimate is based on the quantities of panels needed for the CIP projects listed below. A 10% contingency was added for any unforeseen design changes.

Project Description	Contract Estimate
Masch Branch T2 Addition (Qty. 4)	$50,265
Jim Christal T3 Addition (Qty. 4)	50,265
Contingency – 10%	10,053
Total	**$110,583**

Requests for Proposals were sent to 290 prospective suppliers of this item, including six (6) Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Three (3) bids were received and evaluated based upon published criteria, including delivery, compliance with specifications, probable performance, and price. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, Schweitzer Engineering Laboratories, Inc. was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	287 – Electronic Equipment, Components, Parts, and Accessories (See Class 730 for Testing or Analyzing Type)
Notifications sent for Solicitation sent in IonWave:	290
Number of Suppliers that viewed Solicitation in IonWave:	23
HUB-Historically Underutilized Business Invitations sent out:	33
SBE-Small Business Enterprise Invitations sent out:	119
Responses from Solicitation:	3

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 23, 2026, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award a contract with Schweitzer Engineering Laboratories, Inc., for the purchase of protective relay panels for Denton Municipal Electric, in a not-to-exceed amount of $110,583.

PRINCIPAL PLACE OF BUSINESS

Schweitzer Engineering Laboratories, Inc.
Charlotte, NC

ESTIMATED SCHEDULE OF PROJECT

Delivery of the items will occur 14 weeks after receipt of the order.

FISCAL INFORMATION

These items will be funded from a combination of the accounts listed below.

Masch Branch T2 Addition	605598500	$50,265
Jim Christal T3 Addition	605585500	$50,265

Requisition #174189 has been entered into the Purchasing software system in the amount of $110,583. The budgeted amount for this item is $110,583.

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: Mark Zimmerer, 940-349-7169.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2
RFP 8965 - Pricing Evaluation for Protective Relay Panels

				Schweitzer Engineering Laboratories, Inc.	Texas Electric Cooperatives	United Electric Systems Inc
			Respondent's Business Name:			
			Principal Place of Business (City and State):	**Leonard, TX**	Georgetown, TX	Allentown, PA
Line #	**Description**	**QTY**	**UOM**	**Unit**	**Unit**	**Unit**
Masch Branch Substation Relay Panels						
1	BREAKER MB410	1	EA	**$11,250.00**	$12,229.00	$19,500.00
2	TRANSFORMER #2 METERING	1	EA	**$12,310.00**	$13,381.00	$19,500.00
3	TRANSFORMER #2 DIFFERENTIAL	1	EA	**$19,510.00**	$21,207.00	$24,500.00
4	TRANSFORMER #2 HMI	1	EA	**$7,195.00**	$7,821.00	$16,500.00
Jim Christal Substation Relay Panels						
5	BREAKER JC4240	1	EA	**$11,250.00**	$12,229.00	$19,500.00
6	TRANSFORMER #3 METERING	1	EA	**$12,310.00**	$13,381.00	$19,500.00
7	TRANSFORMER #3 DIFFERENTIAL	1	EA	**$19,510.00**	$21,207.00	$24,500.00
8	TRANSFORMER #3 HMI	1	EA	**$7,195.00**	$7,821.00	$16,500.00
			Total:	**$100,530.00**	**$109,276.00**	**$160,000.00**

Evaluation				
Item #	**Standard Criteria**	**Schweitzer Engineering Laboratories, Inc.**	Texas Electric Cooperatives	United Electric Systems Inc
1	Delivery/Project Schedule - 15%	**10.00**	7.00	10.00
2	Compliance with Specifications - 25%	**15.00**	15.00	15.00
3	Probable Performance - 10%	**8.00**	8.00	5.33
4	Price, Total Cost of Ownership - 50%	**50.00**	46.00	31.00
	Total Score:	**83.00**	76.00	61.33

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH SCHWEITZER ENGINEERING LABORATORIES, INC., FOR THE PURCHASE OF PROTECTIVE RELAY PANELS FOR DENTON MUNICIPAL ELECTRIC; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8965 – AWARDED TO SCHWEITZER ENGINEERING LABORATORIES, INC., IN THE NOT-TO-EXCEED AMOUNT OF $110,583.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for the purchase of protective relay panels for Denton Municipal Electric; 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
8965	Schweitzer Engineering Laboratories, Inc.	$110,583.00

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, 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	8965
File Name	Protective Relay Panels
Purchasing Contact	Christa Christian
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 SCHWEITZER ENGINEERING LABORATORIES, INC.
(Contract # 8965)

THIS CONTRACT is made and entered into this date _____, by and between **Schweitzer Engineering Laboratories, Inc**. a Washington corporation, whose address 2350 NE Hopkins Court, Pullman, WA 99163 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 **RFP 8965 Protective Relay Panels** 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 8965** (the "Solicitation") **(Exhibit "B" on file at the office of the Purchasing Agent**);
(c) City of Denton Standard Terms and Conditions **(Exhibit "C");**
(d) Software License Agreement **(Exhibit "D");**
(e) Certificate of Interested Parties Electronic Filing **(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

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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 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.

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

THIS CONTRACT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.

Signed by:
Antonio Puente, Jr.
F3760944C2BE4B5...

Antonio Puente, Jr.
SIGNATURE PRINTED NAME

DME General Manager
TITLE

Electric
DEPARTMENT

CONTRACTOR

Signed by:
Christy Mikulencak
D39420098D35429...

BY: _____
AUTHORIZED SIGNATURE

Printed Name: Christy Mikulencak

Title: Senior Business Manager

509-334-5742
PHONE NUMBER

christy_mikulencak@selinc.com
EMAIL ADDRESS

_____2025-_1396455_____
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

CITY OF DENTON, TEXAS

BY: _____
SARA HENSLEY
CITY MANAGER

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Signed by:
Leah Bush
2A936B08B5D7485...

BY: _____

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

Exhibit A
Special Terms and Conditions

1. 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.

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 will be effective from date of award or notice to proceed with a purchase order as determined by the City of Denton Purchasing Department. 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 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

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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 $110,583.00. Pricing shall be per Exhibit F attached.

7. Delivery Lead Time

Product or services shall be delivered to the City per the days/weeks noted in Exhibit F after receipt of the order.

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

Exhibit B
City of Denton's RFP 8965 File

On File at the Office of the Purchasing Agent

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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 Contractor 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 the deliverables.

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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. The City must unpack and examine the Products immediately, and if damage is discovered, notify the Contractor within three (3) business days of delivery. In any event, acceptance shall be deemed to have occurred no later than fifteen (15) days after shipment. The City may not return any Product without prior written consent of the Contractor.

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 have the right to correct with a conforming tender; provided, 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 actual and substantiated 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: INTENTIONALLY OMITTED.

10. WORKFORCE INTENTIONALLY OMITTED

11. COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS: INTENTIONALLY OMITTED.

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

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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 execution of the Contract

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 under this agreement 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 account after the said taxes or debt are due shall affect the right of the City to offset the said taxes

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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. In the event of payment by credit card the Contractor shall be able to charge a transaction fee. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by 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. The City will be responsible for payment of all completed services subject to the terms and conditions of this Contract.

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. In no event shall the City have access to Contractor or its subcontractor's composition of fixed rates or lump sums, the financial make up of payroll burdens or to any costs expressed as a percentage of direct labor costs. Audit information will be limited to time and material expense for the project in question.

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,

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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:

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 and for similar quantities 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.

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, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THIS WARRANTY SHALL BE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS, OR IMPLIED (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND WARRATNIES ARISING FROM COURSE OF PERFORMANCE OR DEALING OR USAGE OF TRADE, EXCEPT WARRANTY OF TITLE AND AGAINST PATENT INFRINGEMENT.

C. Unless otherwise specified in the Contract or required by the Solicitation, the warranty period shall be ten (10) years for all Contractor products from the date of shipment. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of written demand either repair the non-conforming deliverables, or replace the non-conforming deliverables with fully conforming deliverables, at no additional cost to the City. The City shall endeavor to give the Contractor written notice of the breach of warranty within ten (10) business 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 any Product fails to conform to this warranty, the City properly notifies Contractor of such failure and the City returns the Product to Contractor's factory for diagnosis (and pays for all expenses for such return), Contractor shall correct any such failure by, at its sole discretion, either repairing any defective or damaged Product part(s) or making available any necessary replacement part(s) or Product(s). Contractor will pay the freight to return the Product to the City (Carriage Paid To (CPT) customer's place of business). If Contractor is unable or unwilling to repair or replace, Contractor and the City shall negotiate an equitable resolution such as a prorated refund or credit to the City's account. Any Product repair or upgrade shall be covered by this warranty for the longer of one (1) year from date of repair or the remainder of the original warranty period

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. The sole and exclusive warranties for any software are set forth in the Contractor's Software License Agreement. This warranty is conditioned upon proper storage and shall be void in its entirety if the City modifies Products without prior written consent to and subsequent approval of any such modifications by Contractor or uses Products for any applications that require product listing or qualification not specifically included in the Contractor written quotation or proposal

22. **WARRANTY – SERVICES**: INTENTIONALLY OMITTED

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

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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 under the Order 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 ten (10) day period, cures such default, or commences to cure such default and the cure cannot be accomplished in the ten (10) day period provided Contractor diligently pursues such cure until the default is remedied, 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.

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

28. **TERMINATION WITHOUT CAUSE**: Either Party 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 from the City, 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. RETURN OF CONTRACTOR'S EQUIPMENT: The City may return standard products, with Contractor's written approval, up to one year after the original invoice date ("Purchase Date") if they are new, in their original packaging, were properly stored, and have never been installed. A restocking fee of 25% of the product price shall apply if the product is returned less than six (6) months after the Purchase Date; 50% if returned after six (6) months from the Purchase Date. After one year, products may not be returned.

30. **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.

31. RETURN OF CONTRACTOR'S EQUIPMENT: The City may return standard products, with Contractor's written approval, up to one year after the original invoice date ("Purchase Date") if they are new, in their original packaging, were properly stored, and have never been installed. A restocking fee of 25% of the product price shall apply if the product is returned less than six (6) months after the Purchase Date; 50% if returned after six (6) months from the Purchase Date. After one year, products may not be returned.

31. **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, provided such delay is communicated at least seven (7) business days prior to the original delivery date. Such delay in delivery shall not exceed thirty (30) days from the original delivery date. 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;

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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.

32. **TIME OF COMPLETION AND LIQUIDATED DAMAGES**: Contractor agrees and acknowledges that completing the services and/or delivering the goods described in this Contract 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 of one half of one percent (0.05%) of the Contract price for each and every week or a pro-rated part thereof for each day of delay from the delivery due date provided in the contract, but not to exceed five percent (5%) of the price in total. 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.

33. **INDEMNITY**:

A. Definitions:

i. "Indemnified Claims" shall include any and all claims, demands, suits and causes of action brought by a third-party and any resulting 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 arising from such third-party claims to the extent such third-party claims and damages result from (1) damage to or loss of the property of any); and/or (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person), 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, 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.**

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

C. Assumption of Defense. Regarding Contractor's defense obligation: (a) Contractor shall assume the defense of an Indemnified Claim through counsel chosen by Contractor; and (b) City shall: (i) give prompt written notice of the Indemnified Claim to Contractor; (ii) provide reasonable assistance to Contractor in the defense of the Indemnified Claim; (iii) mitigate damages related to the Indemnified Claim; and (iv) give Contractor full control of all aspects of defense of the Indemnified Claim, including settlement, except as otherwise provided herein. Contractor shall obtain written consent from the City before settling the Indemnified Claim and acknowledges that City Council might have to approve a settlement. The City may, at its sole option and expense, participate in the defense of such third-party claim with counsel chosen by the City.

D. Exclusive Remedy. The indemnity provided by Contractor herein shall be City's exclusive remedy for Indemnified Claims and resulting damages.

E. Survival. Contractor's defense and indemnity obligations shall survive the expiration or termination of this Agreement only to the extent that the applicable statute of limitations for any Indemnified Claim for which Contractor has a defense or indemnity obligation extends beyond the expiration or termination of this Agreement.

34. **LIMITATION OF LIABILITY**: Contractor and its affiliates' aggregate liability to City, collectively, shall be limited to the amount of this Agreement for all claims and damages related to this Agreement*;* provided, however, no limitation of liability in regard to amount shall apply to claims and damages arising from Contractor's gross negligence or willful misconduct.. Notwithstanding anything in this Agreement to the contrary, the City of Denton and Contractor and its affiliates shall not be liable for any special, consequential, incidental, indirect, exemplary, or punitive damages, including, without limitation, any loss of profit or revenues, even if the other Party has been advised of the possibility of such damages. **Except as otherwise provided in this Section, the above damage waiver shall: (a) apply to all claims and Damages related to this Agreement, whether such arise in contract, tort (including negligence), or otherwise; (b) survive the expiration or termination of this Agreement**

35. **INSURANCE**: Intentionally Omitted.

36. **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.

37. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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.

38. **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.

39. **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 FROM THIRD-PARTY CLAIMS OF INFRINGEMENT TO THE EXTENT SUCH THIRD-PARTY CLAIMS ARISE OUT OF: (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 AND EXPENSE 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. IF A GOOD OR SERVICE BECOMES, OR IN CONTRACTOR'S REASONABLE OPINION IS LIKELY TO BECOME, THE SUBJECT OF A THIRD-PARTY CLAIM OF INFRINGEMENT OR MISAPPROPRIATION OF AN INTELLECTUAL PROPERTY RIGHT, THEN CONTRACTOR SHALL, AT ITS SOLE EXPENSE AND DISCRETION: (A) EXCHANGE THE GOOD OR SERVICE WITH A NON-INFRINGING GOOD OR SERVICE; (B) PROMPTLY PROCURE FOR INDEMNITEE THE RIGHT TO CONTINUE TO USE THE GOOD OR SERVICE; (C) MODIFY THE GOOD**

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

OR SERVICE TO MAKE IT NON-INFRINGING, PROVIDED THAT THE MODIFIED GOOD OR SERVICE MEETS THE SPECIFICATIONS AND ALL OTHER APPLICABLE REQUIREMENTS UNDER THIS AGREEMENT; OR (D) REPURCHASE THE GOOD OR SERVICE FROM INDEMNITEE FOR A FAIR PORTION OF THIS ORIGINAL PRICE. CONTRACTOR SHALL NOT BE LIABLE FOR DAMAGES THAT ARISE AFTER CONTRACTOR OFFERS ONE OR MORE OF THE FOREGOING REMEDIES IN GOOD FAITH.

40. **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.

41. **OWNERSHIP AND USE OF DELIVERABLES**: The City shall own all rights, titles, and interests in and to the items listed in Exhibit F except for software (including firmware) which is licensed to the City. The City acknowledges that the Contractor's intellectual property is the sole property of the Contractor. By sale of Products or Services to the City, the Contractor does not transfer any of the Contractor's intellectual property rights (including, without limitation, rights to design or other work product). The City shall not remove or alter any trademarks, service marks or trade dress that identity the Contractor, nor use any trademarks, service marks, trade dress or any other intellectual property that, in the sole discretion of the Contractor, is confusingly similar to those of the Contractor. Any software (including firmware) included with the Products is owned by the Contractor (or its licensors) and is licensed, not sold, to the City. The City may use such software only with Products and only as intended by the Contractor. All software shall be provided subject to the then-current Contractor Software License Agreement.

42. **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.

43. **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,

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State, or local government.

44. **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.

45. **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.

46. **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 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.

47. **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.

48. **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.

49. **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

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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.

50 **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.

51 **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.

52. **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.

53. **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

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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.

54. **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 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.

D. Suspension during Dispute: If a dispute arises between the Parties, Contractor shall proceed with the performance of the Work unless: (a) the dispute must be resolved to properly proceed with the Work, including, but not limited to, a dispute regarding the scope of Contractor's work; or (b) the City fails to make timely payment of undisputed amounts. If Contractor suspends performance pursuant to this section, Contractor shall have no liability for any damages due to such suspension, including, but not limited to, delay damages.

55. **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.

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

56. **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.

57. **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.

58. **SURVIVABILITY OF OBLIGATIONS:** To the extent provided herein, 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 for fifteen (15) years.

59. **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.

60. **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.

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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.

61. **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 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".

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

62. **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.

63. **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.

64. **PREVAILING WAGE RATES:** INTENTIONALL OMITTED

65. **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.

66. **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.

67. **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.

68. **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.

69. **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.

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

70. **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 or Contractor. 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.

71. **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.

72. **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.

73. **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 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. The City shall not have access to Contractor's composition of fixed rates or lump sums, the financial makeup of payroll burdens or to any costs expressed as a percentage of direct labor costs.

74. **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.

75. **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

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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.

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

Exhibit D

SOFTWARE LICENSE AGREEMENT

PLEASE READ THIS SOFTWARE LICENSE AGREEMENT ("AGREEMENT") CAREFULLY BEFORE INSTALLING SOFTWARE. SCHWEITZER ENGINEERING LABORATORIES, INC. OR ITS AFFILIATE ("SEL") IS WILLING TO LICENSE SOFTWARE TO YOU AND/OR YOUR COMPANY ("LICENSEE") ONLY ON THE CONDITION THAT LICENSEE ACCEPTS THE TERMS OF THIS AGREEMENT. BY INSTALLING SOFTWARE OR OPENING THE PACKAGE (OR, IF THIS AGREEMENT IS DISPLAYED ELECTRONICALLY, CLICKING "I ACCEPT" OR "I AGREE"), LICENSEE AGREES TO THE TERMS OF THIS AGREEMENT. IF LICENSEE DOES NOT AGREE TO THE TERMS OF THIS AGREEMENT, DO NOT INSTALL SOFTWARE OR OPEN THE PACKAGE (OR, IF THIS AGREEMENT IS DISPLAYED ELECTRONICALLY, CLICK "NO" OR "CANCEL") AND PROMPTLY RETURN SOFTWARE TO SEL WITHIN TWENTY (20) DAYS OF PURCHASE FOR A FULL REFUND OF ANY LICENSE FEE PAID. THE TERMS OF THIS AGREEMENT SHALL APPLY TO ANY SOFTWARE PROVIDED BY SEL TO LICENSEE, WHETHER OR NOT EMBEDDED IN SEL PRODUCTS.

1. **License to Use**. "Software" means proprietary computer software licensed by SEL, whether or not embedded as firmware in SEL products, and includes all copyright, trade secret, patent and other property rights in and to Software, any upgrades, updates, modifications, enhancements to, and derivative works of Software, any associated media (including without limitation user manuals, training guides, other written documentation, executable files, help files and other files) and any copies of Software. SEL grants to Licensee a perpetual, worldwide, non-exclusive, non-transferable, personal, revocable, and limited license to use the current version of Software. SEL licenses (and not sells) Software to Licensee and no title or ownership interest in Software is transferred to Licensee.
2. **Limitations on Use**. Software is copyrighted and possibly patented and contains proprietary information and trade secrets belonging to SEL or its affiliates and subsidiaries. Licensee shall not modify, decompile, disassemble, decrypt, extract or otherwise reverse-engineer Software, or create derivative works based upon all or part of Software. Licensee shall not sublicense, transfer, loan, rent, lease or assign Software or this Agreement to any other person without the prior written consent of an authorized employee of SEL. Licensee shall not remove or obscure any copyright or other intellectual property notices on Software. Licensee shall not, in whole or in part, disclose Software to any third party nor use Software for any purpose other than its own internal business purposes. Licensee shall take all reasonably appropriate actions, whether by instruction, contract or otherwise, to ensure that Licensee's employees comply with this Agreement. Licensee shall not use Software until Licensee has paid SEL the Software license fee (if applicable) or the product price (which includes the firmware license fee for embedded software). Licensee is not granted a license to any Software upgrade, update, modification, or enhancement offered by SEL, unless i) Licensee acknowledges that use of such upgrade, update, modification, or enhancement is subject to the terms of this Agreement and subsequent amendment(s), and ii) Licensee has paid any applicable Annual Upgrade Subscription License fee. SEL acknowledges that the City of Denton must strictly comply with the Public Information Act, Chapter 552, *Texas Government Code* in responding to any request for public information related to this Agreement. This obligation supersedes any conflicting provisions of this Agreement. Any portions of such material claimed by SEL 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*.
3. **Limitations on Copying**. All copies of Software shall conspicuously display any copyright and other intellectual property notices found on the original Software. Licensee shall not copy written documentation provided with Software. If Licensee holds a Single-Seat License, Software may be installed on only one (1) computer during the term of the license, and Licensee shall not copy Software, except as reasonably necessary to run Software or to interconnect Software with other programs, or for backup purposes. If Licensee holds a Corporate License, Licensee may make a limited number of copies (not to exceed fifty (50) seats) to fulfill its needs within the corporation and for backup purposes.

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

4. **Termination**. Licensee's rights to Software shall terminate upon any violation or termination of this Agreement. Licensee's obligations pursuant to this Agreement shall survive any termination of this Agreement. Licensee shall return to SEL any media containing, and delete any electronic copies of, Software immediately upon termination of this Agreement and certify same in writing to SEL.
5. **Warranty**. Software embedded as SEL firmware shall be covered under the SEL Standard Product Warranty for the respective product. Software not embedded as product firmware shall, at the time of delivery, substantially conform to SEL's then-current published specifications for ninety (90) days after delivery. Licensee acknowledges that Software is of such complexity that it may have inherent defects. SEL shall attempt to correct documented errors that SEL's diagnosis indicates are caused by a defect in Software, provided that Licensee notifies SEL of any such defect within ninety (90) days after delivery. SEL does not provide any warranty if Software's nonconformance is a result of Licensee's abuse, improper use, or modification of Software. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THIS WARRANTY SHALL BE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS, OR IMPLIED (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF PERFORMANCE OR DEALING OR USAGE OF TRADE), EXCEPT TITLE AND PATENT INFRINGEMENT, AND IN LIEU OF ALL LIABILITIES OR OBLIGATIONS OF SEL FOR DAMAGES ARISING FROM OR IN CONNECTION WITH THE DELIVERY, USE, OR PERFORMANCE OF SOFTWARE. SEL MAKES NO WARRANTY THAT THE OPERATION OF THE SOFTWARE WILL BE ERROR FREE OR WITHOUT INTERRUPTION. SEL shall not be held liable for any damages whatsoever (including without limitation any incidental, direct, indirect, special, consequential, and punitive damages) arising from or in connection with the delivery, use, or performance of Software, even if SEL has been advised of the possibility of such damages. This paragraph sets forth Licensee's sole remedy and SEL's sole liability.
6. **Third Party Software**. Certain SEL products contain software licensed by SEL from one or more third party software licensors, including Microsoft Licensing, Inc. or its affiliates ("Third Party Software"). SEL does not warrant Third Party Software. Third Party Software shall be subject to the standard warranties and terms of use provided by Third Party Software suppliers (copies of which may be obtained from an SEL customer service representative).
7. **U.S. Government Restricted Rights**. Software (including documentation and embedded software) is provided as commercial and restricted computer software. Use, duplication or disclosure by the U.S. Government or any U.S. Government contractor or subcontractor is subject to the restrictions set forth in 48CFR12.212, 48CFR52.227-14, 48CFR52.227-19, or 48CFR227.7202, as applicable.
8. **Governing Law and Dispute Resolution**. Intentionally Omitted.
9. **Miscellaneous**. Any modification of these Terms must be in a writing signed by an authorized officer of SEL. Licensee shall comply with all applicable laws, regulations, and orders of the United States or any other jurisdiction, including without limitation all applicable export laws, regulations, and orders. Any notice pursuant to this Agreement shall be deemed given when sent by registered or certified mail (return receipt requested), overnight delivery or fax (confirmed receipt and sent by mail) to an authorized officer at the address or fax number provided on the SEL sales order acknowledgment if to SEL or, if no such address or fax number is provided, at the registered headquarters of the other party. All rights and duties hereunder shall be for the sole and exclusive benefit of Licensee and SEL and not

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for the benefit of any other party. The assignment or transfer by Licensee of any rights or duties hereunder without prior written consent of SEL shall not relieve Licensee of any obligations to SEL. No failure or delay by either party in exercising any right or remedy, or insisting upon strict compliance by the other party with any obligation in this Agreement, shall constitute a waiver of any right thereafter to demand exact compliance with this Agreement. The invalidity, in whole or part, of any provision in this Agreement shall not affect the remainder of such provision or any other provision and, where possible, shall be replaced by a valid provision that effects as close as possible the intent of the invalid provision. Neither party shall be liable for failure to perform or delay in performance of any obligation under this Agreement (except payment of amounts already due and owing) where such failure or delay results from any event beyond its reasonable control.

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

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 8965** – 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.

Bid Lines

1	**Masch Branch Substation Relay Panels** **Unit Pricing - PRICING SHALL BE QUOTED TO INCLUDE ALL COSTS, WITH SHIPPING FOB DESTINATION** Item Notes: Costs for Fully Assembled Standard Relay Panels (with wiring verification). The owner will supply SEL protective relays and other SEL devices.

2 BREAKER MB410

Quantity: 1 UOM: EA Price: $11,250.00 Total: $11,250.00

Item Notes: Drawing Number Series - MB-MB410

Item Attributes

1. Delivery (Weeks ARO)

14

3 TRANSFORMER #2 METERING

Quantity: 1 UOM: EA Price: $12,310.00 Total: $12,310.00

Item Notes: Drawing Number Series - MB-T2M

Item Attributes

1. Delivery (Weeks ARO)

14

4 TRANSFORMER #2 DIFFERENTIAL

Quantity: 1 UOM: EA Price: $19,510.00 Total: $19,510.00

Item Notes: Drawing Number Series - MB-T2S

Item Attributes

1. Delivery (Weeks ARO)

14

5 TRANSFORMER #2 HMI

Quantity: 1 UOM: EA Price: $7,195.00 Total: $7,195.00

Item Notes: Drawing Number Series - MB-T2HMI

Item Attributes

1. Delivery (Weeks ARO)

14

6 **Jim Christal Substation Relay Panels**

7 BREAKER JC4240

Quantity: 1 UOM: EA Price: $11,250.00 Total: $11,250.00

Item Notes: Drawing Number Series - JC-JC4240

Item Attributes

1. Delivery (Weeks ARO)

14

8 TRANSFORMER #3 METERING

Quantity: 1 UOM: EA Price: $12,310.00 Total: $12,310.00

Item Notes: Drawing Number Series - JC-T3M

Item Attributes

1. Delivery (Weeks ARO)

14

9 TRANSFORMER #3 DIFFERENTIAL

Quantity: 1 UOM: EA Price: $19,510.00 Total: $19,510.00

Item Notes: Drawing Number Series - JC-T3S

Item Attributes

1. Delivery (Weeks ARO)

14

10 TRANSFORMER #3 HMI

Quantity: 1 UOM: EA Price: $7,195.00 Total: $7,195.00

Item Notes: Drawing Number Series - JC-T3HMI

Item Attributes

1. Delivery (Weeks ARO)

14

Response Total: $100,530.00

Docusign Envelope ID: BD2EAA3F-4C34-4925-8104-B231A4E83302

Exhibit G -
Form CIQ

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.**
Schweitzer Engineering Laboratories, 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

Signed by:
Christy Mikulencak
F199307504A44CB...
Signature of vendor doing business with the governmental entity

12/4/2025
Date

Certificate Of Completion

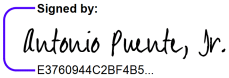
Envelope Id: BD2EAA3F-4C34-4925-8104-B231A4E83302
Status: Sent
Subject: Please DocuSign: City Council Contract 8965 Protective Relay Panels
Source Envelope:
Document Pages: 35
Signatures: 3
Certificate Pages: 7
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (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
2/6/2026 10:35:22 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: 2/6/2026 10:51:35 AM Viewed: 2/6/2026 10:51:47 AM Signed: 2/6/2026 10:52:20 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 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/6/2026 10:52:23 AM Viewed: 2/6/2026 12:50:47 PM Signed: 2/9/2026 8:20:03 AM
Leah Bush leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/9/2026 10:57:57 AM ID: db5288f8-37a8-4a03-81e3-e45fcef342a6	Signed by: 2A936B08B5D7485... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/9/2026 9:03:38 AM Viewed: 2/9/2026 10:57:57 AM Signed: 2/9/2026 1:40:00 PM
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: 198.49.140.104	Sent: 2/10/2026 7:24:21 AM Viewed: 2/10/2026 7:24:45 AM Signed: 2/10/2026 7:24:52 AM

Signer Events	Signature	Timestamp
Christy Mikulencak christy_mikulencak@selinc.com Senior Business Manager Schweitzer Engineering Laboratories Inc. Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/20/2026 5:00:32 PM ID: 56c85f89-d269-4686-a5a6-5bb249d9707f	Signed by: D39420098D35429... Signature Adoption: Pre-selected Style Using IP Address: 165.225.216.180	Sent: 2/10/2026 8:51:38 AM Resent: 2/17/2026 4:36:08 PM Resent: 2/20/2026 3:52:25 PM Viewed: 2/20/2026 5:00:32 PM Signed: 2/20/2026 5:01:02 PM
Antonio Puente, Jr. Antonio.Puente@cityofdenton.com DME General Manager Denton Municipal Electric Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/20/2026 9:57:33 PM ID: 9c506917-e74f-426e-9acb-941202566024	Signed by:  E3760944C2BF4B5... Signature Adoption: Pre-selected Style Using IP Address: 2600:100c:b2a8:d5c4:cc70:a9f:4386:fa81 Signed using mobile	Sent: 2/20/2026 5:01:06 PM Viewed: 2/20/2026 9:57:33 PM Signed: 2/20/2026 9:58:04 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: 2/20/2026 9:58:08 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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

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: 2/6/2026 10:52:23 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	COPIED	Sent: 2/9/2026 9:03:40 AM
Jeremy Nickels dita_wexler@selinc.com VP of Finance, SEL Inc SEL, ES Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/10/2026 8:50:58 AM ID: 04a989c4-ff62-422e-a20b-5093525e5552	COPIED	Sent: 2/10/2026 8:51:42 AM Viewed: 2/10/2026 8:52:00 AM
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: 2/20/2026 9:58:07 PM Viewed: 2/25/2026 12:02:35 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Mark Zimmerer mark.zimmerer@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/10/2026 12:54:54 PM ID: 2a2aaaa2-6c1d-467d-bcac-39e2802f930e		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/6/2026 10:51:35 AM
Envelope Updated	Security Checked	2/10/2026 7:20:37 AM
Envelope Updated	Security Checked	2/10/2026 7:20:37 AM

Envelope Summary Events	Status	Timestamps
Envelope Updated	Security Checked	2/10/2026 7:24:21 AM
Envelope Updated	Security Checked	2/10/2026 7:24:21 AM
Envelope Updated	Security Checked	2/10/2026 7:24:21 AM
Envelope Updated	Security Checked	2/10/2026 7:24:21 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: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to approve a qualified professional services list of veterinary service providers; authorizing staff to manage veterinary service providers in accordance with procurement policies; authorizing the expenditure of funds for professional veterinary services as needed for animals in care of the Animal Services Department; and providing an effective date (File 9028 – providing for a recurring annual fiscal year expenditure not-to-exceed amount of $750,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Support Healthy and Safe Communities.

INFORMATION/BACKGROUND

The Linda McNatt Animal Care and Adoption Center contracts with RSVP Services, LLC to provide staffing for its on-site veterinary surgical suite. Animal Services also utilizes additional off-site veterinary service providers to deliver basic and specialized veterinary services, unscheduled urgent care, and after-hours emergency care as needed.

Currently, Animal Services utilizes some off-site services provided through the contract with RSVP Services, and they charge a 10% administrative fee for such services. Animal Services would like to work directly with more service providers to reduce costs. Due to state and City procurement policies, Animal Services is seeking to qualify other third-party providers through a qualified list of veterinary service providers.

The qualified list of veterinary services providers will allow Animal Services to directly engage providers for after-hours emergency veterinary care services, urgent care services during regular business hours, and basic veterinary services including diagnostic testing (e.g., bloodwork, fecal exams, radiology coordination); treatment of illness, injury, and chronic conditions; sterilization and other various surgical procedures and post-operative care; wound care, pain management and infection control; administration of sedation, analgesia, and anti-emetics per approved protocols; and other veterinary services to treat housed animals as needed.

To qualify as a provider, service providers must complete an application available on the Animal Services website. Vendors will be selected based on location, years in service, size of staff, history and performance, ability to perform required services, and availability and clinic hours. Vendors on the eligibility list will be

reevaluated annually based on the relevant selection criteria. Mistreatment or negligent care of animals will result in immediate removal from the approved list.

Animal Services is requesting spending authorization in the amount not to exceed $750,000.00 to cover outside veterinary services.

Professional services are exempt from competitive bidding in accordance with LGC 252.022.

RECOMMENDATION

Authorize the establishment of a list of qualified veterinary service providers to provide off-site veterinary services, unscheduled urgent care, and after-hours emergency care, and a system for evaluating and reevaluating vendors with a recurring annual fiscal year not-to-exceed amount of $750,000.

ESTIMATED SCHEDULE OF PROJECT

This authorizes spending in the recurring annual fiscal year not-to-exceed amount of $750,000.

FISCAL INFORMATION

Outside veterinary services will be funded from the Animal Services operating account 340001.7879. Requisitions will be entered on an as-needed basis.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Mark Jackson, 940-349-7461.

Legal point of contact: Marcella Lunn at 940-349-8333.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO APPROVE A QUALIFIED PROFESSIONAL SERVICES LIST OF VETERINARY SERVICE PROVIDERS; AUTHORIZING STAFF TO MANAGE VETERINARY SERVICE PROVIDERS IN ACCORDANCE WITH PROCUREMENT POLICIES; AUTHORIZING THE EXPENDITURE OF FUNDS FOR PROFESSIONAL VETERINARY SERVICES AS NEEDED FOR ANIMALS IN CARE OF THE ANIMAL SERVICES DEPARTMENT; AND PROVIDING AN EFFECTIVE DATE (FILE 9028 – PROVIDING FOR A RECURRING ANNUAL FISCAL YEAR EXPENDITURE NOT-TO-EXCEED AMOUNT OF $750,000.00).

WHEREAS, the City of Denton, Texas (the "City") desires to have a pool of professional service providers ready to serve as contractors to provide the City with veterinary services on a continuing basis (collectively the "Qualified Providers"); and

WHEREAS, the City Council recognizes that the services provided by each such Qualified Provider meet a public purpose and provide a governmental function; and

WHEREAS, the City Council recognizes Animal Services's need to engage Qualified Providers from time to time without additional City Council authority; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. That the findings and recitations contained in the preamble of this ordinance are incorporated herein by reference and are made a part of this ordinance.

SECTION 2. The City Council approves the form documents, attached hereto as Exhibit A (Qualified Veterinary Service Procedure) and Exhibit B (Qualified Vet Clinic Application), for use in formalizing relationships with Qualified Providers to further Animal Services in providing adequate, humane, and timely treatment of animals, subject to all applicable federal, state, and local laws.

SECTION 3. Upon approving a Qualified Vet Clinic Application, City staff will comply with the Qualified Veterinary Service Procedure and applicable procurement policies to engage Qualified Providers for veterinary services. The City Manager, or their designee, is further authorized to carry out the rights, duties, obligations, and responsibilities of the City related thereto.

SECTION 4. The City Council of the City of Denton, hereby expressly delegates the authority to take any additional actions that are deemed necessary or advisable by the City Manager, or their designee, or 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. The City Council hereby authorizes the expenditure of funds to Qualified

Providers in the amount and in accordance with the City's Procurement Manual 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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

EXHIBIT A

Qualified Veterinary Service Procedure

1. Purpose

The purpose of this Scope of Work is to define the requirements for qualified veterinary service providers to provide comprehensive veterinary care, urgent care, and after-hours emergency veterinary care services for animals in the care of Denton Animal Services (DAS).

2. Service Requirements

- Requested Services
    - After-hours emergency veterinary care services
    - Urgent care during regular business hours
    - Basic veterinary services
        - Diagnostic testing (e.g., bloodwork, fecal exams, radiology coordination)
        - Treatment of illness, injury, and chronic conditions
        - Sterilization and other various surgical procedures and post-operative care
        - Wound care, pain management, and infection control
        - Administration of sedation, analgesia, and anti-emetics per approved protocols
        - Other veterinary services as needed
- Providers must provide a licensed DVM to treat animals.
- Must have a system in place to provide a prompt response. Urgent care and emergency facilities must have a system in place to provide a prompt response to after-hours emergency calls from Animal Services staff. Urgent care and emergency facilities must allow for the immediate transport and acceptance of animals requiring emergency care without undue delay.
- Must be available without prior notice or scheduling.
- Must provide all necessary equipment for emergency diagnosis and treatment, including X-ray capabilities. The Contractor must also ensure all equipment is properly maintained, calibrated, and compliant with any applicable state and federal inspection requirements.
- Must provide complete medical records for any services rendered. These records must be sent with the animal upon discharge to ensure timely and accurate entry into the shelter's designated system.

- Rabies certificates must be retained for at least five (5) years
- All records must be available to the City upon request
- All medical reports must be retained as per Texas Administrative Code §169.29(c)

3. Required Qualifications

- Minimum of two (2) years' experience providing the proposed services.
- After-Hours Providers: Experience operating a clinic open during non-standard hours and ability to provide urgent care and/or after-hours emergency medical services

4. Invoicing

- Payment shall be accepted via purchase order or PCard, in accordance with the City's procurement policies, with invoices payable on a Net 30 basis, in compliance with the Texas Municipal Government Code.
- All invoices must be itemized
- Invoices must be consolidated and submitted monthly

5. Submission Responses

The submission must be made at the City of Denton Animal Services website located at https://www.cityofdenton.com/165/Denton-Animal-Services and must include the following information:

- Clinic name
- Clinic website
- Clinic contact information including phone number and e-mail address
- Clinic location
- Number of years in service
- Number of staff
- References
- Percentage discount for services
- Days and hours available

6. Evaluation and Selection Process

A. Evaluation

Vendors will be evaluated based on submission responses including:

- Clinic location
- Number of years in service
- Number of staff
- References
- History and performance
- Ability to perform required services
- Availability and clinic hours

B. Evaluation Process

A selection committee of individuals representing the City will evaluate qualifications as submitted. The City reserves the right to request oral interviews and/or site visits with clinics.

C. Re-evaluation and Selection Process

Vendors on the eligibility list will be reevaluated annually based on relevant selection criteria. Selection criteria after award may consist of the clinic's qualifications and experience as it relates to specific patients, availability, expertise, workload, and any other relevant factors including clinic location, number of staff, history and performance, ability to perform required services, and availability and clinic hours. DAS intends to use the information provided during the pre-qualification process to re-evaluate for award on a case by case basis.

D. Use of the Vendors

Continued use of the vendor's services is subject to the City's ongoing operational needs and may be ended at the City's sole discretion. City may suspend or terminate services with a qualified vendor at any time, with or without cause. Mistreatment or negligent care of animals will result in immediate removal from the qualified vendor list. Written notice of removal from qualified list will be provided.

EXHIBIT B

City of Denton Animal Services

Veterinary Service Provider Application

Please submit completed form and a copy of DVM license(s) to animal.services@cityofdenton.com .

Clinic Information

Clinic Name: _____

Primary Contact: _____ Title: _____

Address: _____ City: _____ Zip: _____

Phone Number: _____ E-mail Address: _____

Website: _____

Number of Staff: _____ Years in Service: _____

Percentage Discount for Services: _____

How would you be willing to accept payment? Please select all that apply.

- ☐ Purchase Order
- ☐ Credit Card

Services Provided - Please select all that apply.

- ☐ Emergency Care Services (After Hours)
- ☐ Urgent Care (Regular Business Hours)
- ☐ Diagnostic testing (bloodwork, fecal exams radiology coordination, etc.)
- ☐ Treatment of illness, injury, and chronic conditions
- ☐ Sterilization and other various surgical procedures and post operative care
- ☐ Wound care, pain management, and infection control
- ☐ Administration of sedation, analgesia, and anti-emetics per approved protocol
- ☐ Other veterinary services as needed

References

Organization: _____

Address: _____ City: _____ Zip: _____

Contact: _____ Phone: _____

E-mail Address: _____

Organization: _____

Address: _____ City: _____ Zip: _____

Contact: _____ Phone: _____

E-mail Address: _____

Organization: _____

Address: _____ City: _____ Zip: _____

Contact: _____ Phone: _____

E-mail Address: _____

If you do not have a reference for a municipality, shelter, or other reference, please provide a link to your business on an online directory and business review platform.

Link: _____

*****Please attach a copy of DVM license(s).*****

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

ACM: Christine Taylor

DATE: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton amending the naming policy guidelines for city buildings, facilities, land, or any portion thereof to designate the Parks, Recreation, and Beautification board as the ad hoc naming committee; and providing an effective date.

BACKGROUND

Following City Council's recent consideration of three naming applications, the City Council directed the Parks, Recreation, and Beautification Board to remain the primary evaluation committee for future naming applications. The proposed resolution and policy amendments formalize this standing role within the naming process.

Existing Naming Policy

The existing Denton Parks and Recreation naming policy for city buildings, facilities, land parcels, parks, and trails was adopted as Resolution 20-2001 and approved by the City Council on October 20, 2020 (see **Exhibit 2**).

Under the naming policy, the City Council has the authority to establish a seven-member ad hoc committee to review submitted applications from individuals and organizations. This ad hoc committee must have members appointed by individual City Council members and at least two members of the ad hoc committee must be selected from an impacted advisory or governing board. The Parks, Recreation, and Beautification Board satisfies these requirements.

On January 13, 2026, City Council gave direction that Park Board should continue to serve as the committee that reviews naming applications. The proposed changes write this direction into the policy.

Proposed Policy Changes

The policy changes establish the Parks, Recreation, and Beautification Board as the committee that reviews naming applications and offers its recommendation on naming applications to City Council. As before, Council will make the ultimate determination on all naming applications and is not bound by Park Board recommendations.

The proposed changes in Section VII, "Procedures for naming city buildings, facilities and any portion thereof," of the naming policy reflect the Parks, Recreation, and Beautification Board's clarified role considering naming applications (see **exhibit 4** for line-by-line policy changes).

RECOMMENDATION

Staff recommends approving the resolution and the policy changes.

FISCAL INFORMATION

Whenever a naming application is approved and a facility or park requires new signage as a consequence of naming, this will represent an additional unbudgeted expense. Unless a funding source is designated at the time the naming application is approved, staff cannot guarantee that a sign reflecting the naming application will be constructed soon or even placed on the list of Parks and Recreation's immediate short-term priorities.

EXHIBITS

Exhibit 1- Agenda Information Sheet
Exhibit 2- Existing Naming Policy (2020)
Exhibit 3- Ordinance
Exhibit 4- Redline Policy Changes
Exhibit 5- Policy Changes (Clean)

Respectfully Submitted:
Allison Wing, Interim Director,
Parks and Recreation

Prepared by:
Omar Siddiqi, Admin. Analyst,
Parks and Recreation

RESOLUTION NO. 20-2001

A RESOLUTION OF THE CITY OF DENTON AMENDING THE NAMING POLICY GUIDELINES FOR CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF TO INCLUDE PROVISIONS FOR TEMPORARY NAMES; PROVIDING A REPEALER; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Denton desires to amend the policy guidelines for naming City buildings, facilities, land, or any portion thereof by adding provisions for temporary names; and

WHEREAS, the City Council deems it in the public interest to adopt the revised policy; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The revised *City of Denton Naming Policy Guidelines for City Buildings, Facilities, Land or any Portion Thereof*, which is attached hereto and made a part hereof for all purposes, is hereby approved and adopted.

SECTION 2. All policies inconsistent herewith are hereby repealed, including without limitation, Resolution R2019-2456.

SECTION 3. This resolution shall become effective immediately upon its passage and approval.

The motion to approve this resolution was made by John Ryan and seconded by Jesse Davis, the resolution was passed and approved by the following vote [7 - 0]:

	Aye	Nay	Abstain	Absent
Chris Watts, Mayor:	✓			
Gerard Hudspeth, District 1:	✓			
Keely G. Briggs, District 2:	✓			
Jesse Davis, District 3:	✓			
John Ryan, District 4:	✓			
Deb Armintor, At Large Place 5:	✓			
Paul Meltzer, At Large Place 6:	✓			

PASSED AND APPROVED this the 20th day of October, 2020.

CHRIS WATTS, MAYOR

ATTEST:
ROSA RIOS, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
AARON LEAL, CITY ATTORNEY

BY: _____

CITY OF DENTON NAMING POLICY GUIDELINES FOR CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF

I. GENERAL

A. These policy guidelines are intended to address naming opportunities when a citizen, group, or organization submits a nomination to name a City building, facility, land, or any portion thereof. The City Council may initiate the naming of any building, facility, land, or any portion thereof at its discretion and may apply the following guidelines in City Council initiated naming. The City Council may choose to waive any part of these guidelines by three-fourth's vote of the entire City Council. Any amendments to this policy require only a simple Council majority vote. These policy guidelines do not address the naming of streets, fire stations, or police stations, or naming based on advertising.

B. Naming, whether after an individual, foundation, or organization will be on a case-by-case basis and assessed for potential conflict of interest and alignment with the City's mission and values.

II. DEFINITIONS

City Buildings. City owned buildings which are open to the public and used to conduct City business. Buildings may include, but are not limited to, City Halls, civic/community centers, conference/convention centers, public libraries, and public utility buildings/structures.

City Facilities. City owned structures, amenities, or features, which are open to the public and used for City business, or public attractions of any kind, including, but not limited to, athletic fields, bridges, fountains, gymnasiums, library collections and/or department's interior and exterior spaces, meeting rooms, picnic shelters, playground equipment, recreation facilities, swimming pools, tennis courts, and basketball courts.

City Land. Real estate owned and/or managed by the City, including but not limited to park property and other open space areas.

Commemorative Name. A name given to recognize an individual, organization, or foundation who has made a significant contribution on a local, state, national or world level.

Temporary Name. A non-permanent name given by City staff to identify a City building, facility, land, or any portion thereof for a limited time pending a naming request.

III. COMMEMORATIVE NAMING AFTER AN INDIVIDUAL

A. Criteria for Commemorative Naming After an Individual

It is intended that all the criteria in this section be satisfied when considering the naming of a City facility, building, land, or any portion thereof after an individual.te

1. The individual must have been a resident of the City of Denton; and

2. The individual must be of good moral character and must not have been convicted of any felonies, or crimes of moral turpitude; and

3. The individual should have made exceptional contributions on a local, state, national, or world level and the individual's achievements should represent a lasting legacy to the mission of the City building, facility, land, or any portion thereof.

B. Naming After an Individual Who Performed Outstanding or Heroic Service

Buildings, facilities, land, or any portion thereof may also be named in memory of individuals who died in the line of duty serving the City of Denton, the State of Texas, or the United States of America; or died performing a heroic act, such as saving the life of another person; or a deceased individual who has made a significant and lasting contribution to humanitarian causes on a world or national level. In these instances as appropriate, the City may elect to obtain or attempt to make contact for approval from living family members of the individual recommended for having a City building, facility, land, or any portion thereof named in their honor.

C. Renaming After an Individual

In order to honor the decisions of previous City Councils and descendants of individuals after whom a City building, facility, land, or any portion thereof is named, renaming shall typically not occur. However, if it is determined that circumstances have changed such that the criteria set forth in section I.B and III is no longer met, the City Council may elect to remove the name from the City building, facility, land, or any portion thereof.

IV. COMMEMORATIVE NAMING AFTER A FOUNDATION OR ORGANIZATION

A. Criteria for Commemorative Naming After a Foundation or Organization

1. If consideration is given to naming a City building, facility, land, or any portion thereof after a foundation or organization, the foundation or organization considered should have made exceptional local, state, national, or world contributions; and their achievements should represent a lasting legacy to the mission of the City building, facility, land, or any portion thereof.

2. In selected instances, a City building, facility, land, or any portion thereof may be named after a foundation or organization that makes a unique and extraordinary contribution to the development and/or usage of the City building, facility, land, or any portion thereof being named. The merits and value of each such naming shall be evaluated on a case-by-case basis.

B. Renaming After a Foundation or Organization

In order to honor the decisions of previous City Councils and foundations or organizations after which a City building, facility, land, or any portion thereof are named, renaming shall typically not occur. However, if it is determined that circumstances have changed such that the criteria set forth in section I.B and IV is no longer met the City Council may elect to remove the name from the City building, facility, land, or any portion thereof.

V. PLAQUES, MARKERS, AND MEMORIALS

A. Plaques, markers, and memorials that are requested to be located on a City building, facility, land, or any portion thereof must be reviewed and approved by the City Manager or his/her designee, as to design and maintenance requirements.

B. Total costs for purchasing plaques, markers, and memorials involved in the naming of a new City building, facility, land, or any portion thereof, as well as up to five (5) years of maintenance costs, shall be paid by the nominating individual or organization, unless City Council waives such funding. This provision has no application in those instances where the costs of plaques, markers, or memorials are included in the design and construction costs of a project.

VI. TEMPORARY NAME PROCEDURES

A. A temporary name will be designated by the City staff for identification during acquisition and/or development of the City building, facility, land or any portion thereof.

B. The following criteria and factors shall be used in determining the appropriateness of the temporary name:

1. Geographic location such as street name, frontage road, major intersection, or subdivision.

2. Each temporary name will end with an identifier such as property or building. For example: *Main Street Property*

C. Because temporary designations tend to be retained, the naming process for a City building, facility, land or any portion thereof should be carried out as quickly as possible after its acquisition or development. Citizens, groups, or organizations are encouraged to submit nominations for naming a City building, facility, land, or any portion thereof once the temporary name has been identified.

VII. PROCEDURES FOR NAMING CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF

A. Groups or individuals may submit nominations for naming a City building, facility, land, or any portion thereof by submitting a nomination to the City Manager on the City of Denton Naming Application.

B. The City Manager, upon the receipt of the City of Denton Name Application, shall refer such naming request to the City Council.

C. The City Council may appoint a seven-member ad hoc Naming Committee to review the naming request submitted by a citizen or organization. Such committee shall be nominated by individual City Council members. In the event of a City Council initiated naming, the Council may, if it desires, appoint an ad hoc committee as outlined herein to investigate and recommend one or more names for Council consideration.

D. At least two members of the ad hoc Naming Committee shall be selected from any impacted advisory or governing board as determined by City Council.

E. The name or names submitted will be considered by the members of the ad hoc Naming Committee. The committee shall be guided by the provisions of this policy and shall provide a recommendation to the City Council for consideration.

F. The final decision for naming a City building, facility, land, or any portion thereof shall rest with the City Council.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AMENDING THE NAMING POLICY GUIDELINES FOR CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF TO DESIGNATE THE PARKS, RECREATION, AND BEAUTIFICATION BOARD AS THE AD HOC NAMING COMMITTEE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton desires to amend the policy guidelines for naming City buildings, facilities, land, or any portion thereof by adding provisions for temporary names; and

WHEREAS, the City Council deems it in the public interest to adopt the attached revised policy; and

WHEREAS, the City Council establishes the Parks, Recreation, and Beautification Board as the permanent ad hoc committee to consider all naming applications; and NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1: The revised *City of Denton Naming Policy Guidelines for City Buildings, Facilities, Land, or any Portion Thereof,* which is attached hereto and made a part hereof for all purposes, is hereby approved and adopted.

SECTION 2: All policies inconsistent herewith are hereby repealed, including without limitation, Resolution R20-2001.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MARK REINWAND, CITY ATTORNEY

BY: _____

~~RESOLUTION~~ ORDINANCE NO. _____

AN ~~RESOLUTION~~ ORDINANCE OF THE CITY OF DENTON AMENDING THE NAMING POLICY GUIDELINES FOR CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF TO ~~INCLUDE PROVISIONS FOR TEMPORARY NAMES~~ DESIGNATE THE PARKS, RECREATION, AND BEAUTIFICATION BOARD AS THE AD HOC NAMING COMMITTEE ; ~~PROVIDING A REPEALER~~; AND ~~DECLARING~~ PROVIDING AN EFFECTIVE DATE.

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SECTION 3: ~~That t~~This ~~Resolution~~ 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 [___ - ___]:

Formatted: Font color: Auto, Not Expanded by / Condensed by

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
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Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MARK REINWAND

BY: _____

CITY OF DENTON NAMING POLICY GUIDELINES
FOR CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF

I. GENERAL

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A. Plaques, markers, and memorials that are requested to be located on a City building, facility, land, or any portion thereof must be reviewed and approved by the City Manager or his/her designee, as to design and maintenance requirements.

B. Total costs for purchasing plaques, markers, and memorials involved in the naming of a new City building, facility, land, or any portion thereof, as well as up to five (5) years of maintenance costs, shall be paid by the nominating individual or organization, unless City Council waives such funding. This provision has no application in those instances where the costs of plaques, markers, or memorials are included in the design and construction costs of a project.

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A. A temporary name will be designated by the City staff for identification during acquisition and/or development of the City building, facility, land or any portion thereof.

B. The following criteria and factors shall be used in determining the appropriateness of the temporary name:

1. Geographic location such as street name, frontage road, major intersection, or subdivision.

2. Each temporary name will end with an identifier such as property or building. For example: *Main Street Property*

C. Because temporary designations tend to be retained, the naming process for a City building, facility, land or any portion thereof should be carried out as quickly as possible after its acquisition or development. Citizens, groups, or organizations are encouraged to submit nominations for naming a City building, facility, land, or any portion thereof once the temporary name has been identified.

VII. PROCEDURES FOR NAMING CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF

A. Groups or individuals may submit nominations for naming a City building, facility, land, or any portion thereof by submitting a nomination to the City Manager on the City of Denton Naming Application.

B. The City Manager, upon the receipt of the City of Denton Name Application, shall refer such naming request to the City Council.

~~B.~~C. The City Council has designated the Park, Recreation, and Beautification Board as the ad hoc Naming Committee to review all naming requests submitted by residents or organizations.

~~C. The City Council may appoint a seven member ad hoc Naming Committee to review the naming request submitted by a citizen or organization. Such committee shall be nominated by individual City Council members. In the event of a City Council initiated naming, the Council may, if it desires, appoint an ad hoc committee as outlined herein to investigate and recommend one or more names for Council consideration.~~

~~D. At least two members of the ad hoc Naming Committee shall be selected from any impacted advisory or governing board as determined by City Council.~~

~~E.~~D. ~~The name or names submitted~~Naming applications will be considered by ~~the members of the ad hoc Naming Committee~~the Parks, Recreation, and Beautification Board . The committee shall be guided by the provisions of this policy and shall provide a recommendation to the City Council for consideration.

~~F.~~E. The final decision for naming a City building, facility, land, or any portion thereof shall rest with the City Council.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AMENDING THE NAMING POLICY GUIDELINES FOR CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF TO DESIGNATE THE PARKS, RECREATION, AND BEAUTIFICATION BOARD AS THE AD HOC NAMING COMMITTEE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Denton desires to amend the policy guidelines for naming City buildings, facilities, land, or any portion thereof by adding provisions for temporary names; and

WHEREAS, the City Council deems it in the public interest to adopt the attached revised policy; and

WHEREAS, the City Council establishes the Parks, Recreation, and Beautification Board as the permanent ad hoc committee to consider all naming applications; and NOW, THEREFORE,

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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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MARK REINWAND, CITY ATTORNEY

BY: _____

CITY OF DENTON NAMING POLICY GUIDELINES FOR CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF

I. GENERAL

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B. Naming, whether after an individual, foundation, or organization will be on a case-by-case basis and assessed for potential conflict of interest and alignment with the City's mission and values.

II. DEFINITIONS

City Buildings. City owned buildings which are open to the public and used to conduct City business. Buildings may include, but are not limited to, City Halls, civic/community centers, conference/convention centers, public libraries, and public utility buildings/structures.

City Facilities. City owned structures, amenities, or features, which are open to the public and used for City business, or public attractions of any kind, including, but not limited to, athletic fields, bridges, fountains, gymnasiums, library collections and/or department's interior and exterior spaces, meeting rooms, picnic shelters, playground equipment, recreation facilities, swimming pools, tennis courts, and basketball courts.

City Land. Real estate owned and/or managed by the City, including but not limited to park property and other open space areas.

Commemorative Name. A name given to recognize an individual, organization, or foundation who has made a significant contribution on a local, state, national or world level.

Temporary Name. A non-permanent name given by City staff to identify a City building, facility, land, or any portion thereof for a limited time pending a naming request.

III. COMMEMORATIVE NAMING AFTER AN INDIVIDUAL

A. Criteria for Commemorative Naming After an Individual

It is intended that all the criteria in this section be satisfied when considering the naming of a City facility, building, land, or any portion thereof after an individual

1. The individual must have been a resident of the City of Denton; and

2. The individual must be of good moral character and must not have been convicted of any felonies, or crimes of moral turpitude; and

3. The individual should have made exceptional contributions on a local, state, national, or world level and the individual's achievements should represent a lasting legacy to the mission of the City building, facility, land, or any portion thereof.

B. Naming After an Individual Who Performed Outstanding or Heroic Service

Buildings, facilities, land, or any portion thereof may also be named in memory of individuals who died in the line of duty serving the City of Denton, the State of Texas, or the United States of America; or died performing a heroic act, such as saving the life of another person; or a deceased individual who has made a significant and lasting contribution to humanitarian causes on a world or national level. In these instances as appropriate, the City may elect to obtain or attempt to make contact for approval from living family members of the individual recommended for having a City building, facility, land, or any portion thereof named in their honor.

C. Renaming After an Individual

In order to honor the decisions of previous City Councils and descendants of individuals after whom a City building, facility, land, or any portion thereof is named, renaming shall typically not occur. However, if it is determined that circumstances have changed such that the criteria set forth in section I(B) and III is no longer met, the City Council may elect to remove the name from the City building, facility, land, or any portion thereof.

IV. COMMEMORATIVE NAMING AFTER A FOUNDATION OR ORGANIZATION

A. Criteria for Commemorative Naming After a Foundation or Organization

1. If consideration is given to naming a City building, facility, land, or any portion thereof after a foundation or organization, the foundation or organization considered should have made exceptional local, state, national, or world contributions; and their achievements should represent a lasting legacy to the mission of the City building, facility, land, or any portion thereof.

2. In selected instances, a City building, facility, land, or any portion thereof may be named after a foundation or organization that makes a unique and extraordinary contribution to the development and/or usage of the City building, facility, land, or any portion thereof being named. The merits and value of each such naming shall be evaluated on a case-by-case basis.

B. Renaming After a Foundation or Organization

In order to honor the decisions of previous City Councils and foundations or organizations after which a City building, facility, land, or any portion thereof are named, renaming shall typically not occur. However, if it is determined that circumstances have changed such that the criteria set forth in section I(B) and IV is no longer met the City Council may elect to remove the name from the City building, facility, land, or any portion thereof.

V. PLAQUES, MARKERS, AND MEMORIALS

A. Plaques, markers, and memorials that are requested to be located on a City building, facility, land, or any portion thereof must be reviewed and approved by the City Manager or his/her designee, as to design and maintenance requirements.

B. Total costs for purchasing plaques, markers, and memorials involved in the naming of a new City building, facility, land, or any portion thereof, as well as up to five (5) years of maintenance costs, shall be paid by the nominating individual or organization, unless City Council waives such funding. This provision has no application in those instances where the costs of plaques, markers, or memorials are included in the design and construction costs of a project.

VI. TEMPORARY NAME PROCEUURES

A. A temporary name will be designated by the City staff for identification during acquisition and/or development of the City building, facility, land or any portion thereof.

B. The following criteria and factors shall be used in determining the appropriateness of the temporary name:

1. Geographic location such as street name, frontage road, major intersection, or subdivision.

2. Each temporary name will end with an identifier such as property or building. For example: *Main Street Property*

C. Because temporary designations tend to be retained, the naming process for a City building, facility, land or any portion thereof should be carried out as quickly as possible after its acquisition or development. Citizens, groups, or organizations are encouraged to submit nominations for naming a City building, facility, land, or any portion thereof once the temporary name has been identified.

VII. PROCEDURES FOR NAMING CITY BUILDINGS, FACILITIES, LAND, OR ANY PORTION THEREOF

A. Groups or individuals may submit nominations for naming a City building, facility, land, or any portion thereof by submitting a nomination to the City Manager on the City of Denton Naming Application.

B. The City Manager, upon the receipt of the City of Denton Name Application, shall refer such naming request to the City Council.

C. The City Council has designated the Park, Recreation, and Beautification Board as the ad hoc Naming Committee to review all naming requests submitted by residents or organizations.

D. Naming applications will be considered by the Parks, Recreation, and Beautification Board. The committee shall be guided by the provisions of this policy and shall provide a recommendation to the City Council for consideration.

E. The final decision for naming a City building, facility, land, or any portion thereof shall rest with the City Council.

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

ACM: Christine Taylor, Assistant City Manager

DATE: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, authorizing the city manager to enter into an agreement between the City and Denton Independent School District to provide summer breakfasts and lunches to children enrolled in the City of Denton Parks and Recreation summer camp program at no charge to said recipients at designated Denton Independent School District sites and Denton Parks and Recreation facility sites; and providing an effective date.

BACKGROUND

The USDA Summer Food Service Program (SFSP) ensures that low-income children continue to receive nutritious meals when school is not in session. Children 18 and younger may receive free meals and snacks through SFSP. Meals and snacks are also available to persons with disabilities, over age 18, who participate in school programs for people who are mentally or physically disabled.

Since 2017, the department partnered with the S. Tracy Howard (STH) Project, a local nonprofit, to administer the SFSP. The STH Project served after school and summer meals at the recreation centers and summer camp sites at no cost to the City. In the Fall of 2024, the STH Project ceased operations of the program, requiring Denton Parks and Recreation (DPARD) to seek alternative options for summer 2025.

In 2025 the department partnered with the Denton Independent School District (DISD) to serve hot meals to all DPARD summer camp participants at their school sites. Additionally, DISD provided sacked lunches and shelf-stable breakfast items to DPARD summer camp participants not located at or near a school site and on field trip days when camps are not on-site.

DISD is the designated 2026 SFSP provider for the Denton community and the department wishes to partner with them for the 2026 summer camp program.

OPTIONS

Approve or deny.

RECOMMENDATION

Staff recommends approval of the proposed ordinance.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

FISCAL INFORMATION

The SFSP is funded via an FDA grant awarded to DISD as the service provider. This agreement is at no-cost to the City.

EXHIBITS

Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance
Exhibit 3- Agreement

Respectfully submitted:
Allison Wing, Interim Director
Parks and Recreation

Prepared by:
Megan Thomas, Park and Recreation

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT BETWEEN THE CITY AND DENTON INDEPENDENT SCHOOL DISTRICT TO PROVIDE SUMMER BREAKFASTS AND LUNCHES TO CHILDREN ENROLLED IN THE CITY OF DENTON PARKS AND RECREATION SUMMER CAMP PROGRAM AT NO CHARGE TO SAID RECIPIENTS AT DESIGNATED DENTON INDEPENDENT SCHOOL DISTRICT SCHOOL SITES AND CITY OF DENTON PARKS AND RECREATION FACILITY SITES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City recognizes the importance of providing breakfasts and lunches ("Summer Food") during the summer months when school is not in session;

WHEREAS, Denton Independent School District (DISD) is the approved USDA Summer Food Service Program (SFSP) provider; and

WHEREAS, the City and DISD desire to provide hot meals and sacked lunches to the DPARD summer camp program for summer 2026; and

WHEREAS, this Agreement serves a valid public purpose and is in the public interest;

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 City Manager or designee is hereby authorized to execute the Agreement between the City and DISD attached hereto as Exhibit "A," on behalf of the City.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

MEMORANDUM OF UNDERSTANDING

DENTON INDEPENDENT SCHOOL DISTRICT CHILD NUTRITION SERVICES
AND
CITY OF DENTON PARKS AND RECREATION

Denton Independent School District (DISD) Food Services Department, in accordance with the USDA Summer Food Service Program and Facility Use Agreement between these entities, will provide breakfast and lunches to children enrolled in the City of Denton Parks and Recreation Department (DPARD) summer camp program on weekdays from May 26 through August 7, 2026, for the listed school sites and recreation centers.

Summer Food Sites
In addition to the designated summer camp sites, all listed sites will serve the community as part of the DISD Summer Food program.

Summer Camp Sites

- McMath Middle School, 1900 Jason Dr., Denton, TX 76205
- Newton Rayzor Elementary School, 1221 Crescent St., Denton, TX 76201
  (will also serve camps from MLK Jr. Rec Center, Denia Rec Center and Calhoun Middle School)
- Strickland Middle School, 324 E. Windsor Dr., Denton, TX 76207
- WS Ryan Elementary School, 201 W Ryan Rd, Denton, TX 76210

Additional Community Sites

- Alexander Elementary School, 800 Mack Pl., Denton, TX 76209 (ending June 26)
- Hodge Elementary School, 3900 Grant Parkway, Denton TX 76208
- Evers Elementary School, 3300 Evers Parkway, Denton, TX 76027

DISD will ensure:

1. All meals meet USDA meal standards for the summer meals program.
2. Meals served on-site to children of the community and summer camp participants will be served on the following schedule:
   a. Breakfast 7:30-8:30 a.m.
   b. Lunch 11:30 a.m.-12:30p.m.
3. Meals will be served to all children attending regardless of race, color, national origin, sex, age, or disability.
4. All meals will be provided without charge.
5. Hot breakfast and lunch will be served to camps hosted at a DISD school site and those located within walking distance to the school site.
6. Sacked lunches will be provided to off-site camps as listed above according to a mutually agreed upon pick-up schedule.
7. Shelf stable breakfast items will be provided to off-site camps during lunch pick-up the day prior.
8. Sack lunches will be provided on field trip and swim days.
9. No meals will be provided to DPARD summer camps on the following dates:
   a. Friday, June 19, 2026

EXHIBIT A

City of Denton will ensure:

1. Complete required Civil Rights and SFSP training for all staff and provide all certificates of completion and sign-in sheets to DISD by the first day of camp.
2. Accurately record daily meals served to summer camp participants.
3. Camp participants will sit in an assigned area to ensure proper supervision by DPARD staff at all times.
4. Assist with cleaning of camp seating area, ensure spills are cleaned and all trash disposed of properly.
5. Schedule and quantities for bagged lunches will be provided no later than 1 p.m. on the Tuesday prior to each week of camp.
6. Pick-up bagged lunches according to mutually agreed upon schedule each day for delivery to off-site camp location(s) and field trips.
7. Ensure proper handling, temperature control, and timely delivery of bagged lunches received.

Denton Independent School District **Child Nutrition Department**	**City of Denton** **Sara Hensley, City Manager**
Susan Keller Digitally signed by Susan Keller Date: 2026.03.10 14:09:31 -05'00'	
Dr. Jeremy Thompson **Deputy Superintendent**	**Signature**
Print	**Print**
3/3/26 **Date**	**Date**

EXHIBIT A

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Parks and Recreation

ACM: Christine Taylor, Assistant City Manager

DATE: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the city of Denton approving an agreement with the Denton Parks Foundation to encourage community interest and involvement in the maintenance and development of the City of Denton park areas, facilities, and recreational opportunities, through promotion and solicitation of funds, as well as the holding and investing of these funds to benefit the City of Denton; authorizing the city manager or designee to execute the Denton Parks Foundation agreement and carry out the duties of the city therein; authorizing the provision of in-kind services; and providing an effective date.

BACKGROUND

City Council first authorized the agreement with the Denton Parks Foundation in 2018. In the years that followed, the Foundation provided annual updates to Council, and the City executed one-year agreements at a consistent cost of $76,500 through 2022. No new agreements have been approved since that time.

The current agreement was revised to clarify the respective roles of the City and the Denton Parks Foundation. The City no longer provides a monetary donation; instead, in-kind services are outlined in the updated agreement.

For FY25, the Parks Foundation pledged the net income from Dog Days 2025 to the Lily Cantu Inclusive Playground, in addition to grant funds for scholarships and park improvements in the amount $8,681. In FY26, the Parks Foundation is fundraising for the Inclusive Playground, is donating funds to scholarships and parks improvements, and is planning a Pet Memorial installation at the North Lakes Dog Park.

RECOMMENDATION

Staff recommends approval of this request.

FISCAL INFORMATION

Provision of in-kind services including:

1) Meeting facilities for approximately 20 people for DPF monthly board meetings, special event planning meetings, and committee meetings at no cost to the DPF.

2) Providing parks, recreation facilities, and associated rental fees, along with personnel costs associated with these venues for DPF pre-approved fundraising events, for no more than four (4) events per year, at no cost to the DPF, not to exceed an annual cost to the City of $20,000.

EXHIBITS

Exhibit 1- Agenda Information Sheet
Exhibit 2- Ordinance
Exhibit 3- Agreement

Respectfully submitted:
Allison Wing, Parks and Recreation

Prepared by:
Janay Tieken, Parks and Recreation

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING AN AGREEMENT WITH THE DENTON PARKS FOUNDATION TO ENCOURAGE COMMUNITY INTEREST AND INVOLVEMENT IN THE MAINTENANCE AND DEVELOPMENT OF CITY OF DENTON PARK AREAS, FACILITIES, AND RECREATIONAL OPPORTUNITIES, THROUGH PROMOTION AND SOLICITATION OF FUNDS, AS WELL AS THE HOLDING AND INVESTING OF THESE FUNDS TO BENEFIT THE CITY OF DENTON; AUTHORIZING THE CITY MANAGER TO EXECUTE THE DENTON PARKS FOUNDATION AGREEMENT AND CARRY OUT THE DUTIES OF THE CITY THEREIN; AUTHORIZING THE PROVISION OF IN-KIND SERVICES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City owns and maintains public parks and facilities, trails, activities, programs, projects, and initiatives throughout the City of Denton; and

WHEREAS, the Denton Parks and Recreation Department's mission is to "Unite, Grown and Play" by enriching the lives of all Denton residents through offering a broad range of recreational, educational, and cultural services; and

WHEREAS, providing quality recreational facilities and programs to meet the needs and expectations of Denton's citizens at times costs more than City tax monies and other revenues can provide, and it is at times necessary for the Parks and Recreation Department to obtain funds from outside private sources to augment the annual operating budget of the department to help ensure it fulfills its mission; and

WHEREAS, the Denton Parks Foundation was formed on May 22, 1987, and was chartered as a non-profit corporation with the purpose being a non-policy making organization to maintain an association of persons interested in promoting and improving Denton Parks and Recreation Department parks and recreation facilities, and its programs, activities, and services for all citizens of Denton; and

WHEREAS, since inception, the Foundation has engaged the community to support the City of Denton Parks through fundraising activities for the benefit of the Parks and Recreation Department; and

WHEREAS, the continuation of these activities is essential to the maintenance and future development of quality parks and recreation programs within the City of Denton; and

WHEREAS, on October 20, 2020, City Council authorized the City Manager to execute year one of the agreement with the Denton Parks Foundation which expired on September 30, 2021; and

WHEREAS, the City of Denton and the Denton Parks Foundation desire to continue a contractual relationship between the parties through an Agreement to approve their respective roles, responsibilities, rights, and obligations; and

WHEREAS, the City Council has found and determined that the Agreement is in the public interest; NOW, THEREFORE:

THE COUNCIL OF THE CITY OF DENTON ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference.

SECTION 2. The Denton Parks Foundation Agreement, attached hereto, is approved and the City Manager, or designee, is authorized to execute the Agreement on behalf of the City of Denton.

SECTION 3. The City Manager, or designee, is further authorized to carry out all duties and obligations of the City pursuant to and under the Agreement, including, but not limited to, the expenditure of funds.

SECTION 4. The 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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

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STATE OF TEXAS §
§
COUNTY OF DENTON §

AGREEMENT BETWEEN THE CITY OF DENTON AND THE DENTON PARKS FOUNDATION

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2026 between the City of Denton, a Texas home rule municipal corporation, hereinafter referred to as the "City", and the Denton Parks Foundation, a Texas nonprofit corporation, hereinafter referred to as the "DPF".

WHEREAS, the City and the DPF provide and make available certain services and benefits to each other, and

WHEREAS, the City owns and maintains public parks, trails, and facilities, and provides recreation activities, programs, instructions, and services (collectively, "Parks") throughout the City of Denton; and

WHEREAS, the Denton Parks and Recreation Department ("DPARD") is a department of the City of Denton, a municipal corporation, whose mission is to unite and grow lives by preserving parks and encouraging play, and

WHEREAS, providing quality recreational facilities and programs to meet the needs and expectations of Denton's citizens often costs more than City tax monies and other revenues can provide, and

WHEREAS, the DPF was formed on May 22, 1987, and was chartered as a Texas Corporation on December 21, 1987, and is duly qualified as a Section 501(c)(3), non-profit foundation. The DPF Articles of Association set forth its purpose as being a non-policy making and non-profit organization to maintain an association of persons interested in promoting and improving DPARD parks and recreation facilities, and its programs, activities, and services for all Citizens of Denton, and

WHEREAS, the DPF mission, as adopted by the Board of Directors, is *"to engage the Denton community to enhance the mission of the Denton Parks & Recreation Department to unite, grow, and play"*.

WHEREAS, the DPF was formed to perform the following activities, which are legitimate public purposes, to wit:

(1) to enlist, direct, organize, and encourage community interest and involvement in the acquisition and development of park areas and facilities in Denton,

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(2) to promote, solicit, and encourage contributions from individuals, groups, and organizations, of monies, property, and other items of value by donation, dedication, gift, or bequest, which will benefit the development of existing and future recreation and park services and facilities in Denton, and

(3) to receive, hold, invest, or donate monies or property for benefit of developing existing and future recreation and park services and facilities in Denton.

ARTICLE I

SERVICES TO BE PERFORMED BY THE FOUNDATION

The DPF represents, acknowledges, warrants, and agrees to perform and provide the following regarding its operation, purpose, and services provided for the benefit of the City of Denton:

(1) **Fundraising.** The DPF designs, plans, and executes fundraising activities to secure, administer, and provides funds, property, or other benefits to the City in accordance with the following procedures and requirements:

a. The DPF plans and implements fundraising activities, grant writing, marketing, and awareness campaigns as determined by the DPF Board of Directors.

b. Any fundraising efforts of the DPF to benefit the City do not prevent or limit the DPF from supporting and fundraising on behalf of other non-City entities, provided it aligns with the mission of the DPF as it is stated herein.

c. The DPF will provide the DPARD Director with an annual written request for use of City of Denton facilities, including days, times, and purposes, by January 15 for each calendar year. The DPARD Director will confirm in writing availability to the DPF President by January 31. The DPF President and/or the DPARD Director may amend the annual facility use agreement with at least 120 days of written notice.

(2) **Administration.** The DPF administers funds, property, or other benefits in accordance with the following procedures and requirements:

The DPF shall administer and invest funds it receives for the benefit of the City in accordance with the DPF Board approved Bylaws and Standard Operating Procedures. The DPF shall function as a fiduciary entity on behalf of the donor of a gift to ensure the funds are used for the intended purpose of the donor.

(3) **Disbursements.** The DPF administers disbursements of funds, property, or other

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benefits in accordance with the following procedures and requirements:

a. Annually, DPF will make available to the City, through its grants process, an amount equal to or greater than the amount provided by DPARD to use its parks, recreation facilities, and associated rental fees, along with personnel costs associated with these venues for DPF pre-approved fundraising events (for no more than four (4) events per year).

b. Funds are given to the City as grants, which have been requested in a written proposal by the City and approved by the DPF Board. Grant Agreements will be signed by the City prior to funding. Every grant is documented by a Grant Agreement (see Exhibit A), and documentation of use of funds and completion of the Grant Agreement must be provided to the DPF through a grant report.

c. Disbursements from DPF accounts, and any distribution of property provided to the City by the DPF, will be supervised by the DPF Board of Directors.

d. Grant funds will be distributed and payable to the City of Denton by check. Said funds must be delivered and receipted, along with the Grant Award document by the City Manager or his/her designee.

(4) **Conflict of Interest.** The Foundation covenants that:

a. Neither it nor any member of its governing body presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement,

b. In the performance of this Agreement, no person having such interest shall be employed or appointed as a member of its governing body,

c. No member of its governing body shall possess any interest in or use his/her position for a purpose that is or gives the appearance of being motivated by desire for private gain for himself/herself, or others; particularly those with which he/she has family, business, or other ties,

d. No officer, member, or employee of the City and no member of its governing body who exercises any function or responsibilities in the review or approval of the undertaking or carrying out of this Agreement shall participate in any decision relating to the Agreement which affects his personal interest or the interest in any corporation, partnership, or foundation in which he as direct or indirect interest, and

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e. It shall perform annual conflict of interest disclosures for its Board of Directors.

ARTICLE II
OBLIGATIONS OF THE CITY OF DENTON PARKS AND RECREATION DEPARTMENT

The City of Denton, through its Parks and Recreation Department, will provide the following to the DPF:

(1) Identifying projects, initiatives, properties, and other items needed or wanted, annually, in October with which the DPF may provide long and short-term fundraising support to complete or purchase.

(2) Meeting facilities for approximately 20 people for DPF monthly board meetings, special event planning meetings, and committee meetings at no cost to the DPF.

(3) Providing parks, recreation facilities, and associated rental fees, along with personnel costs associated with these venues for DPF pre-approved fundraising events, for no more than four (4) events per year, at no cost to the DPF, not to exceed an annual cost to the City of $20,000.

(4) Planning, installing, and maintaining equipment and items for projects or programs such as legacy items - memorial benches and trees, as agreed upon in the grant agreement, and

(5) Providing acknowledgement of DPF as outlined in each grant agreement and in all DPARD promotional materials.

(6) Compliance with the City's Ethics Ordinance, as amended.

ARTICLE III
THE TERM OF AGREEMENT

The City or DPF shall have the right to terminate this Agreement, in whole or in part, without cause any time upon ninety (90) calendar days prior written notice. Upon receipt of a notice of termination, the DPF shall promptly cease all further work pursuant to this Agreement, with such exceptions, if any, specified in the notice of termination.

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ARTICLE IV
ASSURANCES BY THE
PARTIES

The following is a list of representations, assurances, understanding, policies, procedures, and agreements regarding the roles, relationship, and functions of the City and the DPF in their working relationship pursuant to this Agreement:

(1) The City owns the Parks and any fixtures located in the Parks. In the absence of an agreement providing otherwise, title to any fixture donated by the DPF to the City and installed in the Parks shall vest in the City upon completion of construction or installation and acceptance by the City.

(2) The City has exclusive authority to make all decisions regarding the Parks.

(3) The Board of Directors assures the DPARD that the activities of the DPF will be in support of the objectives, goals, and priorities of the DPARD, as communicated to it by the City, and the Parks and Recreation Master Plan, as amended. The City assures the DPF that the resources made available to the DPARD by the DPF will be allocated and utilized properly and in accordance with applicable laws, ordinances, policies, and procedures.

(4) The DPF has no authority to supervise, direct, control, or demand that a City employee perform any function on behalf of the DPF.

(5) Capital construction activities on City property supported in whole or in part by DPF funds shall follow all City procedures governing such projects and building code requirements, if applicable.

(6) The City shall have the right to oversee all infrastructure and capital improvement work performed on the Parks. The City has the right to suspend or discontinue a DPF project, improvement, or initiative in the Parks, within the terms of the DPF Grant Agreement. In such event, the City, shall return any funds donated by the DPF.

(7) The DPF may not operate donor or sponsor recognition programs in Recreation and Park facilities unless the City approves the program or adopts a policy governing such programs and the DPF complies with the policy. The City acknowledges that items (such as plaques, bricks, and fence pickets) recognizing donors already in place will not be disturbed unless mutually agreed to by the DPF and the City.

(8) This Agreement does not grant the DPF a right to use the City's name and trademarks.

(9) Any personnel employed by or volunteering on behalf of the DPF shall be deemed employees or volunteers respectively of the DPF and shall not be deemed employees or volunteers of the City. The DPF shall be responsible for the supervision, management, and control of such DPF employees and volunteers and any payroll, taxation, or other employment obligation, if any, incident to their work. Any personnel employed by or

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volunteering on behalf of the City shall be deemed employees or volunteers respectively of the City and shall not be deemed employees or volunteers of the DPF. The City shall be responsible for the supervision, management, and control of such City employees and volunteers and any payroll, taxation, or other employment obligation, if any, incident to their work.

(10) The DPF shall maintain general liability insurance of $1,000,000 and in accordance with City insurance requirements.

(11) DPARD employees may attend meetings of the DPF Board of Directors as guests, upon invitation of the DPF President, who controls the meeting agenda.

(12)**THE DPF AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, ITS OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR INJURIES, DAMAGE, LOSS, OR LIABILITY OF WHATEVER KIND OR CHARACTER, ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE BY THE FOUNDATION OR THOSE SERVICES CONTEMPLATED BY THIS AGREEMENT, INCLUDING ALL SUCH CLAIMS OR CAUSES OF ACTION BASED UPON COMMON, CONSTITUTIONAL, OR STATUTORY LAW, OR BASED, IN WHOLE OR IN PART, UPON ALLEGATIONS OF NEGLIGENT OR INTENTIONAL ACTS OF FOUNDATION, ITS OFFICERS, EMPLOYEES, AGENTS, VOLUNTEERS, SUBCONTRACTORS, LICENSEES, AND INVITEES.**

(13) In the event any damage or injury is caused to the equipment or facilities provided by the City hereunder by the negligence or improper conduct of the DPF, its agents, volunteers, subcontractors, or employees, the DPF shall cause the said damage or injury to be repaired as speedily as possible at its own cost and expense.

ARTICLE V
NOTICE

Any notice or other written instrument required or permitted to be delivered under the terms of this Agreement shall be deemed to have been delivered, whether actually received or not, when deposited in the United States mail, postage prepaid, registered or certified, return receipt requested, or via electronic mail, hand delivery or facsimile, addressed or sent to Foundation or City, as the case may be, at the following addresses:

Docusign Envelope ID: DAA79971-C021-4EA5-872A-47B878AB6A8D

CITY	DPF
City of Denton Attn: City Manager 215 E. McKinney Denton, TX 76201 CMO@cityofdenton.com	Denton Parks Foundation Attn: President PO Box 75 Denton, TX 76202 board@dentonparksfoundation.com

Either party may change its mailing address by sending notice of change of address to the other at the above address by certified mail, return receipt requested.

ARTICLE VI
RECORD RETENTION

The DPF agrees to retain all books, records, documents, reports, and written accounting policies and procedures pertaining to the fundraising and donations provided to City under this agreement for a period of five (5) years from the date of record.

ARTICLE VII
ETHICS

The DPF will adopt and comply with policies regarding code of conduct, conflicts of interest, and potential conflicts of interest.

ARTICLE VIII
ADMINISTRATION OF AGREEMENT

The President, or designee, of the DPF shall be the officer responsible for the administration of this Agreement for the DPF. The City Manager, or designee, shall be the City staff member responsible for the administration of this Agreement on behalf of the City.

ARTICLE IX
NO ASSIGNMENT

This Agreement is solely between the parties and cannot be assigned to another party without the express advance written approval of the non-assigning party.

Docusign Envelope ID: DAA79971-C021-4EA5-872A-47B878AB6A8D

ARTICLE X
MODIFICATION
OF AGREEMENT

No modification of this Agreement shall be effective unless it is in writing and signed by both parties to this Agreement.

ARTICLE XI
GOVERNING LAW
AND VENUE

This Agreement is subject to, governed by, and shall be construed under the laws of the State of Texas. Venue of any suit or cause of action arising under this Agreement shall be exclusively in Denton County, Texas.

ARTICLE XII
SEVERIBILITY

If any provision of this Agreement is found or deemed by a court of competent jurisdiction to be invalid or unenforceable, it shall be considered severable from the remainder of this Agreement and shall not cause the remainder of this Agreement to be invalid or unenforceable. In such event, the parties shall reform this Agreement to replace such stricken provision with a valid and enforceable provision which comes as close as possible to expressing the intention of the parties hereto respecting the stricken provision.

ARTICLE XIIIINTEGRATION

The Agreement, together with any attached exhibits constitute the entire understanding between the City and the DPF with respect to the subject matter of the Agreement. This Agreement replaces and supersedes any prior discussions, negotiations, agreements, and understandings.

ARTICLE XIV
CAPTIONS

The captions of this Agreement are for informational purposes only and shall not in any way affect the substantive terms or conditions of this Agreement.

IN WITNESS WHEREOF, the City and the DPF have executed this Agreement in duplicate original counterparts, the City acting by and through its duly authorized City Manager, and DPF acting by and through its duly-authorized undersigned officer, on this the _____day of _____,2026.

Docusign Envelope ID: DAA79971-C021-4EA5-872A-47B878AB6A8D

CITY OF DENTON

_____
SARA HENSLEY, CITY MANAGER

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL F ORM:
MACK REINWAND, CITY ATTORNEY

BY:_____

DENTON PARKS FOUNDATION

DocuSigned by:
Jean Keller
34CFB63078A64CE...
JEAN KELLER, PRESIDENT

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND
APPROVED
as to financial and operational
obligations and business terms

Signed by:
Allison Wing
75387A6F0F1B4F3...
Signature

Interim Director
Title

Parks and Recreation
Department

3/4/2026
Date Signed

Docusign Envelope ID: DAA79971-C021-4EA5-872A-47B878AB6A8D

EXHIBIT A
GRANT AGREEMENT

_____, 20__

City of Denton, City Manager
City of Denton
215 E McKinney
Denton, TX 76201

Re: Grant Agreement

Dear _____:

The enclosed check in the amount of $_____ payable to the City of Denton represents a grant from Denton Parks Foundation, Inc. (DPF). The purpose is for _____, as specified by _____. The funds may not be used for other purposes without the written consent of DPF.

The grant funds must be utilized by _____, 20__. Unused funds must be returned to DPF unless an extension is agreed to in writing.

Documentation of the use of these funds is required in the grant report.

Please return the executed Grant Agreement within **10** business days. **Two authorized signatures from the City of Denton are required in acknowledgment of this agreement.**

Best Regard,

_____
Signature

_____
Name/Title

Acknowledged: _____ _____ _____
Signature Title Date

_____ _____ _____
Signature Title Date

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: March 24, 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 CBS Mechanical Services, Inc. dba CMS Mechanical Services, Inc., for HVAC Services for the Facilities Management Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8982 – awarded to CBS Mechanical Services, Inc. dba CMS Mechanical Services, 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 $9,075,437.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The City of Denton requires comprehensive and reliable Heating, Ventilation, and Air Conditioning (HVAC) services to ensure the safe and continuous operation of its entire network of municipal facilities. This contract provides for the comprehensive maintenance and repair of the City's HVAC infrastructure. The scope covers the entire municipal building portfolio, which consists of over 200 separate facilities encompassing a total of approximately 1,500,000 square feet. The units range from 1.5 tons to 180 tons. These services encompass a range of essential functions, including preventative maintenance, emergency repair, and system replacement and installation. Facilities Management and other departments will utilize this contract to service critical infrastructure, such as the City Halls, Police Stations, Fire Stations, Libraries, Recreation Centers, and Utility Operations buildings.

The urgent and ongoing need for these services is driven by the necessity to maintain public health, safety, and operational continuity, particularly given the extreme temperatures common in North Texas. Without functional heating and cooling, the city would risk violating public safety mandates, potentially leading to facility closures and service disruptions during critical periods. Beyond human comfort, HVAC systems are vital for protecting millions of dollars in City assets, including sensitive IT servers, communications gear, and administrative records, all of which require precise climate control to prevent heat or humidity damage.

Therefore, securing these services on a year-round basis is an essential, high-priority objective. Regular preventative maintenance minimizes utility costs by ensuring energy efficiency, extends the lifespan of expensive equipment, and dramatically reduces the likelihood of costly emergency breakdowns. By contracting professional HVAC services, the City of Denton proactively addresses its regulatory compliance

requirements, safeguards its essential infrastructure, and ensures a stable, safe environment for both its employees and the thousands of citizens who rely on accessible public services every day.

Based on the current Capital Improvement Program (CIP), the Facilities Condition Assessment (FCA), and the planned integration of new building assets, we project the contract expenditure as follows.

Estimated Contract Expenses

Category	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Service, Repairs	$403,000	$415,090	$427,543	$440,369	$453,580	$2,139,582
New Installations	1,225,000	1,261,750	1,299,603	1,338,591	1,378,748	6,503,692
Sub Total	**$1,628,000**	**$1,676,840**	**$1,727,146**	**$1,778,960**	**$1,832,328**	**$8,643,274**
Contingency	81,400	83,842	86,357	88,948	91,616	432,163
Total	**$1,709,400**	**$1,760,682**	**$1,813,503**	**$1,867,908**	**$1,923,944**	**$9,075,437**

Request for Proposals was sent to 559 prospective suppliers, including 49 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Four (4) proposals were received, references were checked, and proposals were evaluated based upon published criteria, including compliance with specifications, probable performance, and price. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, CMS Mechanical Services, Inc. was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	910 - (Service Only) - Building Maintenance, Installation and Repair Services
Notifications sent for Solicitation sent in IonWave:	559
Number of Suppliers that viewed Solicitation in IonWave:	24
HUB-Historically Underutilized Business Invitations sent out:	99
SBE-Small Business Enterprise Invitations sent out:	215
Responses from Solicitation:	4

RECOMMENDATION

Award a contract with CBS Mechanical Services, Inc. dba CMS Mechanical Services, Inc., for HVAC Services for the Facilities Management 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 $9,075,437.

PRINCIPAL PLACE OF BUSINESS

CBS Mechanical Services, Inc. dba CMS Mechanical Services, Inc.
Denton, 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 products and services will be funded through Operating and Capital Fund accounts. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is $9,075,437. 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: Pricing Evaluation
Exhibit 3: Presentation
Exhibit 4: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: David Moore, 940-349-7247.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2
RFP 8982 - Pricing Evaluation for HVAC Services

				Respondent's Business Name:		A Plus AC Heating and Refrigeration		ENFRA MCC, LLC		Reliable Plant Maintenance, Inc.	
				Principal Place of Business (City and State):		Allen, TX		Coppell, TX		McKinney, TX	
Line #	**Description**	**QTY**	**UOM**	**Unit**	**Cost**	**Unit**	**Cost**	**Unit**	**Cost**	**Unit**	**Cost**
Section I - Licensed "A" HVAC Technician Service Work - Hourly Rates											
2	Regular Working Hours (7:00 AM-5:00 PM / Monday- Friday): Technician Minimum Qualifications for Technician:1. Must be registered with the Texas Department of Licensing & Regulation for Heating, Ventilation and Air Conditioning 2. As well as being Universal Environmental Protection Agency (EPA) Certified to handle refrigerant 3. Technician must have at least three years' experience 4. Must have the ability to service/replace/install units that are up to 180 tons.	8,000	HR	**$80.00**	**$640,000.00**	$125.00	$1,000,000.00	$130.00	$1,040,000.00	$130.00	$1,200,000.00
3	After Regular Working Hours and Weekends: Technician(5:01 PM - 6:59 AM / Monday - Friday) (All day Saturday and Sunday) Technician Minimum Qualifications for Technician::1. Must be registered with the Texas Department of Licensing & Regulation for Heating, Ventilation and Air . As well as being Universal Environmental Protection Agency (EPA) Certified to handle refrigerant 3. Technician must have at least three years' experience 4. Must have the ability to service/replace/install units that are up to 180 tons.	3,000	HR	**$80.00**	**$240,000.00**	$140.00	$420,000.00	$195.00	$585,000.00	$195.00	$675,000.00
4	Emergency Work Hours (30-Minute Response Time Required) Regular Working Hours (7:00 AM-5:00 PM / Monday- Friday): Technician Minimum Qualifications for Technician::1. Must be registered with the Texas Department of Licensing & Regulation for Heating, Ventilation and Air . As well as being Universal Environmental Protection Agency (EPA) Certified to handle . Technician must have at least three years' . Must have the ability to service/replace/install units that are up to 180 tons.	4,000	HR	**$80.00**	**$320,000.00**	$140.00	$560,000.00	$135.00	$540,000.00	$135.00	$600,000.00
5	Emergency Work Hours (30-Minute Response Time Required) After Regular Working Hours:(5:01 PM - 6:59 AM / Monday - Friday) Technician Minimum Qualifications for Technician:1. Must be registered with the Texas Department of Licensing & Regulation for Heating, Ventilation and Air . As well as being Universal Environmental Protection Agency (EPA) Certified to handle . Technician must have at least three years' . Must have the ability to service/replace/install units that are up to 180 tons.	4,000	HR	**$80.00**	**$320,000.00**	$140.00	$560,000.00	$200.00	$800,000.00	$200.00	$900,000.00
Section II: HVAC Helper Service Work - Hourly Rates											
7	Regular Working Hours (7:00 AM-5:00 PM / Monday- Friday): Helper Minimum Qualifications for Helper: 1. Must be registered with the Texas Department of Licensing & Regulation for the specific trade required during project scope. 2. Must have at least one years' experience. Estimated Annual Quantity of Hours Needed	6,000	EA	**$40.00**	**$240,000.00**	$65.00	$390,000.00	$100.00	$600,000.00	$100.00	$900,000.00
8	After Regular Working Hours and Weekends:(5:01 PM - 6:59 AM / Monday - Friday) (All Day Saturday and Sunday): Helper Minimum Qualifications for . Must be registered with the Texas Department of Licensing & Regulation for the specific trade required during project scope. 2. Must have at least one years' experience. Estimated Annual Quantity of Hours Needed	2,000	EA	**$40.00**	**$80,000.00**	$75.00	$150,000.00	$150.00	$300,000.00	$150.00	$450,000.00
9	Emergency Work Hours (30-Minute Response Time Required) Regular Working Hours (7:00 AM-5:00 PM / Monday- Friday): Helper Minimum Qualifications for . Must be registered with the Texas Department of Licensing & Regulation for the specific trade required during project scope. 2. Must have at least one years' experience. Estimated Annual Quantity of Hours Needed	1,000	EA	**$40.00**	**$40,000.00**	$75.00	$75,000.00	$110.00	$110,000.00	$110.00	$150,000.00
10	Emergency Work Hours (30-Minute Response Time Required) (5:01 PM - 6:59 AM / Monday - Friday) After Regular Working Hours: Helper Minimum Qualifications for . Must be registered with the Texas Department of Licensing & Regulation for the specific trade required during project scope. 2. Must have at least one years' experience. Estimated Annual Quantity of Hours Needed	1,000	EA	**$40.00**	**$40,000.00**	$75.00	$75,000.00	$160.00	$160,000.00	$160.00	$150,000.00
			Total:		**$1,920,000.00**		$3,230,000.00		$4,135,000.00		$5,025,000.00

Evaluation					
Item #	**Standard Criteria**	**CMS Mechanical Services, Inc.**	A Plus AC Heating and Refrigeration	ENFRA MCC, LLC	Reliable Plant Maintenance, Inc
1	Compliance with Specifications - 30%	**24.00**	16.00	14.00	16.00
2	Probable Performance - 30%	**28.00**	16.00	14.00	14.00
3	Price, Total Cost of Ownership - 40%	**40.00**	23.78	18.57	15.28
	Total Score:	**92.00**	55.78	46.57	45.28

HVAC Services
CMS Mechanical Services, Inc.
Facilities Management - 8982

David Moore

Facility Manager - Facilities Management

03/24/2026

File ID – 26-0348

HVAC Services

- The Facilities Management Department requires a qualified commercial HVAC contractor to provide comprehensive maintenance, repair, and replacement services for its municipal HVAC systems, supporting more than 200 facilities totaling approximately 1.5 million square feet.
- The City operates a wide range of HVAC equipment, from 1.5-ton split systems to 180-ton chiller systems, requiring expertise across diverse system types.
- HVAC systems are vital for protecting millions of dollars in City assets, including sensitive IT servers, communications equipment, and administrative records, all of which require climate control to prevent heat or humidity damage.
- This contract includes planned Capital Replacement Projects.
- The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

Contract Estimate

Contract Estimate by Year

Category	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Total
Service/Repairs	$ 403,000	$ 415,090	$ 427,543	$ 440,369	$ 453,580	$ 2,139,582
Capital Replacements	$ 1,225,000	$ 1,261,750	$ 1,299,603	$ 1,338,591	$ 1,378,748	$ 6,503,691
Sub Total	**$1,628,000**	**$ 1,676,840**	**$ 1,727,145**	**$ 1,778,960**	**$1,832,328**	**$ 8,643,273**
Contingency 5%	$ 81,400	$ 83,842	$ 86,357	$ 88,948	$ 91,616	$ 432,164
Total	**$1,709,400**	**$1,760,682**	**$ 1,813,502**	**$ 1,867,908**	**$1,923,945**	**$9,075,437**

Contract Estimate by Fund

Fund	Repair Services	Asset Replacements
General Fund	70%	50%
Enterprise Funds (DME, SW, Water, Airport)	30%	50%

Capital Replacement Example

City Hall: Trane 180-ton Chiller Replacement
Project Price $1,100,000

The charts highlight the estimated annual costs for HVAC service, repairs, and equipment replacement; the projected schedule for acquiring and installing new HVAC units based on system additions and lifecycle-driven replacements; and the utilization of available funding across HVAC equipment purchases and service activities. All components will be reviewed and approved through the City's collaborative budgeting process.

Recommendation

Staff recommends approval of a one-year contract with four additional one-year extensions, for a total potential term of five years, not to exceed $9,075,437, with CMS Mechanical Services, Inc.

Questions?

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CBS MECHANICAL SERVICES, INC. DBA CMS MECHANICAL SERVICES, INC., FOR HVAC SERVICES FOR THE FACILITIES MANAGEMENT DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8982 – AWARDED TO CBS MECHANICAL SERVICES, INC. DBA CMS MECHANICAL SERVICES, 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 $9,075,437.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for HVAC Services for the Facilities Management 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
8982	CBS Mechanical Services, Inc. dba CMS Mechanical Services, Inc.	$9,075,437.00

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

Docusign City Council Transmittal Coversheet

RFP	8982
File Name	HVAC SERVICES
Purchasing Contact	Crystal Westbrook
City Council Target Date	
Piggy Back Option	Yes
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND CBS MECHANICAL SERVICES, INC. dba CMS MECHANICAL SERVICES, INC.
(Contract # 8982)

THIS CONTRACT is made and entered into this date _____, by and between CBS Mechanical Services, Inc. dba CMS Mechanical Services, Inc. a Texas Corporation, whose address 5000 Energy Place, Building 100, Denton, TX 76207, 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 #8982 HVAC 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 #8982 (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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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 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
CMS MECHANICAL SERVICES, INC.

DocuSigned by:
Ashley Loggains
7F94CF0BF56E43F...
Authorized Signature

Printed Name: Ashley Loggains

Title: Manager and Executive Assistant

Email Adress: ashley@cmsmechanicalservices.net

2026- 1405013
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

BY:
CITY OF DENTON, TEXAS

Sara Hensley, City Manager

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Signed by:
BY: Leah Bush
2A936B08B5D7485...

THIS AGREEMENT HAS BEEN BOTH REVIEWED AND APPROVED as to financial and operational obligations and business terms.

DocuSigned by:
Tom Gramer
7B58DA8FCE5F49C...
SIGNATURE

Director
TITLE

Facilities
DEPARTMENT

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Exhibit A
Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed $9,075,437.00. 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.

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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.

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.

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

Exhibit B
City of Denton's RFP #8982

On File at the Office of the Purchasing Agent

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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.

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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.

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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.

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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:

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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,

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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-

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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.

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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.

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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.

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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.

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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,

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

$1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

B. <u>WORKERS' COMPENSATION and EMPLOYERS LIABILITY INSURANCE</u>

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.

C. <u>BUSINESS AUTOMOBILE LIABILITY INSURANCE</u>

Business Automobile Liability Insurance covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage limit of $500,000.00 per occurrence.

NOTE:

a. If CONTRACTOR does not have owned, hired and non-owned autos or vehicles and/or no autos or vehicles will not be used in the performance of services under the contract, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement for owned autos.

D. <u>ENVIRONMENTAL IMPAIRMENT/POLLUTION INSURANCE</u>

Environmental Impairment/Pollution Insurance to include coverage for the handling, receiving, dispensing, removal, storage, testing, transportation, disposal, discharge, dispersal release or escape of any hazardous material into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including ground water, with a minimum combined bodily injury

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

(including death) and property damage limit of $1,000,000 per occurrence.

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.

EXHIBIT F

Line #	Description	QTY	UOM	**CMS Mechanical Services, Inc.** Unit
Section I - Licensed "A" HVAC Technician Service Work - Hourly Rates				
2	Regular Working Hours (7:00 AM-5:00 PM / Monday- Friday): Technician Minimum Qualifications for Technician:1. Must be registered with the Texas Department of Licensing & Regulation for Heating, Ventilation and Air Conditioning2. As well as being Universal Environmental Protection Agency (EPA) Certified to handle refrigerant3. Technician must have at least three years' experience4. Must have the ability to service/replace/install units that are up to 180 tons.	8000	HR	$80.00
3	After Regular Working Hours and Weekends: Technician(5:01 PM - 6:59 AM / Monday - Friday) (All day Saturday and Sunday) Technician Minimum Qualifications for Technician::1. Must be registered with the Texas Department of Licensing & Regulation for Heating, Ventilation and Air Conditioning2. As well as being Universal Environmental Protection Agency (EPA) Certified to handle refrigerant3. Technician must have at least three years' experience4. Must have the ability to service/replace/install units that are up to 180 tons.	3000	HR	$80.00
4	Emergency Work Hours (30-Minute Response Time Required) Regular Working Hours (7:00 AM-5:00 PM / Monday- Friday): Technician Minimum Qualifications for Technician::1. Must be registered with the Texas Department of Licensing & Regulation for Heating, Ventilation and Air Conditioning2. As well as being Universal Environmental Protection Agency (EPA) Certified to handle refrigerant3. Technician must have at least three years' experience4. Must have the ability to service/replace/install units that are up to 180 tons.	4000	HR	$80.00
5	Emergency Work Hours (30-Minute Response Time Required) After Regular Working Hours:(5:01 PM - 6:59 AM / Monday - Friday) Technician Minimum Qualifications for Technician:1. Must be registered with the Texas Department of Licensing & Regulation for Heating, Ventilation and Air Conditioning2. As well as being Universal Environmental Protection Agency (EPA) Certified to handle refrigerant3. Technician must have at least three years' experience4. Must have the ability to service/replace/install units that are up to 180 tons.	4000	HR	$80.00
Section II: HVAC Helper Service Work - Hourly Rates				
7	Regular Working Hours (7:00 AM-5:00 PM / Monday- Friday): Helper Minimum Qualifications for Helper:1. Must be registered with the Texas Department of Licensing & Regulation for the specific trade required during project scope. 2. Must have at least one years' experience.Estimated Annual Quantity of Hours Needed	6000	EA	$40.00
8	After Regular Working Hours and Weekends:(5:01 PM - 6:59 AM / Monday - Friday) (All Day Saturday and Sunday): Helper Minimum Qualifications for Helper:1. Must be registered with the Texas Department of Licensing & Regulation for the specific trade required during project scope. 2. Must have at least one years' experience.Estimated Annual Quantity of Hours Needed	2000	EA	$40.00
9	Emergency Work Hours (30-Minute Response Time Required) Regular Working Hours (7:00 AM-5:00 PM / Monday- Friday): Helper Minimum Qualifications for Helper:1. Must be registered with the Texas Department of Licensing & Regulation for the specific trade required during project scope. 2. Must have at least one years' experience.Estimated Annual Quantity of Hours Needed	1000	EA	$40.00
10	Emergency Work Hours (30-Minute Response Time Required) (5:01 PM - 6:59 AM / Monday - Friday) After Regular Working Hours: Helper Minimum Qualifications for Helper:1. Must be registered with the Texas Department of Licensing & Regulation for the specific trade required during project scope. 2. Must have at least one years' experience.Estimated Annual Quantity of Hours Needed	1000	EA	$40.00

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

Section III - Additional Items				
12	New HVAC Unit Mark-up - Percentage of mark-up from wholesale rates with documentation (if requested)			30.0%
13	CONTRACTOR Material Rates: HVAC material mark-up from wholesale rates (%) with back-up documentation.			30.0%
14	SUBCONTRACTOR MARKUP- Percentage of mark-up from the sub-contractor costs (Examples- plumbers, welders, electricians, etc.)			30.0%
15	EQUIPMENT RENTAL MARKUP- Percentage of mark-up for equipment rental costs (Examples- cranes, lifts, etc.) with documentation			30.0%
16	EQUIPMENT RENTAL MARKUP- Percentage of mark-up for equipment rental costs (Examples- cranes, lifts, etc.) with documentation			30.0%
17	Warranty on Parts and Services		Days	$365.00
18	Disposal Fee	1	Per Job	$100.00
19	Storage of Equipment	1	Per Month	$100.00

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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.**

CBS Mechanical Services, Inc. dba CMS Mechanical Services, 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:
Ashley Loggains
7F94CF0BF56E43F...
Signature of vendor doing business with the governmental entity

2/18/2026
Date

Docusign Envelope ID: A2DF8700-662C-4626-914B-E686D357F6B7

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: A2DF8700-662C-4626-914B-E686D357F6B7
Status: Sent
Subject: Please DocuSign: City Council Contract 8982 HVAC Services
Source Envelope:
Document Pages: 37
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Crystal Westbrook
901B Texas Street
Denton, TX 76209
crystal.westbrook@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
2/17/2026 10:09:45 AM
Holder: Crystal Westbrook
crystal.westbrook@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Crystal Westbrook crystal.westbrook@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: 2/17/2026 10:18:28 AM Viewed: 2/17/2026 10:18:50 AM Signed: 2/17/2026 10:20:29 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: 2/17/2026 10:20:32 AM Viewed: 2/17/2026 12:53:08 PM Signed: 2/17/2026 12:53:49 PM
Leah Bush leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/18/2026 2:10:36 PM ID: 442c1550-6018-4ba8-a019-417b99b80a33	Signed by: Leah Bush 2A936B08B5D7485... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/17/2026 12:55:29 PM Viewed: 2/18/2026 2:10:36 PM Signed: 2/18/2026 2:19:53 PM
Ashley Loggains ashley@cmsmechanicalservices.net Manager and Executive Assistant Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/18/2026 2:25:54 PM ID: f3269559-2ec2-4210-898b-f4178d3d37ed	DocuSigned by: Ashley Loggains 7F94CF0BF56E43F... Signature Adoption: Pre-selected Style Using IP Address: 172.108.146.42	Sent: 2/18/2026 2:20:01 PM Viewed: 2/18/2026 2:25:54 PM Signed: 2/18/2026 2:53:17 PM

Signer Events	Signature	Timestamp
Tom Gramer tom.gramer@cityofdenton.com Director Security Level: Email, Account Authentication (None)	DocuSigned by: Tom Gramer 7B58DA8FCE5F49C... Signature Adoption: Pre-selected Style Using IP Address: 2603:8080:f7f0:2f90:2c20:2331:4272:2422	Sent: 2/18/2026 2:53:21 PM Viewed: 2/18/2026 3:03:47 PM Signed: 2/18/2026 3:51:31 PM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None)		Sent: 2/18/2026 3:51:35 PM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None)		
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None)		
Electronic Record and Signature Disclosure: Not Offered via Docusign		

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: 2/17/2026 10:20:32 AM
Electronic Record and Signature Disclosure: Not Offered via Docusign		
Marcella Lunn marcella.lunn@cityofdenton.com Senior Deputy City Attorney City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 2/17/2026 12:55:32 PM

Carbon Copy Events	Status	Timestamp
Electronic Record and Signature Disclosure: Not Offered via Docusign		
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: 2/18/2026 3:51:35 PM Viewed: 2/19/2026 2:12:34 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
David Moore david.moore@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	2/17/2026 10:18:28 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.

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: March 24, 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 Accelleron US Inc., for turbo replacement, parts, and service for the Denton Energy Center; providing for the expenditure of funds therefor; and providing an effective date (RFP 8816 – awarded to Accelleron US 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 $9,520,000.00). The Public Utilities Board will consider this item on Monday, March 23, 2026.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

To maintain high availability and reliability of the Denton Energy Center (DEC) generating units, all 12 units, equipped with a total of 24 turbochargers, require routine scheduled maintenance and timely repairs to minimize unplanned downtime and ensure continued operational readiness.

These maintenance activities involve the inspection, servicing, and replacement of critical components that experience normal or premature wear. Work is performed as preventive, predictive, or corrective maintenance. Preventive and predictive maintenance is scheduled based on operating hours or calendar intervals. Corrective maintenance addresses unexpected component failures that often result in forced outages. Completing both planned and unplanned maintenance is essential to sustaining unit reliability and performance.

Estimated costs for parts on each turbo for each unit, along with overhaul and service cost are as follows. There are a total of 24 turbos installed on 12 units. A completely new turbocharger is $400,000. DEC is expecting to purchase 10 over the term of the contract, totaling $4,000,000. The estimated overhaul and repair cost is $125,000, and expecting all 24 turbos to be overhauled during the term of the contract, totaling $3,000,000. Critical components, parts, and services for normal maintenance and hour-based intervals average a cost of $105,000 on all units, totaling $2,520,000. Total cost estimate of $9,520,000.

Description	Cost
Turbo Charger Purchase	$4,000,000.00
Overhaul and Repair	3,000,000.00
Maintenance/Parts	2,520,000.00
Total	**$9,520,000.00**

Request for Proposals was sent to 41 prospective suppliers. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Two (2) proposals were received, 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, Accelleron US Inc. was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	120 - Boats, Motors, and Marine Equipment
Notifications sent for Solicitation sent in IonWave:	41
Number of Suppliers that viewed Solicitation in IonWave:	11
HUB-Historically Underutilized Business Invitations sent out:	5
SBE-Small Business Enterprise Invitations sent out:	21
Responses from Solicitation:	2

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 23, 2026, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award a contract with Accelleron US Inc., for turbo replacement, parts, and service for the Denton Energy Center, 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 $9,520,000.

PRINCIPAL PLACE OF BUSINESS

Accelleron US Inc.
Miramar, FL

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. Delivery of the items will occur within 30 days after receipt of the order.

FISCAL INFORMATION

A total of $2,500,000 to project will be funded from revenue account 605331497, and the remaining in 10-year bonds. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is $9,520,000.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Pricing Evaluation
Exhibit 3: Presentation
Exhibit 4: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Arthur Pando, 940-349-8653.

Legal point of contact: Leah Bush at 940-349-8333.

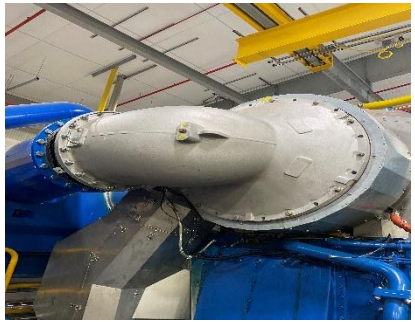
Exhibit 2
RFP 8816 - Pricing Evaluation for DEC Turbo Replacement, Parts, and Service

			Accelleron US Inc. dba ABB Inc	Motor-Services Hugo Stamp, Inc.
		Respondent's Business Name:		
		Principal Place of Business (City and State):	**Deer Park, TX**	Fort Lauderdale, FL
Line #	**Description**	**UOM**	**Unit**	**Unit**
1	TURBOCHARGER COMPLETE A175	EA	**$420,463.71**	*$420,463.71-no bid*
2	SPEED PICKUP	EA	**$4,205.40**	$5,918.17
3	NOZZLE RING ASSEMBLY A175	EA	**$36,917.18**	$52,799.01
4	TURBINE DIFFUSER A175	EA	**$11,884.45**	$16,724.77
5	DIFFUSER A175	EA	**$27,968.03**	$39,358.90
6	SPARE PART SET A175	EA	**$12,685.18**	*$12,685.18-no bid*
7	SPARE PART SET A175	EA	**$24,102.37**	*$24,102.37-no bid*
8	SPARE PART SET A175	EA	**$3,171.56**	*$3,171.56-no bid*
9	SPARE PART SET A175	EA	**$634.52**	*$634.52-no bid*
10	TURBOCHARGER A175 INSPECTION	EA	**$17,533.00**	$4,340.00-labor only
11	TURBOCHARGER A175 OVERHAUL	EA	**$500,000.00**	$4,340.00-labor only
12	FIELD SERVICE, LABOR, TRAVEL AND ACCOMMODATION	HR	**$11,504.00**	$44,205.00-labor only
13	PERFORM 16,000 HR TURBOCHARGER MAINTENANCE INTERVAL	HR	**$7,286.40**	$4,340.00-labor only
		Total:	**$1,078,355.80**	$633,083.19

Evaluation

Item #	**Standard Criteria**	**Accelleron US Inc. dba ABB Inc**	Motor-Services Hugo Stamp, Inc.
1	Delivery/Project Schedule - 30%	**24.00**	18.00
2	Compliance with Specifications - 30%	**24.00**	18.00
3	Probable Performance - 20%	**16.00**	10.67
4	Price, Total Cost of Ownership - 20%	**11.74**	20.00
	Total Score:	**75.74**	66.67

8816 - Denton Energy Center
Turbo Replacement, Parts, Services



City Council Presentation

26-0352

Arthur Pando (Plant Manager) – Denton Municipal Electric

March 24, 2026

Background

- Denton Energy Center (DEC) has 12 engines with 2 turbos on each engine, totaling 24 turbo chargers installed across the units. To maintain high generating unit availability and reliability, the turbos require regular scheduled inspections and maintenance to reduce unplanned unit downtime.

- Peak shaving operation poses specific challenges for turbochargers, especially for the rotating equipment and the components on the exhaust gas side. Despite the state-of-the-art development and high-grade materials, the components suffer from thermomechanical fatigue, which significantly accelerates the crack initiation and wear and tear of turbine side components. These damages are impacting the lifetime of the components and are due for replacement early.

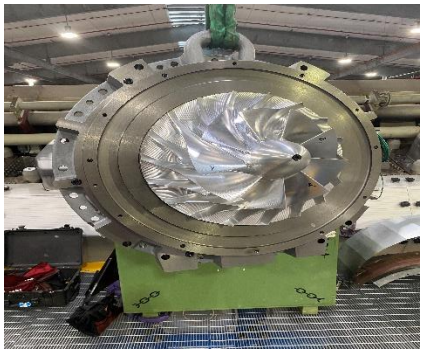
- The new challenging part of the peak shaving operation for the turbocharger is primarily the number of starts and stops of the engine rather than the operating hours. Consequently, service work recommendations as well as the expected replacement intervals specified in the turbocharger operation manual now include engine start cycles alongside operating hours. Whatever comes first is applicable.

Inspections

- ## Operating Hours & Start Cycles
  - Hour based maintenance and inspection is performed at 16,000 engine hours or 2,500 start cycles.
    * Whichever is earlier.
  - Current engine hours at 13,500 and starts at 3,500-4,000.
  - Manufacturer of turbos released a bulletin in February of 2025 revising the maintenance schedule to include cycles/starts every 2,500. Inspections and repairs are now recommended to be performed as early as possible.
- ## Maintenance Tasks
  - Dismantle turbo charger.
  - Clearance measurements.
  - Clean casings and inspect for damage.
  - Clean bearing casings and clear oil ports.
  - Clean nozzle ring and inspect for damage.
  - Check and assess rotor bearing parts.
  - Balancing.

Turbo R&R

- Repair & Replacement of Turbos.
  - Average cost of turbo found with damage but repairable- ($125,000) .
    - 24 turbos expected to be overhauled during term of contract totaling ($3,000,000).
  - Complete turbo replacement average cost- ($400,000).
    - Expecting to purchase 10 new turbos through term of contract totaling ($4,000,000).



Parts & Services

- Original design manufacturer (ODM) recommends checking operation profile of engine to verify, if the specified number of operating hours or the number of engine start cycles is reached earlier to ensure the recommended service work is carried out at the right time. This will ensure an assessment and overhauling of the turbocharger and its parts based on the results in a high performance, efficient and reliable operation of the product.

- Turbo Charger Overhauls
  - Performed at ODM authorized workshop.

- Field Services
  - Performed on site by ODM.
  - Labor, Travel and Accommodations accounted for.

- Turbo Parts
  - Components and spare parts for normal maintenance

intervals, inventory stock and maintenance repairs planned and unplanned is an estimated cost of ($105,000.00) per unit for a 5 year span on 24 turbos totaling ($2,520,000.00).

Expenditure Summary

- Manufacturer and authorized repairs.
- Restocking critical component inventory for future maintenance needs.
- Restocking critical components for unplanned maintenance.
- 24 turbos installed on 12 units. A complete new turbo charger is ($400,000) expecting to purchase 10 through term of contract totaling ($4,000,000).
- Estimated overhaul and repair cost is ($125,000) and expecting all 24 turbos to be overhauled during term of contract totaling ($3,000,000).
- Critical components, parts, and services for normal maintenance and hour based intervals averages a cost of ($105,000) for all turbos totaling ($2,520,000).
- Total cost estimated of ($9,520,000.00).
  - $2.5M funded from revenue (605331497).
  - Remaining will be in 10-year bonds.

Recommendation

- Staff recommendation for City Council to approve 5-year contract award to Accelleron US Inc. for turbo chargers at the Denton Energy Center.

Questions:

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH ACCELLERON US INC., FOR TURBO REPLACEMENT, PARTS, AND SERVICE FOR THE DENTON ENERGY CENTER; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8816 – AWARDED TO ACCELLERON US 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 $9,520,000.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for turbo replacement, parts, and service for the Denton Energy Center; 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
8816	Accelleron US Inc.	$9,520,000.00

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Leah Bush

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

Docusign City Council Transmittal Coversheet

RFP	8816
File Name	DEC TURBO REPLACEMENT, PARTS AND SERVICE
Purchasing Contact	Crystal Westbrook
City Council Target Date	
Piggy Back Option	No
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

CONTRACT BY AND BETWEEN CITY OF DENTON, TEXAS AND ACCELLERON US INC. (CONTRACT 8816)

THIS CONTRACT is made and entered into this date _____, by and between **ACCELLERON US INC.** a Delaware corporation, whose address is 1109 Howard Ave., Deer Park, TX 77536 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 RFP 8816 – DEC Turbo Replacement, Parts and Service, 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 RFP 8816 **(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 Turbo SmartCare Agreement and 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.

Contract # 8816

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

DS IH Initial TD

CONTRACTOR

Signed by: Burak Hayfavi 3C89CE8625A64DD...

BY: _____
AUTHORIZED SIGNATURE

Printed Name: Burak Hayfavi

Title: Sales Director

754-260-4205
PHONE NUMBER

sirri-burak.hayfavi@accelleron-industries.com
EMAIL ADDRESS

2026- 1295
TEXAS ETHICS COMMISSION
1295 CERTIFICATE NUMBER

CITY OF DENTON, TEXAS

BY: _____
SARA HENSLEY, CITY MANAGER

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

Signed by: Leah Bush 2A936B08B5D7485...

BY: _____

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.

Signed by: Antonio Puente, Jr. E3760944C2BF4B5...

SIGNATURE

Antonio Puente, Jr.
PRINTED NAME

DME General Manager
TITLE

Electric
DEPARTMENT

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

Exhibit A
Special Terms and Conditions

1. Total Contract Amount
The contract total for services shall not exceed $9,520,000. 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

Subject to Clause 28, 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, up to a total of four (4) additional yearly extensions. 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 Adjustment
The Turbo SmartCare Fee shall be adjusted in accordance with Clause 6 of Exhibit F (Contractor's Turbo SmartCare Agreement).

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: liquidated damages for delay.

The Contractor shall be charged a one (1%) percent fee of the Order affected by the delay each month when any one of the performance standards outlined above are not met in full. Under any circumstance the liquidated damages for delay shall exceed five (5%) percent of the affected Order fee. At the end of each month, the City will review the monthly reports and determine the application of the liquidated damages to be assessed to the Contractor's monthly profit margin. If

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the maximum cap of delay liquidated damages is reached, the City may terminate the affected Order. Payment of liquidated damages for delay and termination if the maximum agreed cap is reached are the two only and exclusive remedies of the City for any and all Contractor's delay.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

Exhibit B

City of Denton's RFP 8816 (on File at the Office of the Purchasing Agent)

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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 City shall bear cost of packaging (i.e. crating). 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.

5. **TITLE & RISK OF LOSS**: Title to the deliverables shall pass to the City only when the City actually receives and accepts the deliverables. Risk of loss of the deliverables shall pass to the City upon delivery under the Incoterms® 2020 applicable as per clause 6 below.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**:
Unless otherwise agreed in written, deliveries of:

a. spare-parts shall be subject to CIP (closest international airport to destination) Incoterms® 2020 for all deliveries from the central spare part warehouse in Baden, Switzerland or FCA (Contractor premises Switzerland) Incoterms® 2020 for all deliveries from a local warehouse of a local Contractor service station, at Contractor's choice.
b. turbochargers shall be subject to EXW (Contractor's designated place) Incoterms® 2020.

Unless otherwise agreed in written, all prices shall be deemed to be net, subject to the Incoterms® 2020 described above, excluding packing, in freely available Swiss francs without any deductions whatsoever.
Customs clearance shall be carried out by the City or, at the City's request and Accelleron acceptance, by Accelleron on the City's behalf. Where Accelleron carries out customs clearance, the City shall reimburse Accelleron for all costs and expenses incurred by Accelleron in connection with such customs clearance . The Contract Price excludes all costs arising after delivery at the closest international airport to the destination (in the case of CIF or FCA deliveries) or after collection at the Contractor's designated premises in Switzerland (in the case of EXW deliveries). From that point onward, all such costs shall be borne by the City. These include, without limitation, customs duties, broker or agent fees, export fees, import taxes, tariffs, local freight, insurance, transit costs, and any permit or certification fees, as well as all related administrative costs which are levied out of or in connection with the Contract or its fulfilment. If the Contractor or its representatives incur any such costs, the City shall reimburse them upon submission of appropriate supporting documents.
The CHF prices shall be converted into USD using the using the Federal Reserve Board's official noon buying rate for cable transfers in New York City on the date of issuance of the relevant invoice. If no such rate is published on that date, the rate published on the most recent preceding business day shall apply. The applicable exchange rate and date shall be stated on each invoice.

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. Notwithstanding the foregoing, if the City does not provide written notice of rejection within thirty (30) days of delivery, then the deliverables will be deemed accepted. 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

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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. 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, 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 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, 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 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*.).

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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. As the City is exempt from Federal excise taxes, State taxes, or City sales taxes, these must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

13. **PAYMENT**:
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. Intentionally Omitted
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.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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 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, subject to the confidentiality provisions in this Agreement. 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.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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 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.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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 AND SERVICES**: Supplier warrants the deliverables of its own manufacture included in this sale shall be delivered free of defects in material and workmanship under normal use and service as follows: The Warranty Remedy Period for complete turbochargers to be used as a component of new equipment shall end twelve (12) months after the date of initial startup or eighteen (18) months after the date the complete turbocharger is ready for shipment from the plant of manufacturer, whichever first occurs. The Warranty Remedy Period for replacement parts and/or replacement of complete turbochargers, in each case, shall be twelve (12) months from the date of shipment from Supplier's plant to City, provided that this Agreement has not expired and has not been terminated prior to the end of such twelve (12) month period; otherwise, the Warranty Remedy Period shall be six (6) months from the date of shipment from Supplier's plant to City. Supplier warrants Services against defects in workmanship for a period of twelve (12) months from the date of completion of such Services, provided that this Agreement has not expired and has not been terminated prior to the end of such twelve (12) month period; otherwise, the warranty period for Services shall be six (6) months from the date of completion of such Services. Supplier's warranty is conditioned upon City giving Supplier immediate written notice upon discovery of any such defect. Defective Equipment must be held for Supplier's inspection and, if requested by Supplier, returned to the original delivery point, transportation prepaid by City. Supplier's obligation under this warranty is limited to, at its option, replacing or repairing the defective part or parts, and without charge to City, delivering any such replacement or repaired part to the original delivery point. City shall provide free and clear access to the Equipment without cost to Supplier. In the case of nonconforming Service, Supplier shall, at its discretion, provide equivalent Services at the job site or refund the price therefor. The original Warranty Period shall not otherwise be extended.

This warranty does not apply to any Equipment which exceeds the original equipment manufacturer's recommended useful life or if after delivery is subjected to abuse, accident, alteration or repair by anyone other than engineers authorized by Supplier, improper storage, misuse in its application, improper maintenance or failure to observe operating instructions or, if upon discovering a defect, City does not immediately take appropriate steps (such as discontinuing use of the Equipment) to prevent the defect from being aggravated or resulting in damage to other parts. Supplier reserves the right to check and investigate any claim made by City that a defect in Equipment exists before taking any steps to correct such defect.

THE FOREGOING WARRANTIES AND REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY AND PERFORMANCE, WRITTEN, ORAL OR IMPLIED, AND ALL OTHER WARRANTIES INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ARISING FROM COURSE OF DEALING, USAGE OR TRADE ARE HEREBY DISCLAIMED BY SUPPLIER.

22. **WARRANTY – SERVICES**: [NOT USED]

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES**: [NOT USED]

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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, initiates and pursues with due diligence to cure 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. Except as otherwise provided in this Contract, all rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.

28. **MINIMUM TERM FOR INITIAL 24 TURBOCHARGER BASELINE SERVICE**. Notwithstanding clause 3, any non-renewal or expiry shall not take effect until Accelleron has completed the first Scheduled Service for each of the twenty-four (24) turbochargers listed in the Installation List, including removal (as applicable) and inspection sufficient to complete Accelleron's initial condition assessment and issue the related service report.

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

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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, epidemics, pandemics, mobilization, war, civil war, acts of terrorism, political unrest, revolutions, serious breakdown in the works, accidents, late or deficient delivery by subcontractors of raw materials, semi-finished or finished products, the need to scrap important work pieces, actions or omissions by any authorities or state or supranational bodies, embargoes, unforeseeable transport problems, explosion, natural catastrophes 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, or causes of action, for 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 tangible 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 or disease, worker's compensation(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 mean 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 TO THE EXTENT 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.**

32. **INSURANCE**: The following insurance requirements are applicable, in addition to the specific insurance requirements detailed in **Exhibit E** 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

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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.

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.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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 the Contractor becomes aware of it. Failure to provide notice within such period shall not bar the claim or constitute a waiver, but the City shall be entitled to recover damages, if any, that are directly caused by the delay in notice. 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 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 registered US patent, trademark, or copyright, nor misappropriate any 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

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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 misappropriates 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.

With respect to any claim of patent infringement, Supplier agrees to defend or settle at its own expense any suit or proceeding brought against City based on a claim that the deliverables furnished under this contract constitute an infringement of any United States patent, provided that Supplier is notified promptly of such suit, copies of all suit papers are made available to Supplier; City grants Supplier sole control of the defense and settlement of the claim; and City provides Supplier all reasonable cooperation and makes no admission of liability except as approved in advance by Supplier. Supplier shall have no obligation and shall not be responsible for (i.) any settlement of such suit made without its written consent; (ii.) any other equipment or process, including deliverables, which have been modified or combined with other equipment not supplied by Supplier; (iii.) any deliverable supplied according to a design, other than Supplier's design, required by City; or (iv.) any patent issued after the date hereof. If any deliverables are held to constitute an infringement or use thereof is otherwise enjoined, Supplier shall, at its option and expense, procure for City the right to continue using said deliverables; or modify or replace it with non-infringing equipment, or remove it and refund the portion of the price allocable to the infringing deliverables. THE PROVISIONS OF THIS ARTICLE 36 STATE SUPPLIER'S AND ITS SUPPLIERS ENTIRE LIABILITY FOR PATENT INFRINGEMENT.

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) which is provided in writing and marked as "Confidential" or "Proprietary" (collectively, "Confidential Information"). However, Confidential Information shall not include information which can be clearly demonstrated to be:

(a) generally known or available to the public at the time of disclosure, or thereafter becomes part of the public domain through no act or omission on the part of the receiving party;

(b) is received by the receiving party from a third party who, to the extent that the receiving party's reasonable inquiry disclosed, was not under obligation of confidentiality to the disclosing party;

(c) already known by the receiving party at the time of disclosure under this Agreement

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

as can be established by its written documentation; or

(d) independently developed by the receiving party as can be established by its written documentation.

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 tangible deliverables (Turbochargers and parts). The Contractor shall retain ownership and all right, title, and interest in and to all intellectual property embodied in, incorporated into, or used to design, manufacture, or supply such deliverables.

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 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

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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.

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

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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.

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

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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 or protections on the parties, including but not limited to the warranty, indemnity, limitation of liability, 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.

55. **EQUAL OPPORTUNITY**
A. **Equal Employment Opportunity:** No Offeror, or Offeror's agent, shall engage in any

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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.

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.

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 Contractor. For clarity, the Contractor is not responsible for any import duties, customs broker fees, international freight or insurance charges, or taxes related to importation, transit, or delivery under this Contract.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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 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. The Contractor 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:** Contractor 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. 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.

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. **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 negligence of the Contractor and its employees, agents, subcontractors, and suppliers, including any delivery or cartage company, in connection with any negligent 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.

64. **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 and as defined in clause 30.B. 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

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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 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 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.

68. **Limit of Liability.** In no event shall Supplier or its suppliers be liable for loss of profits or revenues, loss of use of the deliverables, loss of production, loss of orders, recall costs, cost of capital, cost of substitute equipment, facilities or services, downtime costs, delays, and claims of customers or other third parties for such or other damages or any other special, indirect, incidental or consequential damages, of any kind or nature, whether in contract, warranty, tort, indemnity, negligence, strict liability or otherwise. The aggregate liability of Supplier for all claims whether in contract, warranty, negligence, tort, indemnity, strict liability, or otherwise for any loss or damage arising out of or related to this Agreement shall in no event exceed 100% of the amounts paid by the City for the Services in respect of the relevant Turbocharger covered by the Agreement in the course of which the liability claims have arisen, and a total of 50% of cumulated total amounts paid by the City under or in connection with the Agreement (as applicable) in the calendar year in which the liability claims have arisen.

69. Entire Agreement. This Agreement and any attachments constitute the entire understanding between the parties and supersedes all previous understandings, agreements, communications and representations, whether written or oral, with respect to the sale of the deliverables.

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**

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

3. **City's standard terms and conditions**
4. **Purchase order**
5. **Supplier terms and conditions**

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

Exhibit E

INSURANCE REQUIREMENTS

Contractor'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:

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

- 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.***

- 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. 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.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

B. 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.

C. Business Automobile Liability Insurance covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage limit of $500,000.00 per occurrence.

NOTE:

a. If CONTRACTOR does not have owned, hired and non-owned autos or vehicles and/or no autos or vehicles will not be used in the performance of services under the contract, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement for owned autos.

D. Professional Liability Insurance

If CONTRACTOR is a licensed or certified person who renders professional services, then **Professional Liability Insurance** to provide coverage against any claim which the CONTRACTOR becomes legally obligated to pay as damages arising out of the performance of professional services caused by any negligent error, omission or act with minimum limits of $1,000,000.00 per claim, $2,000,000.00 annual 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

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

Accelleron

Turbo SmartCare Agreement

between **Accelleron US Inc.**
1109 Howard Ave
Deer Park, TX 77536

and **City of Denton**
215 E McKinney St
Denton, TX 76201

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

CONTENTS

COVER LETTER 5

1. Parties ... 5
2. Objective and Scope ... 5
3. Options ... **Error! Bookmark not defined.**
4. Fees and Expenses ... 5
5. Invoicing Currency ... 6
6. Invoicing and Payment Terms ... 6
7. Price Adjustment ... 6
8. Commencement Date ... 6
9. Term and Termination ... 6
10. Parts of the Agreement ... 7

APPENDIX 1 Definitions ... 9

1. Particular Definitions ... 9
2. Further Definitions ... 10
3. Interpretation ... 10

APPENDIX 2 Installation List ... 11

APPENDIX 3 Running Hours Notification Template ... 13

APPENDIX 4 Service Description ... 14

1. Services of Accelleron ... 14
2. Prerequisites for Turbo SmartCare Services ... 14
3. Exchange Units ... **Error! Bookmark not defined.**
4. Replacement of Turbochargers ... 14
5. Removed Spare parts ... 15
6. Installation List ... 15
7. General Exclusions ... 15
8. Original Spare Parts policy ... 16
9. Shipping ... 17
10. Collaboration under this Agreement ... 17
11. Customer Obligations relating to the Services ... 17

APPENDIX 5 Pricing and Invoicing ... 19

1. Turbo SmartCare Fee ... 19
2. Rates and Prices for Supplementary Services ... 19
3. Handling and Packaging ... 19
4. Expenses ... 19

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

5. Currency Conversion 19
6. Tax, Customs, VAT 19
7. Invoicing and Default 19
APPENDIX 6 Digital Services 21
1. Definitions 21
2. Services 21
3. Prerequisites 21
4. Exclusions 22
5. Limitations 22
6. Duration of Service Provision 23
7. Non-Delivery of Turbocharger Data 23
8. Usage of Turbocharger Data 23
APPENDIX 7 AccelleronGeneral Terms and Conditions for Maintenance Services ..... **Error! Bookmark not defined.**
1. Definitions 24
2. Subcontractors ..... **Error! Bookmark not defined.**
3. Scheduling, delay ..... **Error! Bookmark not defined.**
4. Free Issue Materials ..... **Error! Bookmark not defined.**
5. Delivery terms, passing of Risk ..... **Error! Bookmark not defined.**
6. Acceptance Tests ..... **Error! Bookmark not defined.**
7. Retention of Title ..... **Error! Bookmark not defined.**
8. Customer Obligations relating to the Services ..... **Error! Bookmark not defined.**
9. Confidentiality ..... **Error! Bookmark not defined.**
10. Technical Documents ..... **Error! Bookmark not defined.**
11. Intellectual Property ..... **Error! Bookmark not defined.**
12. Data Privacy and Data Collection ..... **Error! Bookmark not defined.**
13. Warranty ..... **Error! Bookmark not defined.**
14. Force Majeure ..... **Error! Bookmark not defined.**
15. Limitation of Liability ..... **Error! Bookmark not defined.**
16. Non-OEM Spare Parts Warranty and Liability Exclusions ..... **Error! Bookmark not defined.**
17. Export Control and Restricted use ..... **Error! Bookmark not defined.**
18. Extraordinary Termination ..... **Error! Bookmark not defined.**
19. Change of Law ..... **Error! Bookmark not defined.**
20. Various Provisions ..... **Error! Bookmark not defined.**
21. Applicable Law and Dispute resolution ..... **Error! Bookmark not defined.**

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

COVER LETTER

1. PARTIES

Customer	
Company:	City of Denton
Address:	215 E McKinney St
Postal Code:	76201
City:	Denton
Country:	USA

Accelleron	
Company:	Accelleron US Inc.
Address:	1109 Howard Ave
Postal Code:	77536
City:	Deer Park
Country:	USA

Customer contact details	
Name:	Arthur Pando
E-Mail:	Arthur.Pando@cityofdenton.com
Desk phone number:	940-349-8653
Mobile phone number:	575-263-3845

Accelleron contact details	
Name:	Daniel De La Garza
E-Mail:	Daniel.delagarza@accelleron-industries.com
Desk phone number:	832-727-3088
Mobile phone number:	832-727-3088

2. OBJECTIVE AND SCOPE

(a) Accelleron shall render the Turbo SmartCare Services as further specified in the Service Description (Appendix 4) for Turbochargers listed in the Installation List.

(b) The Customer shall pay to Accelleron the Fees for the Services, as provided for by this Agreement.

(c) Accelleron shall inform the Customer of any Scheduled Services at least 30 days prior to such Scheduled Services being due.

3. FEES AND EXPENSES

(a) The Turbo SmartCare Fee is a recurring fee that is calculated based on Turbocharger-specific Fixed Rate as set out in the agreement

(b) The Fixed Rate shall be the following:

Turbocharger Type	Fixed Rate per Service Event (covering field+workshop+travel) per turbocharger
A175-M	99,879 CHF

(c) The Fixed Rate is subject to the Turbocharger Data being delivered by the Customer (see the Digital Services Appendix for details). Should the Customer not deliver the Turbocharger Data in accordance with this Agreement, then the Fixed Rate for the affected Turbocharger(s) will increase as contemplated by Clause 7 of the Digital Services Appendix.

(d) The Fixed Rate include the following expenses and levies:

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

Expense/Tax/Levy/Duty type	Included
VAT	No
Other Taxes, stamp fees, customs duties	No
Cost for transportation / insurance / tariffs (closest international airport to Accelleron or to the site)	No

4. INVOICING CURRENCY

All Fees shall be invoiced in USD. If Fees are quoted in this Agreement in another currency, then the conversion shall occur as set out in Appendix 5. The following institute's publications shall be used for the conversion of currency as provided for by Clause 5 of Appendix 5 (tick the applicable box):

Bloomberg (https://www.bloomberg.com/markets/currencies)

5. INVOICING AND PAYMENT TERMS

(a) The Turbo SmartCare Fee shall be invoiced per event per turbocharger basis (the "**Turbo SmartCare Fee Invoicing Period**") in arrears.

(b) The Customer shall pay Accelleron's invoices within 30 days from their receipt.

6. PRICE ADJUSTMENT

The Turbo SmartCare Fee shall be adjusted according to the average price adjustment of the GSP. The annual price increase shall not exceed 8%.

7. COMMENCEMENT DATE

The Turbo SmartCare Services will commence upon agreement start unless otherwise agreed upon by the Parties in writing. As per the Service News No. 02/2025 issued by Accelleron, the services should commence at the earliest convenience.

8. TERM AND TERMINATION

8.1 Term

This Agreement takes effect on the date it is signed by the Parties and is entered into for a fixed term ending on the earlier of (i) all Turbochargers listed in the Installation List having reached their respective End Running Hours (ii) all Turbochargers listed in the Installation list having reached their respective End Starts Stops and (iii) 11/01/2030. The period between the effective date of this Agreement and the date on which it terminates shall be referred to as the "**Agreement Term**".

8.2 Reserved. Extraordinary termination

8.2.1. Termination for payment default

Accelleron may, after having sent the Customer a final notice, terminate this entire Agreement if the Customer is in uncured payment default for more than 30 days.

8.2.2. Termination for cause

Either Party may terminate this Agreement with immediate effect by sending a notice in writing should the other Party be in material breach of Agreement and not remedy such breach (if curable) within reasonable time after having been first notified of the breach by the non-breaching Party in writing.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

9. PARTS OF THE AGREEMENT

(a) This Agreement consists of the following document, all of which form integral parts of this Agreement. In case of conflicts between the various documents forming part of this Agreement, the following hierarchy shall apply (documents set out higher in the following list shall prevail over documents set out lower):

(i) the Cover Letter;

(ii) Appendix 1;

(iii) Appendix 2;

(iv) Appendix 3;

(v) Appendix 4;

(vi) Appendix 5;

(vii) Appendix 6;

(viii) Appendix 7;

(b) Lower ranking documents may however deviate from higher-ranking documents (and prevail over the higher-ranking documents) where:

(i) the higher-ranking document explicitly provides for deviations in lower-ranking documents (e.g. by stating that a provision shall apply "unless otherwise agreed" or similar); or

(ii) the lower-ranking document explicitly refers to the provision of the higher-ranking document which it aims to deviate from and explicitly states that it aims to deviate from such provision.

(c) In case of conflict between terms set out in documents of the same hierarchy level, the terms set out in the document agreed upon later than the other document(s) shall prevail (application of the lex posterior rule). In particular, the newest Installation List executed by both Parties shall supersede all earlier versions of the Installation List.

(d) All Supplementary Services shall be subject to the terms and conditions of this Agreement.

(e) Any other terms and conditions of the Parties (other than the City Contract 8816 and exhibits attached thereto and such named in this Agreement) shall not be applicable even if explicitly named in an order or other communication between the Parties.

[Signatures on the following page]

SIGNATURES

Accelleron US, Inc.

_____	_____
Date	Date
_____	_____
Name	Name
_____	_____
Title	Title

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

_____	_____
Signature	Signature

City of Denton

_____	_____
Date	Date
_____	_____
Name	Name
_____	_____
Title	Title
_____	_____
Signature	Signature

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

APPENDIX 1
Definitions

1. PARTICULAR DEFINITIONS

In this Agreement, the following capitalized terms shall have the meanings set out next to them:

"**Accelleron**" has the meaning set out on the cover page.

"**Agreement**" means this Turbo SmartCare Agreement, including all Appendices thereto.

"**Agreement Term**" has the meaning assigned to such term in the Cover Letter.

"**Cover Letter**" means the section of this Agreement titled "Cover Letter".

"**Covered Running Hours/Start Stops**" means, for each Turbocharger listed in the Installation List, the Running Hours/Starts Stops between (i) the Running Hours/Start Stops at the effective date of this Agreement and (ii) the End Running Hours/Start Stops, it being understood that in any case.

"**Customer**" has the meaning set out on the cover page.

"**Digital Services Appendix**" means Appendix 7.

"**End Running Hours/Starts Stops**" means the Running Hours/Starts Stops up to which a Turbocharger listed in the Installation List is covered by the Turbo SmartCare Services, as set out in the Installation List for each specific Turbocharger.

"**Fees**" means the fees owed by the Customer under this Agreement.

"**General Terms and Conditions**" means the Accelleron's general terms and conditions for maintenance services set out in Appendix 8.

"**GSP**" means the global sales prices for Accelleron products issued on a price list by Accelleron Switzerland Ltd from time to time and available upon written request.

"**Fixed Rate**" means the fixed rate per service event named in the Cover Letter to be paid for each Service Events.

"**Installation List**" means Appendix 2.

"**Investigation Report**" means a report issued by Accelleron identified by the investigation report number, which sets out the reason for the investigation, the investigation carried out, a description of damages found, a root cause analysis, and conclusions and recommendations.

"**Party**" means a Party to this Agreement.

"**Quality Requirements**" means all components of a Turbocharger (i) having been manufactured by or under license of Accelleron (including previously ABB Schweiz AG, Turbocharging) and (ii) being in a condition not worse than is reasonably to be expected, provided that the Turbocharger has been operated in accordance with the Operation Manual, given the Running Hours/Starts Stops of such Turbocharger at the relevant time.

"**Site**" means the installation site of a Turbocharger listed in the Installation List.

"**Service Description**" means Appendix 4.

"**Services**" means the services to be rendered by Accelleron under this Agreement.

"**Start Running Hours**" has the meaning assigned to such term in Clause 9.1(a) of the Service Description.

"Starts Stops" means a successful Engine Start with load increase above 20%

"**Supplementary Services**" means Services and Spare Parts that are not covered by the Turbo SmartCare Fee set out in the Agreement and are invoiced separately on a time and materials basis.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

"**Turbo SmartCare Fee**" means the Fee to be paid for the Turbo SmartCare Services.

"**Turbo SmartCare Services**" means the Services rendered by Accelleron that are covered by the Turbo SmartCare Fee, as further defined in the Service Description.

2. FURTHER DEFINITIONS

Further definitions are set out in the General Terms and Conditions and the Appendices.

3. INTERPRETATION

(a) Any term denoting the singular shall be interpreted to also denote the plural and vice versa.

(b) Any reference to a "**Clause**" shall be deemed to be a reference to a clause of the document in which such reference is made unless the circumstances provide otherwise.

(c) Any reference to an "**Appendix**" shall be deemed to be a reference to an appendix of this Agreement unless the circumstances provide otherwise.

(d) "**Including**" shall be deemed to mean "including (without limitation)".

*****

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

APPENDIX 2
Installation List

Installation	TC Serial Number	TC Type	Expected TC Running Hours/Starts Stops upon the start of the Agreement Term	Expected annual Running Hours/Starts Stops	End Running Hours/Starts Stops (to-tal)
P.ST. Denton Energy Center	HT567757	A175-M	12’321 / 3500	2,200 / 500	23’321 / 6000
P.ST. Denton Energy Center	HT567695	A175-M	12’450 / to be filled	2,200 / to be filled	23’450 / to be filled
P.ST. Denton Energy Center	HT567707	A175-M	11’906 / to be filled	2,200 / to be filled	22’906 / to be filled
P.ST. Denton Energy Center	HT567336	A175-M	12’603 / to be filled	2,200 / to be filled	23’603 / to be filled
P.ST. Denton Energy Center	HT567756	A175-M	12’321 / to be filled	2,200 / to be filled	23’321 / to be filled
P.ST. Denton Energy Center	HT567706	A175-M	12’450 / to be filled	2,200 / to be filled	23’450 / to be filled
P.ST. Denton Energy Center	HT567940	A175-M	12’550 / to be filled	2,200 / to be filled	23’550/ to be filled
P.ST. Denton Energy Center	HT567692	A175-M	12’197 / to be filled	2,200 / to be filled	23’197 / to be filled
P.ST. Denton Energy Center	HT567752	A175-M	11’906 / to be filled	2,200 / to be filled	22’906 / to be filled
P.ST. Denton Energy Center	HT567694	A175-M	12’197/ to be filled	2,200 / to be filled	23’197 / to be filled
P.ST. Denton Energy Center	HT567337	A175-M	12’603/ to be filled	2,200 / to be filled	23’603 / to be filled
P.ST. Denton Energy Center	HT568296	A175-M	12’154 / to be filled	2,200 / to be filled	23’154 / to be filled
P.ST. Denton Energy Center	HT567461	A175-M	12’437 / to be filled	2,200 / to be filled	23’437 / to be filled
P.ST. Denton Energy Center	HT567593	A175-M	12’370/ to be filled	2,200 / to be filled	23’370 / to be filled
P.ST. Denton Energy Center	HT568294	A175-M	12’824/ to be filled	2,200 / to be filled	23’824 / to be filled
P.ST. Denton Energy Center	HT550199	A175-M	12’255/ to be filled	2,200 / to be filled	23’255 / to be filled
P.ST. Denton Energy Center	HT568293	A175-M	12’824/ to be filled	2,200 / to be filled	23’824 / to be filled
P.ST. Denton Energy Center	HT555457	A175-M	12’154/ to be filled	2,200 / to be filled	23’154 / to be filled
P.ST. Denton Energy Center	HT568295	A175-M	12’154/ to be filled	2,200 / to be filled	23’154 / to be filled
P.ST. Denton Energy Center	HT567574	A175-M	12’370/ to be filled	2,200 / to be filled	23’370 / to be filled
P.ST. Denton Energy Center	HT567455	A175-M	12’437/ to be filled	2,200 / to be filled	23’437 / to be filled

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

P.ST. Denton Energy Center	HT568259	A175-M	12’550 / to be filled	2,200 / to be filled	23’550 / to be filled
P.ST. Denton Energy Center	HT567534	A175-M	11’710 / to be filled	2,200 / to be filled	22’710 / to be filled
P.ST. Denton Energy Center	HT567529	A175-M	11’710 / to be filled	2,200 / to be filled	22’710 / to be filled

Date: _____

Signed by Accelleron:

_____ _____

Date: _____

Signed by Customer:

_____ _____

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

APPENDIX 3
Running Hours / Start Stops Notification Template

Installation name	Engine number and bank	Turbocharger serial no.	Reading date [dd. mm. yyyy]	Engine Starts Stops	Engine Running Hours

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

APPENDIX 4
Service Description

1. SERVICES OF ACCELLERON

1.1 Turbo SmartCare Services

(a) As long as the Running Hours/Starts stops of a Turbocharger listed in the Installation List is within its Covered Running Hours/Starts Stops, but in any case only within the Agreement Term, Accelleron shall as part of the Turbo SmartCare Services render the following Services with respect to such Turbocharger:

(i) Accelleron shall manage and undertake all Scheduled Maintenance on the Turbocharger as specified in this Agreement with a minimum and maximum of 48 service events; and

(ii) Accelleron shall undertake Corrective Services with respect to the Turbocharger, including such that become necessary due to damage or breakdown of any SIKO Parts.

(b) The scope of the Turbo SmartCare Services includes all respective field, workshop labor and Spare Parts and travel time and travel costs

1.2 Additional Services

Unless agreed otherwise on a case-by-case basis, all further Services shall be deemed Supplementary Services.

2. PREREQUISITES FOR TURBO SMARTCARE SERVICES

(a) Accelleron will analyze the overall condition of each Turbocharger listed in the Installation List during the first Scheduled Service that is undertaken with respect to such Turbocharger. The same shall be true with respect to Turbochargers added to the Installation List in accordance with Clause 5.1.1.

(b) Accelleron will inform the Customer as to the condition of the Turbocharger listed in the Installation List. If the state of all parts of the Turbocharger listed in the Installation List satisfy Accelleron's Quality Requirements, then such Turbocharger shall be covered by the Turbo SmartCare Services.

(c) Should the state of certain parts not conform to Accelleron's Quality Requirements, then Accelleron shall inform the Customer accordingly, and the Customer shall have the following options:

(i) the Customer has Accelleron replace the parts in question, it being understood that the respective work and Products shall be Supplementary Services; or

(ii) the Customer elects not to replace the parts in question, in which case all Corrective Services that become necessary due to the parts in question shall not be part of the Turbo SmartCare Services but shall be Supplementary Services, and Accelleron shall have no liability whatsoever with respect to any breakdowns and incidents caused by the parts in question.

(d) Any incidents and breakdowns that occur between Accelleron's notice pursuant to Clause 2(c) and the replacement of the non-conforming parts shall not be covered by the Turbo SmartCare Services, and any Corrective Services rendered with respect to the Turbocharger listed in the Installation List shall be Supplementary Services. Accelleron shall have no liability whatsoever with respect to any breakdowns and incidents occurring in such timeframe.

3. REPLACEMENT OF TURBOCHARGERS

In case of a replacement of a Turbocharger listed in the Installation List, the relevant Customer Turbocharger shall cease to be subject to the Turbo SmartCare service and shall be removed from the

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

Installation List, and the replacement Turbocharger shall be inserted into the Installation List in its stead, and shall henceforth be subject to the Turbo SmartCare Services.

4. REMOVED SPARE PARTS

Accelleron shall remove the Spare Parts replaced under this Agreement from the Site at Accelleron's expense. The removed Spare Parts shall become the property of Accelleron. Accelleron shall bear the costs and risk of transportation of all removed Spare Parts.

5. INSTALLATION LIST

5.1 Installation List

Appendix 2 sets out the list of Turbochargers covered by this Agreement. The Installation List may be updated by the Parties upon mutual agreement in writing as specified in Clause 6.2 in the following cases:

5.1.1. Adding of Turbochargers to the Installation List

In case additional Turbochargers are added to the Installation List the Fixed Rate will be recalculated for the type of Turbocharger(s) added to the Installation list (which shall henceforth apply also to the Turbochargers already included in the Installation List). Alternatively, Accelleron may at its discretion offer to the Customer a separate Fixed Rate for the added Turbocharger(s). Upon agreeing thereon, Accelleron shall update the Installation List pursuant to Clause 5.2.

5.1.2. Removal of Turbochargers from the Installation List

(a) The Customer may remove any Turbocharger(s) from the Installation List prior to such Turbocharger(s) having reached their End Running Hours/Starts Stops. Such removal shall be subject to the payment of a cancellation fee, which shall be equal to the lower of (per removed Turbocharger):

(i) the Turbo SmartCare Fee that the Customer would have had to pay for such removed Turbocharger until it would have reached 2 service intervals.

(ii) the Turbo SmartCare Fee that the Customer would have had to pay, based on the annual Fixed Rate set out in the Installation List for the respective Turbocharger, for one event.

5.2 Updating of Installation List

Accelleron shall maintain the Installation List and shall make the necessary amendments if Turbochargers are added to or removed from the Installation List. Accelleron shall submit to the Customer the amended, signed and dated Installation List for the Customer's signature, and the Customer shall promptly sign and return to Accelleron such amended Installation List.

6. GENERAL EXCLUSIONS

(a) Any Services that become necessary due to any circumstance other than (i) faults in Accelleron-original parts included in the Turbocharger listed in the Installation List that have not arisen due to external circumstances, and (ii) faulty workmanship of Accelleron that has led to defects in the Turbocharger listed in the Installation List, including (without limitation) any of the following circumstances and Defects (as applicable), shall not be covered by the Turbo SmartCare Fee but shall rather be Supplementary Services, and shall therefore be remunerated on a time and materials basis:

(i) operation in deviation from the Accelleron Operation Manual (e.g. cleaning not performed according to Accelleron Operation Manual);

(ii) improper lubrication oil quality, supply, sealing and/or filtering, improper lubrication oil drainage;

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

(iii) improper venting;

(iv) foreign object damage;

(v) exhaust gas temperatures caused by engine in excess of operating limits;

(vi) engine room fire or fire in the air ducts;

(vii) faults of the engine to which the Turbocharger is connected;

(viii) water or moisture in the engine room;

(ix) boiler and scrubber leakage;

(x) usage of Non-Original Spare Parts;

(xi) exceeding of operational limits (according to rating plate, e.g. TC speed above nBmax, TBmax);

(xii) repeated operation beyond surging line;

(xiii) non-compliance with the applicable safety regulations or other legal standards by parties other than Accelleron; and

(xiv) premature wear on Turbocharger listed in the Installation List parts due to inadequate or incorrect functioning of the engine related systems.

(b) Any Corrective Services due to any damage or breakdown resulting from any SIKO Parts not having been replaced by the Customer when due is not part of the Turbo SmartCare Services, and accordingly, any such repair shall be Supplementary Services.

(c) No Services shall be owed by Accelleron with respect to any Turbocharger listed in the Installation List that:

(i) has been serviced by, or which otherwise was manipulated or amended by, the Customer or any third-party service provider; or

(ii) includes non-Original Spare Parts.

(d) The following Services, if requested by the Customer, shall not be covered by the Turbo SmartCare Fees and shall be invoiced as Supplementary Services:

(i) replacement of non-Original Spare Parts; and

(ii) supply of classification certificates from recognized classification societies.

(e) Furthermore, Accelleron shall not owe any Services to the Customer if the Customer is in breach of this Agreement.

(f) For the avoidance of doubt, no Services or compensation whatsoever are owed by Accelleron under this Agreement for any equipment or other tangibles that are damaged due to a defect of the Turbocharger listed in the Installation List.

7. ORIGINAL SPARE PARTS POLICY

Customer acknowledges the Quality Requirements and accepts that Accelleron shall have the right to refuse the use or the installation of turbocharger parts other than Original Spare Parts.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

8. SHIPPING

9. PRODUCTS WILL BE SHIPPED ACCORDING TO THE TERMS OF CITY CONTRACT 8816. COLLABORATION UNDER THIS AGREEMENT

9.1 Exchange of information

Customer shall notify Accelleron of the current Running Hours and Start Stops of the Turbochargers listed in the Installation List:

(a) on the date on which the Turbo SmartCare Services start with respect to the Turbocharger listed in the Installation List (the "Start Running Hours" and “Start Start Stops”); and

(b) Every six months,

for each of which the Customer shall use the notification template set out in Appendix 3.

9.2 Planning of Services

(a) Accelleron shall inform the Customer when a Scheduled Service is due and shall provide details of the planned maintenance, including, but not limited to, the necessity for cranes and other support tools and time to perform the Services. The respective notice shall be delivered with the advance notice set out in the Cover Letter.

(b) The timing of the Scheduled Services relating to a Turbocharger subject to Digital Services shall be set by Accelleron in accordance with its respective recommendations as to service intervals provided as part of the Digital Services. For Turbochargers not subject to Digital Services (including such Turbochargers for which Turbocharger Data are not delivered by the Customer in accordance with the Digital Services Appendix), the service intervals set out the new operation manual and Service News. No 02/2025 shall apply.

(c) Any incidents, failure, damage or breakdowns relating to a Turbocharger listed in the Installation List resulting from Scheduled Services that have not been executed on schedule due to reasons beyond Accelleron's control shall not be covered by the Turbo SmartCare Fee, and any Corrective Services relating thereto shall be Supplementary Services.

(d) For clarity: The exchange intervals for SIKO Parts indicated on the Turbocharger rating plates relating to the preventive exchange of SIKO Parts shall apply notwithstanding different service intervals in accordance with Clause 9.2(b).

9.3 Investigation Report

Accelleron shall for each case of Corrective Services deliver to the Customer an Investigation Report. Unless challenged by the Customer based on objective grounds within 10 days from receipt, the Investigation Report shall be binding for both Parties.

9.4 Documentation of Services

After each provision of Services, Accelleron shall deliver to the Customer a service report using the standard Accelleron service report template.

10. CUSTOMER OBLIGATIONS RELATING TO THE SERVICES

(a) Customer shall notify Accelleron immediately after noticing a Turbocharger listed in the Installation List showing non-standard behavior including, but not limited to, unusual vibrations, unusual noise and reduced power output of the engine.

(b) Customer shall operate and maintain the Turbochargers included in the Installation List according to the Accelleron Operation Manual and strictly within the normal operation limits specified on each Turbocharger rating plate.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

(c) Customer shall maintain all engine related systems in good working condition, especially non-Accelleron air filtration systems.

(d) In the event of a Turbocharger breakdown or on Accelleron's specific request, Customer shall provide all necessary information and materials including (but not limited to) samples of used and new lubrication oil, fuel oil samples or analyses, damaged Turbocharger parts, and engine operation data records such as engine load profile, Running Hours, Turbocharger air inlet temperature, Turbocharger exhaust gas inlet temperature or mean exhaust gas temperature after cylinder, Turbocharger speed, Turbocharger cleaning parameters. Accelleron shall be entitled to investigate the damaged Turbocharger parts also by using destructive methods.

(e) Customer shall contract all services relating to the Turbochargers listed in the Installation List to Accelleron only, except for regular checks and maintenance to be performed by the Customer pursuant to the Accelleron Operation Manual.

(f) Customer shall give Accelleron written advance notice of at least fifteen (15) calendar days prior to planned overhauls of the engines on which Turbochargers listed in the Installation List are installed.

(g) The Customer shall keep safe and in good working order all Spare Parts stored at any Customer site.

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Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

APPENDIX 5
Pricing and Invoicing

1. TURBO SMARTCARE FEE

(a) The Customer shall owe Accelleron for the Turbo SmartCare Services a Turbo SmartCare Fee as per fixed rate provided.

(b) The Turbo SmartCare Fee does not include the following efforts and costs, which shall be invoiced in addition to the Turbo SmartCare Fee:

(i) cost of replacement parts for non-Original Spare Parts;

(ii) any other efforts and costs excluded in this Agreement;

2. RATES AND PRICES FOR SUPPLEMENTARY SERVICES

(a) In case of any Supplementary Services, Accelleron's transactional rates shall apply.

(b) All Products to be supplied by Accelleron in the context of Supplementary Services shall be invoiced at the prices set out in the GSP.

3. HANDLING AND PACKAGING

Handling and packaging necessary due to insufficient Customer packaging shall be additionally invoiced.

4. EXPENSES

(a) The Customer shall reimburse Accelleron for all expenses incurred, it being understood that the following principles shall apply:

Expense type	Principle
Hotels	Included in the fixed rate
[<Meals>]	Included in the fixed rate
[<Other living expenses>]	Included in the fixed rate
Transit and travel (> 50 km from closest Accelleron service station)	Included in the fixed rate

5. CURRENCY CONVERSION RESERVED

6. TAX, CUSTOMS, VAT

6.1 Principle Reserved

7. INVOICING AND DEFAULT

7.1 Invoicing

(a) Unless otherwise set out herein, Accelleron will invoice its Products and Services after Service provision or Product delivery, respectively.

(b) Accelleron shall issue all invoices to the Customer using the contact details set out in the Cover Letter or otherwise notified to Accelleron.

(c) All invoices shall be paid within the payment period set out in the Cover Letter, calculated from receipt of the invoice.

(d) Should the Customer require Accelleron to include a purchase order number or similar information in its invoices, then the Customer shall promptly submit such information to Accelleron.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

For the avoidance of doubt, should the Customer not promptly provide such information, then Accelleron shall create its invoice without such information, and the Customer shall have no right to delay payment due to such missing information.

7.2 Default

(a) If the Customer exceeds the agreed periods of payment, it shall be liable, without reminder and with reservation of the right to bring further claims, for interest at a rate depending on the terms prevailing at Accelleron's domicile, but not less than 5 percent per annum. The contractual payment obligations remain in force.

(b) Accelleron may further suspend all Services if the Customer is in default with any payment. Accelleron shall not be liable for any damages resulting from such suspension. The intervention with respect to and repair of any breakdowns or damages to any Turbocharger listed in the Installation List due to such suspension shall not be covered by the Turbo SmartCare Fee but shall be Supplementary Services, it being understood that such services may be made subject to an advance payment.

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Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

APPENDIX 6
Digital Services

1. DEFINITIONS

"**Digital Services**" means the Services named in Clause 2.

"**Turbocharger Data**" has the meaning assigned to such term in Clause 3(a).

2. SERVICES

Accelleron shall under this Appendix render the following Digital Services with respect to the Turbochargers included in the Installation List:

(a) analyze the Turbocharger Data provided by the Customer;

(b) notify the Customer, based on the Turbocharger Data delivered by the Customer, if Accelleron has detected any anomalies in the Turbocharger Data;

(c) notify the Customer, based on the Turbocharger Data delivered by the Customer which service interval is recommended for each Turbocharger.

3. PREREQUISITES

Accelleron shall only be obligated and able to render the Digital Services, or to render them in a timely and complete fashion, with respect to any Turbocharger, if the following prerequisites are met:

(a) the Customer has provided to Accelleron the results of the factory acceptance test of the engine which the respective Turbocharger is mounted to;

(b) the Customer provides to Accelleron the following data relating to the relevant Turbocharger and the engine it is connected with (collectively, the "**Turbocharger Data**"):

Data point	Unit	Recommended sampling rate range	Category
Turbocharger rotor speed	rps or rpm	1 - 10 s	Mandatory
Turbine inlet temperature	°C or K	1 - 10 s	Mandatory
Turbine outlet temperature	°C or K	1 - 10 s	Mandatory
TC lube oil outlet temperature	°C or K	1 - 10 s	Mandatory
TC lube oil inlet temperature	°C or K	1 - 10 s	Mandatory
TC lube oil pressure	bar or Pa	1 - 10 s	Mandatory
Engine speed	rps or rpm	1 - 10 s	Mandatory
Engine load	MW or %	1 - 10 s	Mandatory
Intake receiver/Charge air pressure	bar or Pa	1 - 10 s	Mandatory
Active fuel oil (for dual fuel application)	Binary	-	Mandatory
Active fuel gas (for dual fuel application)	Binary	-	Mandatory
Start/Stop Cycles	Number	Daily	Mandatory
Engine running hours	hours	-	Mandatory
Compressor Inlet Temperature (or Ambient Temperature)	°C or K	1 - 10 s	Mandatory
Intake receiver/Charge air temperature	°C or K	1 - 10 s	Optional
Compressor Inlet Pressure (or Ambient Pressure)	bar or Pa	1 - 10 s	Optional
Turbine Outlet Pressure	bar or Pa	1 - 10 s	Optional
Exhaust Wastegate Position (only if applicable)	%	1 - 10 s	Optional

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

A sampling rate for all signals in a range of 1 – 10 sec is preferred as it allows for more detailed and concise analytics. A slower sampling rate up to 60 sec is acceptable.

(c) the Customer provides the Turbocharger Data in the following format, using the following method and at the following intervals:

Data Delivery Format	
Data Delivery Method	
Data Delivery Interval	

(d) the Turbocharger Data is delivered to Accelleron, in the reasonable opinion of Accelleron, in a quality that allows the provision of the Digital Services, a respective check of which Accelleron will undertake prior to taking up the Digital Services, the result of which Accelleron shall communicate to the Customer, it being understood that Accelleron shall notify the Customer promptly upon recognizing missing, incomplete or unclear Turbocharger Data;

(e) the data exchange fulfils Accelleron's information and cybersecurity requirements;

4. EXCLUSIONS

(a) The Digital Services shall exclude any and all services not explicitly set out in Clause 2, including:

(i) provision, delivery or installation of additional measurement or telecommunications devices or any hard- or software (including cabling) whatsoever, including the upgrading or replacement thereof; and

(ii) organization and payment of offshore-onshore connection on Customer's side.

(b) The Customer acknowledges and understands that any recommendations and notifications made by Accelleron in the context of the Digital Services are only as good as the Turbocharger Data delivered by the Customer. Accelleron shall have no obligation to check, verify or otherwise assess the correctness of the Turbocharger Data delivered by the Customer, and shall not be liable for any damages (including damage to the relevant Turbocharger) due to analysis created or recommendations made on the basis of incorrect or incomplete Turbocharger Data.

(c) Customer notes that all Accelleron recommendations are based on the Turbocharger Data delivered by the Customer, which are subject to measurement tolerance and may not fully accurately reflect the status of the Turbocharger(s) from which the information has been collected. Accordingly, the recommendations derived by Accelleron from the Turbocharger Data may not fully accurately describe the status of the Turbocharger(s) and the actual operational performance may differ therefrom and the outcome of data analysis. The recommendations shall be used as a means of guidance and any decision based on the information provided by Accelleron is taken at Customer's own risk.

(d) For the avoidance of doubt, Accelleron's recommendations do not contain any information relating to Turbocharger performance or aiming to improve Turbocharger performance.

5. LIMITATIONS

In case the Customer does not or not adequately or timely perform any of its obligations set out in this Appendix or otherwise agreed in writing (including by e-mail), (i) any and all agreed deadlines which are affected by the default shall be postponed accordingly; (ii) Accelleron shall have the right to invoice any and all additional efforts directly caused by, and cost incurred as a consequence of, the default on a time and materials basis; and (iii) Accelleron's liability for damages resulting from the postponement of applicable timelines shall be excluded.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

6. DURATION OF SERVICE PROVISION

The Digital Services will be provided with respect to a Turbocharger in the Turbocharger List throughout the respective TURBO SMARTCARE HOURS/STARTS STOPS, it being understood that the Digital Services shall only be provided if, to the extent, and as long as the Turbocharger Data is regularly provided by the Customer.

7. NON-DELIVERY OF TURBOCHARGER DATA

The Fixed Rate for a Turbocharger set out in this Turbo SmartCare Agreement has been calculated based on the Turbocharger Data being delivered by the Customer at the agreed intervals and from the beginning of the Agreement. Should the Customer not deliver the Turbocharger Data as agreed due to reasons not set by Accelleron, then, after having notified the Customer and having granted the Customer a reasonable curing period of not less than 90 days, Accelleron shall have the right to increase the Fixed Rate for the respective Turbocharger(s) by 25% with effect as from the date the aforementioned curing period has lapsed.

8. USAGE OF TURBOCHARGER DATA

(a) Other than:

(i) the rights granted in Clause 8(b) below, Accelleron acquires no right, title or interest in any Turbocharger Data; and

(ii) as allowed by clauses 8(b) below, Accelleron shall keep confidential all Turbocharger Data.

(b) The Customer grants Accelleron and all Accelleron Affiliates, and any third party who acts on behalf of Accelleron or any Accelleron Affiliates the world-wide, perpetual and non-exclusive right to use, collect, store, aggregate, analyze or otherwise use Turbocharger Data, free of charge. Turbocharger Data may be used (without limitation) to (i) provide and maintain its services, (ii) develop, improve, invent, market and sell, lease, license or otherwise make available existing or new technologies, products, services and software. All developments, inventions and improvements (including all resulting intellectual property rights) shall be exclusively owned by Accelleron. Accelleron has the right to transfer, including, without limitation, across country borders, such data and information to any Accelleron Affiliate or to third parties who act on Accelleron's or any Accelleron Affiliate's behalf. In addition, Accelleron shall have the right to use Turbocharger Data for benchmarking purposes if and to the extent such Turbocharger Data is anonymized or non-confidential.

(c) Accelleron has established and maintains a formal information and cybersecurity program which includes commercially reasonable technical and organizational measures to protect Turbocharger Data against security breaches, accidental or unlawful destruction, loss, alteration, and unauthorized disclosure of, or access to Turbocharger Data. Except to the extent explicitly specified otherwise in the Agreement, it is solely the Customer's responsibility to establish and maintain the security of its systems, hardware and software, in particular those that directly or indirectly connect to Accelleron's systems in connection with this Agreement.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

APPENDIX 7
Accelleron Turbocharging General Terms and Conditions for Maintenance Services

1. GENERAL

1.1 These General Terms and Conditions ("GTC"), as amended or supplemented from time to time, apply to all Services and connected sales of Original Spare Parts, SIKO Parts, Replacement Units or Exchange Units (as the case may be or collectively "Products") by a member of the Accelleron Group designated in the Agreement as the contracting party providing Services and/or supplying Products ("Accelleron") to the company designated in the Agreement to whom Accelleron provides the Services and/or supplies the Products ("Customer"), and they shall form an integral part of the respective agreement between Customer and Accelleron in any written form ("Agreement"). The Agreement shall be deemed to have been entered into upon receipt of Accelleron's written acknowledgement stating acceptance of an order ("Order Acknowledgement"). Once accepted by Accelleron, orders placed cannot be cancelled or modified by the Customer without Accelleron's written consent. Tenders which do not stipulate an acceptance period shall not be binding.

1.2 These GTC shall be binding if declared applicable in the tender or in the Order Acknowledgement. Any conditions stipulated by the Customer which are in contradiction to these GTC shall only be valid if expressly acknowledged by Accelleron in writing.

1.3 All agreements and legally relevant declarations of the contracting parties must be in writing to be valid. However, the contracting parties acknowledge electronic signature (e.g. Adobe Sign, DocuSign or similar which ensure identification of the issuer and the integrity of the document) applied by authorized persons, to be sufficient and binding for entering into the Agreement and for any documents related to the Agreement, including, without limitation, documents for which the Agreement requires written form or which require to be signed by the contracting parties.

1.4 Should a provision of these GTC prove to be invalid in full or in part, the contracting parties shall replace such provision by a new one that is as close as possible to the legal and economic effect of the invalid provision.

1.5 Reserved.

1.6 All quotations are valid for 30 days from the date thereof unless otherwise specified. Thereafter, Accelleron shall not be bound to any quotations.

1.7 Accelleron may use subcontractors for the provision of its Services and shall remain fully responsible for the actions and omissions of its subcontractors as if they were its own.

2. DEFINITIONS

The following terms shall have the following meanings either in these GTC and/or the Agreement:

"Accelleron": The Affiliate of the Accelleron Group, designated in the Agreement or order as the contracting party providing the Services and/or Products to the Customer.

"Affiliate" means any entity, whether incorporated or not, that is controlled by, controls, or is under common control with the respective Party, whereby control means the power to direct management of the entity, whether through the exercise of voting rights, by contract or otherwise.

"Corrective Services" means maintenance Services that become necessary due to an incident relating to or a breakdown of a Turbocharger.

"**CPEX Part**" means any reconditioned part to be exchanged for reconditionable Customer-held parts as part of the Customer Part Exchange program.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

“Customer”: The company designated in the Agreement or order as the party receiving the Services or Products.

"Documents" means all designs, drawings, plans, diagrams, deliverables, documents, software and the like in any form and media provided by Accelleron to the Customer under the Agreement.

"Exchange Unit" means either a complete Turbocharger or a cartridge or a rotor of a Turbocharger to be installed on the engine during the maintenance of the originally installed equipment.

"GSP" means the global sales prices for Accelleron products issued on a price list by Accelleron Switzerland Ltd from time to time and available upon written request.

"GTC" means these general terms and conditions.

"Operation Manual" means the official manufacturer's operation manual relating to the Turbocharger in question issued by Accelleron (including previously ABB Turbocharging)

"Original Spare Part(s)" or "Spare Part(s)" means a single or assembled part for a Turbocharger, or special tool or equipment, manufactured by or under license of Accelleron (including previously ABB Turbocharging).

"Overhaul" or **"OH"** means a standard overhaul of a Turbocharger executed by Accelleron, consisting of labor and material for (i) the dismantling and inspection of the Turbocharger, and (ii) any necessary replacement of parts, all in accordance with the instructions for regular maintenance of the Turbocharger pursuant to the respective Operation Manual.

"Product" means Original Spare Parts, SIKO Parts, Replacement Unit and Exchange Units.

"Replacement Unit" means Turbochargers ordered by the Customer for the replacement of a Turbocharger of the same specification after the commissioning of the engine.

"Running Hour/Start Stop" means an hour / a start stop during which a Turbocharger, installed on an engine, is supplying compressed air for such engine, regardless of the load on the engine. The source of the Running Hour /Start Stops information is the engine running hour / start stop counter.

"Services" means, any and all services rendered by Accelleron, as defined in the Agreement or order.

"Scheduled Service" means regular maintenance to be performed on a Turbocharger in accordance with the respective Operation Manual necessary to ensure its proper operation. The term "Scheduled Service" includes the related Services. The term "Scheduled Service" shall exclude any and all Corrective Services. For the sake of clarity, the term "Scheduled Service" shall not include any maintenance or Spare Parts for washing devices (cleaning units, valve units and pipelines), filter silencers and Turbocharger insulations.

"Service Station" means one of the Accelleron turbocharger service stations worldwide. The Service Station is equipped with the necessary tools and equipment to execute all Turbocharger-related services.

"SIKO Parts" means all rotating parts of a Turbocharger, particularly blades, shafts, and compressor wheels. "SIKO" is short for "Sicherheitskonzept", i.e. "safety concept". Exchange intervals for SIKO Parts are indicated on the Turbocharger rating plates and refer to the preventive exchange of SIKO Parts.

"Turbocharger" means a turbocharger made by or under license of Accelleron Group including Accelleron Switzerland Ltd, Baden, Switzerland (and including previously ABB Turbocharging). Where used in these GTC, "Turbochargers" means the Turbochargers subject to the Agreement unless the context provides otherwise.

3. SCHEDULING, DELAY

3.1 All ordered Products and Services are to be delivered and undertaken, respectively, within the timeframes agreed for such deliveries or work, respectively, between the Parties in writing.

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3.2 Shipping dates are quoted based on conditions prevailing on the date of the quotation. In no event shall any order of the Customer or Agreement for the delivery of Products or parts be subject to cancellation by Customer as a result of delays in delivery or for any other cause, except by mutual written agreement.

3.3 The Customer shall have no right to claim damages for late shipment unless deadlines were explicitly agreed in writing as binding. In case of delays with respect to binding deadlines agreed between the parties solely caused by Accelleron, Accelleron shall be liable to the Customer for the direct damages resulting therefrom, subject to the limitation on liability set out herein. The foregoing shall be the sole remedy of the Customer in such case.

3.4 If delivery is delayed by the Customer, Turbochargers and/or Original Spare Parts held for the Customer by Accelleron shall be subject to storage charges and shall be at the risk and expense of Customer, any other provision herein notwithstanding.

4. FREE ISSUE MATERIALS

4.1 Accelleron shall not be liable for any defects or deficiencies in free issue materials (i.e. all materials, consumables and parts, information and documentation to be used for the purposes of the provision of the Services) provided by the Customer, if any, and the Customer agrees to pay Accelleron for any Services which must be repeated, or any materials replaced or repaired due to defects or deficiencies discovered in the free issue materials, and for any additional costs incurred as a consequence of (i) the defects or deficiencies discovered in the free issue materials and/or (ii) the delays in the receipt of such free issue materials. In the event that the Services cannot be performed as scheduled due to delays in the receipt of free issue materials and/or due to defects or deficiencies discovered in the free issue materials, any agreed timelines will be extended by the duration of the effect of the delays.

5. DELIVERY TERMS, PASSING OF RISK

5.1 Reserved.

5.2 Reserved.

6. ACCEPTANCE TESTS

6.1 Acceptance tests with respect to the work results of Services shall be undertaken directly after the completion of the respective Services. The Customer shall immediately notify to Accelleron any deficiencies found, and Accelleron shall promptly correct such deficiencies.

6.2 Any work results shall be deemed accepted upon the usage thereof by the Customer at the latest.

7. RETENTION OF TITLE

7.1 All parts provided by Accelleron shall remain Accelleron's sole property until the respective fees have been fully paid.

8. CUSTOMER OBLIGATIONS RELATING TO THE SERVICES

8.1 The Customer shall in a timely and complete fashion, and at its own cost, provide all access and information required for Accelleron to render its Services, including:

Provision of good and continuous accessibility, including necessary permits, to the Turbochargers, to onboard and alongside lifting devices, to good passageway for transporting of tools, materials and parts to and from the engine room, and to all cranes, rigging, tools, launch services and such other facilities or assistance to enable Accelleron to efficiently perform the Services.

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Provision of all fuel, lubricating oil, water, electric power, and other supplies and utilities that may be required in connection with the Services.

Preparation of the Service-related working areas. Required scaffolds, working platforms, crane run-ways, etc. shall be provided by Customer.

Execution of all documents as reasonably required by Accelleron in connection with the Services prior to commencement of the Services.

8.2 The Customer shall provide a safe working environment as per clause 18.

8.3 The Customer shall be responsible for the proper packaging of any Customer-packaged materials.

8.4 In case the Customer does not or not adequately or timely perform any of its obligations set out in the Agreement or otherwise agreed in writing (including by e-mail), any and all agreed deadlines which are affected by the default shall be postponed accordingly. In this case:

-Accelleron shall have the right to suspend its Services and delivery of Products;

-Accelleron shall have the right to invoice any and all additional efforts directly caused by, and cost incurred as a consequence of, the default on a time and materials basis; and

-Accelleron's liability for damages resulting from the postponement of applicable timelines shall be excluded.

9. CONFIDENTIALITY

9.1 Each Party shall keep confidential any and all confidential information received from the other Party that is clearly marked Confidential ("Confidential Information"). In particular, any and all pricing information transmitted to the Customer shall be deemed Confidential Information of Accelleron. Accelleron acknowledges that Customer must strictly comply with the Public Information Act, Chapter 552, *Texas Government Code* in responding to any request for public information related to this Agreement. This obligation supersedes any conflicting provisions of this Agreement. Any portions of such material claimed by Acceleron 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*.

9.2 Any information that is or has become publicly available without any breach of the foregoing confidentiality obligation by any of the Parties shall not constitute Confidential Information.

9.3 Each Party shall have the right to disclose Confidential Information if so required by law. In a case of a disclosure required by law, the relevant Party shall notify the other Party as early as possible of a pending disclosure, so that the other Party may take any steps necessary to safeguard its Confidential Information, provided that the disclosing Party is not prohibited by law to make such notification.

9.4 The obligations set out in this clause 9 shall remain in force for three years after the termination of the Agreement.

10. TERMS OF PAYMENT

10.1 Payments shall be made by the Customer at Accelleron’s domicile according to the agreed terms of payment, without any deduction for cash discount, expenses, levies, fees, or duties.

10.2 Unless otherwise stipulated by the Parties, all fees and prices are in Swiss francs and payments shall be made in full against invoice no later than 30 days after invoice date. Payments shall not be deemed to have been effected before Accelleron's account has been fully irrevocably credited.

10.3 If payment by bills of exchange or letter of credit is agreed, the Customer shall pay the cost of discounting such bills, bill of exchange taxes and collection charges and the cost of opening, notifying and confirming the letter of credit.

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10.4 If the Customer exceeds the agreed periods of payment, it shall be liable, without reminder and with reservation of the right to bring further claims, for interest at a rate depending on the terms prevailing at Accelleron's domicile, but not less than five percent (5%) per annum. The contractual payment obligations remain in force.

10.5 Upon a payment default by the Customer in the form of non-payment, incomplete payment or late payment, Accelleron shall be entitled to interrupt the Service or the delivery of the Spare Parts and/or rescind the Contract.

10.6 In case that part of the invoice for the Services performed is under dispute, Accelleron shall have the right to receive payment for the portion of such invoice accepted by Customer.

11. INTELLECTUAL PROPERTY

11.1 Accelleron retains ownership of all intellectual property rights in all designs, drawings, plans, diagrams, deliverables, documents, software and the like in any form and media ("Documents") provided by Accelleron to the Customer under the Agreement. The Customer acknowledges Accelleron's ownership rights in the Documents and must not make such Documents available to any third Party, either in whole or in part, nor use them for any purpose other than to make use of the Services and work results and for the operation of any Turbocharger covered by the Agreement without the express prior written consent of Accelleron. The confidentiality and non-use obligations set out in this paragraph do not apply to Documents, which a) are in the public domain at the time of receipt; b) are already known to the Customer at the time of receipt; c) have been lawfully received by the Customer from a third Party without similar restrictions; or d) have been developed by the Customer independently from the information received. Technical Documents shall serve only as an approximate indication unless they have been specified as binding.

11.2 If the Services and/or Products provided by Accelleron include software, the Customer is granted a non-exclusive right of use of the software together with the delivery item, unless otherwise agreed. The Customer is not entitled to copy (except for archival purposes, troubleshooting or to replace faulty data carriers) or to edit the software. In particular, the Customer may not disassemble, decompile, decrypt or reverse engineer the software without the prior written consent of Accelleron. In case of infringement, Accelleron may withdraw the right of use. For third-party software, the conditions of use of the licensor apply, and the licensor, as well as Accelleron, may also assert a claim in the event of infringement.

12. DATA PRIVACY AND DATA COLLECTION

12.1 Each Party shall comply with all applicable data protection laws and regulations and agrees not to withhold or delay its consent to any changes to applicable contract provisions necessary in order to comply with applicable data protection laws and regulations and/or with guidelines and order from any competent authority. The Parties acknowledge that the processing of personal data may require the conclusion of additional data processing/protection agreements. A Party shall, upon request of the other Party, promptly enter into any such agreement(s) as required by mandatory law or a competent authority.

12.2 Other than the rights contractually conferred, Accelleron acquires no right, title or interest in any Customer owned or licensed information and data provided by or on behalf of Customer to Accelleron in connection with the Services ("Customer Data").

12.3 The Customer grants Accelleron and all Accelleron Affiliates, and any third party who acts on behalf of Accelleron or any Accelleron Affiliate the world-wide, perpetual and non-exclusive right to use, collect, store, aggregate, analyze or otherwise use Customer Data, free of charge, including (without limitation) (i) all data and information generated or gathered by any embedded sensors and SCADA devices in any Turbocharger and (ii) all data and information relating to any Turbocharger delivered to Accelleron by the Customer under the Agreement. Customer Data may be used (without limitation) to (i) provide and maintain its services, (ii) develop, improve, invent, market and sell, lease, license or otherwise make available existing or new technologies, products, services and software. All

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developments, inventions and improvements (including all resulting intellectual property rights) shall be exclusively owned by Accelleron. Accelleron has the right to transfer, including, without limitation, across country borders, such data and information to any Accelleron Affiliate or to third parties who act on Accelleron's or any Accelleron Affiliate's behalf. In addition, Accelleron shall have the right to use Customer Data for benchmarking purposes if and to the extent such Customer Data is anonymized or non-confidential.

12.4 Accelleron has established and maintains a formal information and cybersecurity program which includes commercially reasonable technical and organizational measures to protect Customer Data against security breaches, accidental or unlawful destruction, loss, alteration, and unauthorized disclosure of, or access to Customer Data. Except to the extent explicitly specified otherwise in the Agreement, it is solely the Customer's responsibility to establish and maintain the security of its systems, hardware and software, in particular those that directly or indirectly connect to Accelleron's systems in connection with the Agreement.

13. WARRANTY

13.1 Accelleron warrants that the Services are performed with reasonable skill and care and if the Services include delivery of Spare Parts by Accelleron that the Spare Parts are free from defects in materials and workmanship.

13.2 If defects in the Services (excluding Spare Parts) are revealed within a period of six (6) months of completion of Services or, in case of delivery of Spare Parts, within twelve (12) months from the delivery of such Spare Parts, and provided that the Customer promptly upon occurrence of defects notifies Accelleron in writing by specifying the defects within the said time, Accelleron shall re-perform Services and in case of Accelleron-supplied Spare Parts repair or replace the defective part (it being understood that the decision of whether to repair or replace a Spare Part shall be at Accelleron's sole discretion).

13.3 Accelleron's sole responsibility relating to defects in the Services is such re-performance and, with respect to defective Accelleron-supplied Spare Parts, the repair or replacement thereof without charge to Customer by delivery any such replacement part as set forth in City Contract 8816

13.4 Where a defect is remedied under the warranty above, such Service is re-warranted subject to an overall limit of twelve (12) months from the performance of the initial Service or twenty-four (24) months from the delivery of the first defective Spare Parts. The original warranty period shall not otherwise be extended.

13.5 Accelleron reserves the right to require that the Customer returns the defective Spare Part to Accelleron (nearest Accelleron Service Station) to enable Accelleron to provide the warranty Service.

13.6 This warranty does not apply to, and Accelleron is not liable for making good or compensating for any damage, arising from:

-defective services.

-non-Original Spare Parts.

-any defects caused by the Customer or a third party.

-defects or damage due to circumstances for which Accelleron is not responsible, including but not limited to: faulty maintenance; non-compliance with operating and maintenance manuals; excessive strain, assembly; works or activities not performed by Accelleron (even if based on or related to advice given by Accelleron); improper storage; misuse in its application; abuse; accident; alteration or repair by anyone other than engineers authorized by Accelleron; improper maintenance or failure to observe operating instructions; or Customer not having immediately taken appropriate steps (such as discontinuing use of the Turbocharger and/or Spare Part) to prevent the defect from being aggravated or resulting in damage to other parts upon discovery of a defect.

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

-Any Turbocharger and/or Original Spare Part which exceeds the original equipment manufacturer's recommended useful life shall also be excluded from the warranty.

-Accelleron reserves the right to check and investigate any claim made by Customer that a defect in a Turbocharger and/or Spare Part exists before taking any steps to correct such defect.

-Costs of travelling, accommodation, daily allowance, shipping, customs and duties and any other costs related to warranty claims shall be paid by the Customer. Any Spare Part or Turbocharger units replaced under the Agreement shall become the property of Accelleron. Customer shall provide free and clear access to the Turbocharger and/or Spare Parts without cost to Accelleron.

-The warranties set out in this clause 13 are exclusive and in lieu of all other written, implied or oral and all other warranties, covenants and representations including without limitation implied warranties of merchantability or fitness for a particular purpose, which are hereby disclaimed. Notwithstanding anything in the Agreement to the contrary, the remedies stated in this clause 13 constitute the Customer's exclusive remedies with regard to quality and performance of the Services and for any breach of warranty, covenant or representation and Accelleron's entire liability for any breach of warranty.

14. FORCE MAJEURE

14.1 Accelleron shall not be liable to the Customer for damages arising as a consequence of Force Majeure Events. If Accelleron is unable to perform its obligations under the Agreement due to a Force Majeure Event, the performance of such obligation shall be postponed until the Force Majeure Event ceases to exist, but Customer shall pay Accelleron for the Services and Products provided until the date when the event of Force Majeure started.

14.2 For the purpose of this clause 14, "Force Majeure Events" means any event or circumstance beyond the reasonable control of Accelleron such as industrial disputes, actions of terrorists or threat of terrorism, acts of war (whether declared or undeclared), blockade, piracy, civil commotion, fire, embargo, epidemics, pandemics, extensive military mobilization, insurrection, natural catastrophes, strikes and/or other organized work stoppage, whether local or industry wide, governmental acts and orders (whether legal or not), revolution, requisition, riot, seizure, storm, volcanic activity, flood, lightning, landslide, drought, whirlwind, and any other natural disaster or adverse climatic or sea conditions, obsolescence of parts, restrictions in the use of power and defects or delays in deliveries or work by sub-contractors caused by any such events or circumstances referred to in this paragraph.

14.3 Accelleron's travel policy is updated from time to time. Any restrictions in travel, as set out in applicable travel guidelines in Accelleron, or any acts of authority whether lawful or unlawful, that affects Accelleron's ability to perform the Services, shall be deemed as Force Majeure Events.

14.4 Accelleron shall be entitled to recover from the Customer its reasonable costs arising as a result of any Force Majeure event occurring in the sphere of risk of the Customer, provided always that Accelleron is under a duty to take reasonable action to mitigate such costs.

14.5 Should the Force Majeure Event continue for more than three months, then Accelleron may terminate the Agreement without adhering to any notice period and without liability for any damages resulting therefrom.

14.6 Reserved. .

15. LIMITATION OF LIABILITY

15.1 Notwithstanding anything to the contrary contained in the Agreement and these GTC:

-Accelleron, its Affiliates, and all employees, officers and agents of Accelleron and its Affiliates shall in no event be liable for consequential or indirect damages, including loss of production, loss of earnings, loss of profit, loss of use, loss of contracts, costs or losses due to pollution, costs of capital or costs connected with interruption of operation, loss of anticipated savings, loss or corruption of data.

-Accelleron's (including its Affiliates' and all of Accelleron/Accelleron Affiliates employees', officers' and agents') total liability in respect of any and all claims for damages or losses which may arise in

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

connection with Accelleron's performance or non-performance, whether as a result of breach of contract, warranty, guarantee, tort, negligence, strict liability or otherwise, shall in no event exceed 100% of the amounts paid by the Customer for the Services in respect of the relevant Turbocharger covered by the Agreement in the course of which the liability claims have arisen, and a total of 50% of cumulated total amounts paid by the Customer under or in connection with the Agreement (as applicable) in the calendar year in which the liability claims have arisen15.2 The limitation of Accelleron's liability according to this clause 15 shall not apply with respect to gross negligence or willful misconduct by Accelleron or as far as in conflict with mandatory law.

16. NON-OEM SPARE PARTS WARRANTY AND LIABILITY EXCLUSIONS

16.1 Notwithstanding any provision in the Agreement and these GTC to the contrary, in no event shall Accelleron be liable for any damages, whether direct or indirect, arising out of or resulting from customer’s use of non-Original Spare Parts on a Turbocharger.

16.2 If Accelleron discovers any such non-Original Spare Parts on a Turbocharger, Accelleron will recommend replacement of such non-Original Spare Parts with Original Spare Parts. If such recommendation is not followed, then notwithstanding Clause 13 ("Warranty") above, no warranty shall be given for any Services or Original Spare Parts provided by Accelleron as part of such Services relating to such Turbocharger.

17. EXPORT CONTROL AND RESTRICTED USE

17.1 The Customer acknowledges that turbochargers, turbocharger parts, technology, software and/or services may be subject to domestic and/or foreign statutory provisions and regulations regarding export control and, without export or re-export authorizations from the competent authorities, may not be sold, leased or otherwise transferred or used for a purpose other than that agreed upon. The Customer agrees to comply with such provisions and regulations. The Customer acknowledges that such provisions and regulations may change and are applicable to the Agreement according to the wording valid at the time.

17.2 Turbochargers, turbocharger parts, technology, software and/or services delivered by Accelleron may neither directly nor indirectly be used in any way in connection with the design, production, use or storage of chemical, biological or nuclear weapons or carrier systems. They may also not be used for military or nuclear applications without Accelleron's prior written consent.

17.3 Turbocharger, turbocharger parts, technology, software and/or services may additionally be subject to Accelleron’s internal policies regarding doing business in certain countries/regions.

17.4 Accelleron is entitled to reject orders and is not be obliged to deliver in the case such transactions are in conflict with such policies.

18. HEALTH AND SAFETY

18.1 To the extent Accelleron provides Services at any site under the care, custody or control of Customer, Customer shall identify any potential health and safety hazard at site and shall at all times maintain healthy and safe working conditions at such site for Accelleron’s personnel to perform the Services, in line with local and international rules & regulations and relevant codes of practice related to occupational health and safety. This includes, without limitation, implementing appropriate policies and procedures regarding safe working order of lifting equipment like cranes, hoists and rails, hazardous materials, electrical safety, control of hazardous energy working at heights, confined space entry, machine guarding, lifting loads, energization and de-energization of power systems (electrical, mechanical and hydraulic), the whole using safe and effective industry practices. Customer shall timely advise Accelleron’s personnel in writing of all applicable site-specific health, safety, security and environmental requirements and procedures, and provide Accelleron's personnel with any specific protection required for the site, other than Accelleron's usually available safety protection. If there are multiple contractors and/or service providers providing services and work, Customer shall establish a health and safety management plan and a clear hierarchy of responsibilities related to health and

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safety management between all parties. Customer's safety officer/supervisor or equivalent shall be promptly available upon Accelleron's request when the Services are being performed.

18.2 Accelleron shall comply with the health and safety policies and procedures communicated by Customer for the site, applicable laws and regulations and similar Accelleron's policies and procedures, it being understood that the more stringent mandatory health and safety policies and procedure shall be applied. Without limiting Customer's responsibilities under this clause, Accelleron has the right but not the obligation to, from time to time, review and inspect applicable health, safety, security and environmental documentation, procedures and conditions at the site.

18.3 Accelleron's personnel will conduct an assessment at the Customer's premises to ensure compliance with Accelleron's health and safety standards. If, in Accelleron's reasonable opinion, the health, safety or security of personnel or the site is or may be imperiled by security risks or threats, the presence of or threat of exposure to hazardous materials or unhealthy or unsafe working conditions, Accelleron may, in addition to other rights or remedies available to it, evacuate some or all of its personnel from site, suspend performance of all or any part of the Services hereunder, and/or remotely perform or supervise work, in which case and to the extent allowed by Texas law without waiving any applicable immunities Accelleron shall be indemnified by Customer for any costs or delays arising out thereof. Accelleron shall give Customer written notice describing the basis for such claim and a good faith estimate of the amounts to be claimed prior to incurring such costs to the extent practicable, and in any event within a reasonable time after such costs are known or reasonably determinable.

18.4 Customer shall notify emergency services should any of Accelleron's personnel suffer an accident or become ill while at the Customer's premises

19. TERMINATION

19.1 The Agreement may be terminated by either Party without adhering to any notice period if the other Party ceases or threatens to cease carrying on its business, becomes insolvent, files for or is otherwise subject to bankruptcy or insolvency proceedings, has its assets seized or encumbered due to debt enforcement proceedings, enters into negotiations with its creditors for composition or similar arrangements or is subject to a receivership.

19.2 The Parties may terminate the Agreement by mutual written agreement at any time.

19.3 Accelleron shall have the right, at its sole discretion, to terminate the Agreement or order by giving written notification to Customer of such decision, in the following cases:

-Impossibility of performance, for any cause, not attributable to the gross negligence of Accelleron.

-Breach of the Agreement by the Customer, including default in payments.

-When an event of force majeure prevents Accelleron to perform its obligations under the Agreement for more than six (6) months.

20. CHANGE OF LAW

20.1 If, after the effective date of the Agreement, by reason of any adoption of or change in law, ordinances, statutes, rules, regulations, treaties, orders or decrees (including changes to tax laws), or change in the interpretation or administration thereof, that makes the performance by Accelleron under the Agreement more expensive or more onerous, and/or will cause a delay in the Services, the Parties will inform each other without undue delay, and submit detailed information of such effects, and Accelleron will be entitled to reimbursement for any increased efforts and costs (on a time and materials basis) and be awarded time and other contractual adjustments (as applicable).

21. VARIOUS PROVISIONS

21.1 Compliance

The Parties will comply with all applicable laws in connection with the Agreement and these GTC, including without limitation the U.S. Foreign Corrupt Practices Act 1977 (as amended), UK Bribery Act

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

2010 (as amended), any legislation enacting the principles of the OECD Convention on Combating Bribery of Foreign Officials and any other applicable laws, rules, regulations, decrees and/or official governmental orders relating to anti-corruption, anti-money laundering and anti-tax evasion in relevant jurisdictions (collectively "Anti Bribery & Corruption Laws").

The Parties shall ensure that their respective employees, officers, directors, and any Affiliates or third parties engaged in any manner in relation to the Agreement shall undertake to comply with all Anti Bribery & Corruption Laws and the requirements set out in this clause. The Parties confirm that they have not violated, shall not violate, and shall not cause the other party to violate, any Anti Bribery & Corruption Laws in connection with the Agreement and these GTC.

Customer's violation of any of the obligations contained in this clause may be considered by Accelleron to be a material breach of the Agreement and shall entitle Accelleron to terminate the Agreement or cancel the order with immediate effect and without prejudice to any further right or remedies on the part of Accelleron under the Agreement or applicable law. To the extent allowed by Texas law without waiving any applicable immunities, the Customer shall indemnify for all liabilities, damages, costs or expenses incurred as a result of any such violation of the above mentioned obligations and termination of the Agreement

-The Customer notes that Accelleron has published its Code of Conduct, available at www.accelleron-industries.com/integrity, and that it is Accelleron's policy to do business with companies adhering to similar levels of ethical business conduct. The Customer notes that Accelleron is maintaining an anonymous platform for the reporting of suspected unethical behavior: https://accelleron.speakup.report/en-GB/integrity/home.

21.2 Non-solicitation

During the term of the Agreement and for a period of one (1) year following the termination or expiry thereof, neither Party shall solicit for hire as an employee, consultant or otherwise, any of the other Party's personnel; provided, however, that nothing contained herein will prevent a Party from hiring any such employee or consultant who responds to a general hiring program conducted in the ordinary course of business not specifically directed to such employees or consultants or who approaches such Party on a wholly unsolicited basis.

21.3 Notices

All notices under the Agreement will be in writing and will be delivered by e-mail, personally, via first class return receipt requested mail, registered mail, by courier service, or by express mail, addressed as set out in the Agreement, or to such other address as either Party may designate in writing to the other Party from time to time. Any personal delivery will be deemed to be effective upon delivery as shown by the courier receipt.

21.4 Severability

Each provision of the Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. The invalidity or unenforceability of any provision of the Agreement shall in no way affect the validity or enforceability of any other provision hereof. If any provision of the Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of the Agreement remain in full force and effect if both the economic and legal substance of the transactions that are contemplated in the Agreement are not affected in any manner adverse to any Party.

21.5 No waiver

The waiver of a breach of the Agreement or the failure of a Party to exercise any right under the Agreement or these GTC shall in no event constitute a waiver as to any other breach, whether similar or dissimilar in nature, or prevent the exercise of any right under the Agreement. The failure of either Party to enforce at any time any of the provisions of the Agreement, shall in no way be construed to be a present or future waiver of such provisions, nor in any way affect the ability of a Party to enforce each and every such provision thereafter.

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21.6 No set-offs

The Customer must not make any set-offs against, or deductions from, any fee owed to Accelleron without Accelleron's prior written consent.

21.7 No partnership, no agency

Nothing in the Agreement and these GTC is intended to or shall be deemed to establish any partnership or joint venture between the Parties or constitute any Party as the agent of another Party. Accelleron is and shall be an independent contractor with respect to the performance of services or delivery of products.

21.8 Assignment

Other than explicitly set out in the Agreement, the Customer shall not assign the Agreement or any of the rights or obligations hereunder to any third Party without the prior written consent of Accelleron. Accelleron may transfer or assign the Agreement and any rights and obligations thereunder to an Affiliate of Accelleron without the Customers prior consent, however, Accelleron shall provide prompt written notice of assignment to Customer.

21.9 Entire Agreement

The Agreement and the City of Denton Contract 8816 are the entire agreement of the Parties with respect to subject-matter hereof and supersedes and cancels all prior oral or written representations, communications, or agreements between the Parties.

21.10 Amendments

No alteration, amendment, waiver, cancellation or any other change in any term or condition of the Agreement and these GTC shall be valid or binding on either Party unless agreed in writing.

22. APPLICABLE LAW AND DISPUTE RESOLUTION

22.1 Unless otherwise agreed by the Parties, these GTC and the Agreement or order shall be governed by, construed, enforced, and interpreted in accordance with the laws of the State of Texas.

22.2 Unless otherwise agreed, the exclusive jurisdictional venue for disputes arising under these GTC and the Agreement shall be those of Denton County.

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EXHIBIT F

					Accelleron
Line #	**Description**	**Mfgno**	**QTY**	**UOM**	**BAFO Pricing**
1	TURBOCHARGER COMPLETE A175	156638	1	EA	CHF 337,042.12
2	SPEED PICKUP	SE518/SE528	1	EA	CHF 3,379.32
3	NOZZLE RING ASSEMBLY A175	156317	1	EA	CHF 29,665.44
4	TURBINE DIFFUSER A175	1562857	1	EA	CHF 9,549.96
5	DIFFUSER A175	1562005	1	EA	CHF 22,474.20
6	SPARE PART SET A175	1561071	1	EA	CHF 10,193.40
7	SPARE PART SET A175	1561072	1	EA	CHF 19,367.88
8	SPARE PART SET A175	156379	1	EA	CHF 2,548.56
9	SPARE PART SET A175	156380	1	EA	CHF 509.88
10	TURBOCHARGER A175 INSPECTION	156380	1	EA	$18,058.99
11	TURBOCHARGER A175 OVERHAUL	156380	1	EA	$515,000.00
12	FIELD SERVICE, LABOR, TRAVEL AND ACCOMI		1	HR	$11,849.12
13	PERFORM 16,000 HR TURBOCHARGER MAIN		1	HR	$7,504.992

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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.**

ACCELLERON US 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 [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.

4 [X] **I have no Conflict of Interest to disclose.**

5 Signed by: Burak Hayfavi 3C89GE8625A64DD...

Signature of vendor doing business with the governmental entity

2/23/2026
Date

Docusign Envelope ID: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7

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: A4E9DBC5-50F7-4B49-A814-AB9C7B2FD5E7
Status: Sent
Subject: Please DocuSign: City Council Contract 8816 DEC Turbo Replacement, Parts and Service
Source Envelope:
Document Pages: 69
Signatures: 4
Certificate Pages: 6
Initials: 3
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Crystal Westbrook
901B Texas Street
Denton, TX 76209
crystal.westbrook@cityofdenton.com
IP Address: 198.49.140.104

Record Tracking

Status: Original
2/17/2026 10:23:06 AM
Holder: Crystal Westbrook
crystal.westbrook@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Crystal Westbrook crystal.westbrook@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: 2/17/2026 10:28:27 AM Viewed: 2/17/2026 10:28:47 AM Signed: 2/17/2026 10:30:25 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 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 2/17/2026 10:30:28 AM Viewed: 2/17/2026 12:52:11 PM Signed: 2/17/2026 12:52:56 PM
Leah Bush leah.bush@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/18/2026 10:06:53 AM ID: 4023077a-eaeb-41b6-a7db-403e400df4e4	Signed by: 2A936B08B5D7485... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/17/2026 12:55:06 PM Viewed: 2/18/2026 10:06:53 AM Signed: 2/18/2026 12:54:39 PM
Ihab Hlayel ihab.hlayel@accelleron-industries.com Managing Director Accelleron US Inc. Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/23/2026 3:43:21 PM ID: 5d690780-746e-44c9-80cc-37217c1f7739	DS Signature Adoption: Pre-selected Style Using IP Address: 136.226.56.113	Sent: 2/23/2026 3:35:36 PM Viewed: 2/23/2026 3:43:21 PM Signed: 2/23/2026 3:53:44 PM

Signer Events	Signature	Timestamp
Taydi Delgado taydi.delgado@accelleron-industries.com Finance Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/23/2026 4:05:23 PM ID: 360e0754-0364-4657-9722-a84b00e2b2be	Initial Signature Adoption: Pre-selected Style Using IP Address: 136.226.56.93	Sent: 2/23/2026 3:35:36 PM Viewed: 2/23/2026 4:05:23 PM Signed: 2/23/2026 4:33:35 PM
Burak Hayfavi sirri-burak.hayfavi@accelleron-industries.com Sales Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/23/2026 4:37:19 PM ID: ce67d558-abbc-45f0-9b71-a57f0bf5a06b	Signed by: 3C89CE8625A64DD... Signature Adoption: Pre-selected Style Using IP Address: 2600:1700:4a0:1610:b596:3268:f1e2:80da	Sent: 2/18/2026 12:54:47 PM Viewed: 2/23/2026 4:37:19 PM Signed: 2/23/2026 4:39:21 PM
Antonio Puente, Jr. antonio.puente@cityofdenton.com DME General Manager Denton Municipal Electric Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 2/23/2026 4:55:48 PM ID: 10c9b465-79cf-4c5e-9941-aac87a901da3	Signed by: E3760944C2BF4B5... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 2/23/2026 4:39:24 PM Viewed: 2/23/2026 4:55:48 PM Signed: 2/23/2026 4:56:07 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: 2/23/2026 4:56:11 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 2/17/2026 10:30:28 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	COPIED	Sent: 2/17/2026 12:55:08 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: 2/23/2026 4:56:11 PM Viewed: 2/25/2026 12:01:40 PM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Arthur R. Pando Arthur.Pando@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 1/21/2026 10:40:15 AM ID: b6004c8e-8fba-402f-aaa9-cbe67c8074a6		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/17/2026 10:28:27 AM
Envelope Updated	Security Checked	2/23/2026 3:35:35 PM
Envelope Updated	Security Checked	2/23/2026 3:35:35 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.

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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: March 24, 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 Jagoe-Public Company, as the primary vendor, and Eurovia Atlantic Coast LLC, dba Sunmount Paving Company, as the secondary vendor, for the supply and installation of hot mix asphalt concrete for the Streets Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8980 – awarded to Jagoe-Public Company and Eurovia Atlantic Coast LLC, dba Sunmount Paving Company, for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year total not-to-exceed amount of $20,000,000.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

The City of Denton's annual street maintenance and preservation program is a key component of maintaining safe and reliable transportation infrastructure. The Streets department estimates needing over 20,000 tons of asphalt annually as a part of ongoing efforts to improve pavement management practices and extend the pavement lifecycle of its roadway network. This contract will allow for the supply of hot mix asphalt concrete and specialized equipment for installation services when needed.

This contract is utilized in the construction, rehabilitation, and maintenance of City streets and allows for either the delivery of asphalt to the jobsite or the pickup of asphalt using City trucks at the plant. In addition, it will provide access to a price per ton for equipment and operations for the installation of the asphalt at the direction of the Streets department.

Material	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Hot Mix Asphalt	$3,317,500	$3,582,900	$3,869,533	$4,179,095	$4,513,422	$19,462,450
Contingency	89,167	96,300	104,003	112,322	135,758	537,550
Total	**$3,406,667**	**$3,679,200**	**$3,973,536**	**$4,291,417**	**$4,649,180**	**$20,000,000**

Request for Proposals was sent to 161 prospective suppliers, including nine (9) Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Four (4) proposals were received, references were checked, and proposals were evaluated based upon published criteria, including price, material availability, compliance with specifications, and probable performance. Best and Final Offers (BAFO) were requested from both firms.

Staff recommends awarding to a primary and secondary vendor as follows, and also shown on Exhibit 2 for a combined not-to-exceed amount of $20,000,000.

NIGP Code Used for Solicitation:	745 - Road and Highway Building Materials (Asphaltic)
Notifications sent for Solicitation sent in IonWave:	161
Number of Suppliers that viewed Solicitation in IonWave:	15
HUB-Historically Underutilized Business Invitations sent out:	19
SBE-Small Business Enterprise Invitations sent out:	58
Responses from Solicitation:	4

RECOMMENDATION

Award a contract to Jagoe-Public Company, as the primary vendor, and Eurovia Atlantic Coast LLC, dba Sunmount Paving Company, as the secondary vendor, for the supply and installation of hot mix asphalt concrete for the Streets 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 $20,000,000.

PRINCIPAL PLACE OF BUSINESS

Jagoe-Public Company
Denton, TX

Eurovia Atlantic Coast LLC, dba Sunmount Paving Company
Justin, 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 products and services will be funded through the Streets Improvement budget on an as-needed basis. The budgeted amount for this item is $20,000,000. 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: Pricing Evaluation
Exhibit 3: Presentation
Exhibit 4: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Stephen Gay, 940-349-8086.

Legal point of contact: Leah Bush at 940-349-8333.

Exhibit 2
RFP 8980 - Pricing Evaluation for Supply of Hot Mix Asphalt

				Primary		Secondary					
	Respondent's Business Name:			Jagoe-Public Company		Eurovia Atlantic Coast LLC dba Sunmount Paving		Austin Asphalt		David-Tehoungue Ltd Co	
	Principal Place of Business (City and State):			Denton, TX		Justin, TX		Coppell, TX		Hickory Creek, TX	
Line #	**Description**	**QTY**	**UOM**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**	**Unit**	**Extended**
1	**SECTION 1 - Hot Mix Asphalt Concrete (PG-64-22) --- 100% SAC-A AGGREGATE MIXES**										
2	OPTION 1A -- Pickup at plant Hot Mix Asphalt Concrete (PG-64-22) (for City Crew patching or installation)	8,000	TON	**$92.00**	**$736,000.00**	**$79.00**	**$632,000.00**	$78.50	$628,000.00	$230.00	$1,840,000.00
3	OPTION 1B -- F.O.B DELIVERY Hot Mix Asphalt Concrete (PG-64-22)	8,000	TON	**$103.00**	**$824,000.00**	**$93.00**	**$744,000.00**	$89.50	$716,000.00	$230.00	$1,840,000.00
4	Adder per ton for contractor installation at City of Denton job site. (0-400 tons)	10,000	TON	**$40.00**	**$400,000.00**	**$55.25**	**$552,500.00**	No Bid	$3,230,000.00	$323.00	$3,230,000.00
5	Adder per ton for contractor installation at City of Denton job site. (400-999 tons)	11,000	TON	**$16.00**	**$176,000.00**	**$33.00**	**$363,000.00**	No Bid	$3,553,000.00	$323.00	$3,553,000.00
6	Adder per ton for contractor installation at City of Denton job site. (1,000-1,999 tons)	12,000	TON	**$14.00**	**$168,000.00**	**$15.75**	**$189,000.00**	No Bid	$3,876,000.00	$323.00	$3,876,000.00
7	Adder per ton for contractor installation at City of Denton job site. (2,000-4,000 tons)	10,000	TON	**$11.00**	**$110,000.00**	**$15.75**	**$157,500.00**	No Bid	$3,230,000.00	$323.00	$3,230,000.00
8	**SECTION 2 - Hot Mix Asphalt Concrete (PG-76-22) --- 100% SAC-A AGGREGATE MIXES**										
9	OPTION 2A -- Pickup at plant Hot Mix Asphalt Concrete (PG-76-22)(for City Crew patching or installation)	2,000	TON	**$98.00**	**$196,000.00**	**$91.00**	**$182,000.00**	$93.50	$187,000.00	$230.00	$460,000.00
10	OPTION 2B -- F.O.B DELIVERY Hot Mix Asphalt Concrete (PG-76-22)	2,000	TON	**$109.00**	**$218,000.00**	**$105.00**	**$210,000.00**	$104.50	$209,000.00	$230.00	$460,000.00
11	Adder per ton for contractor installation at City of Denton job site. (0-400 tons)	2,000	TON	**$40.00**	**$80,000.00**	**$55.25**	**$110,500.00**	No Bid	$646,000.00	$323.00	$646,000.00
12	Adder per ton for contractor installation at City of Denton job site. (400-999 tons)	2,000	TON	**$16.00**	**$32,000.00**	**$33.00**	**$66,000.00**	No Bid	$646,000.00	$323.00	$646,000.00
13	Adder per ton for contractor installation at City of Denton job site. (1,000-1,999 tons)	2,000	TON	**$14.00**	**$28,000.00**	**$15.75**	**$31,500.00**	No Bid	$646,000.00	$323.00	$646,000.00
14	Adder per ton for contractor installation at City of Denton job site. (2,000-4,000 tons)	2,000	TON	**$11.00**	**$22,000.00**	**$15.75**	**$31,500.00**	No Bid	$646,000.00	$323.00	$646,000.00

Exhibit 2
RFP 8980 - Pricing Evaluation for Supply of Hot Mix Asphalt

	Primary	Secondary		
Total:	**$2,990,000.00**	**$3,269,500.00**	$18,213,000.00	$21,073,000.00

Evaluation					
Item #	**Scoring Criteria**	**Jagoe-Public Company**	**Eurovia Atlantic Coast LLC dba Sunmount Paving**	Austin Asphalt	David-Tehoungue Ltd Co
1	Material Availability-30%	**30.00**	**19.50**	16.50	15.00
2	Compliance with Specifications-20%	**20.00**	**14.00**	13.00	13.00
3	Probable Performance-20%	**19.00**	**14.00**	10.00	11.00
4	Price, Total Cost of Ownership-30%	**30.00**	**27.44**	4.93	4.26
	Total Score:	**99.00**	**74.94**	44.43	43.26

Hot Mix Asphalt Supply & Installation Contract

Stephen Gay
General Manager, Water Utilities and Street Operations

March 24, 2026

File ID 26-0394

CITY OF DENTON

Overview of Hot Mix Asphalt (HMA)

- Hot Mix Asphalt is a combination of asphalt binder and aggregates heated and mixed at a production plant.
- It is the primary material used for constructing, resurfacing, and repairing roads.
- HMA is selected because it provides durability, skid resistance, and a smoother driving surface.
- The temperature-controlled mixing process ensures the asphalt can be placed, compacted, and hardened into a strong roadway surface.
- Common uses in Denton include:
  - Street overlays
  - Patching and repairs
  - Roadway reconstruction
  - Pavement preservation projects

Project Scope & Fee

- Supports annual street maintenance and preservation efforts
- Streets Department requires over 20,000 tons of asphalt annually
- Contract includes:
  - Supply of hot mix asphalt
  - Installation services when needed with specialized equipment
- Delivery options:
  - Pickup by City trucks at the plant
  - Contractor delivery to jobsite
- Supports improved pavement lifecycle management and infrastructure reliability

Evaluation Process & Fiscal Considerations

- RFP issued to 296 prospective suppliers; advertised publicly
- Four proposals received
- Evaluation based on delivery capability, specification compliance, and price
- Fiscal impact (asphalt + contingency):
  - Year 1: $3.41M
  - Year 2: $3.68M
  - Year 3: $3.97M
  - Year 4: $4.29M
  - Year 5: $4.65M
- Total contract value not to exceed $20M over five years

Recommendation

Staff Recommendation:

- Award contract to Jagoe-Public Company as primary vendor and Eurovia Atlantic Coast LLC, dba Sunmount Paving Company as secondary vendor
- Contract Term: One-year with four optional renewals under the same terms and conditions

QUESTIONS?

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH JAGOE-PUBLIC COMPANY, AS THE PRIMARY VENDOR, AND EUROVIA ATLANTIC COAST LLC, DBA SUNMOUNT PAVING COMPANY, AS THE SECONDARY VENDOR, FOR THE SUPPLY AND INSTALLATION OF HOT MIX ASPHALT CONCRETE FOR THE STREETS DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8980 – AWARDED TO JAGOE-PUBLIC COMPANY AND EUROVIA ATLANTIC COAST LLC, DBA SUNMOUNT PAVING COMPANY, FOR ONE (1) YEAR, WITH THE OPTION FOR FOUR (4) ADDITIONAL ONE (1) YEAR EXTENSIONS, IN THE TOTAL FIVE (5) YEAR TOTAL NOT-TO-EXCEED AMOUNT OF $20,000,000.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals, for the supply and installation of hot mix asphalt concrete for the Streets 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	AWARD
8980	Jagoe-Public Company	Primary
8980	Eurovia Atlantic Coast LLC, dba Sunmount Paving Company	Secondary

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 _____. This ordinance was passed and approved by the following vote [___ - ___]:

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

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, 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	8980
File Name	Supply of Hot Mix Asphalt- Jagoe
Purchasing Contact	Gabby Leeper
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 JAGOE-PUBLIC COMPANY
(Contract #8980)

THIS CONTRACT is made and entered into this date _____, by and between Jagoe-Public Company a Texas corporation, whose address 3020 Fort Worth Drive Denton, TX 76205, 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 8980 Supply of Hot Mix Asphalt 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 8980 (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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

BY:
CONTRACTOR
Jagoe-Public Company

DocuSigned by:
Brian Lee
12A7C82A4AD148...
Authorized Signature

Printed Name: Brian Lee

Title: Chief Estimator/Senior Project Manager

Email Adress: Brian.Lee@jagoepublic.com

_____
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

BY:
CITY OF DENTON, TEXAS

_____
Sara Hensley, City Manager

ATTEST:
INGRID REX, CITY SECRETARY

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.

Signed by:
Stephen D Gay
1FE3AEA972B4429...
SIGNATURE

General Manager
TITLE

Water Utilities and Street Operations
DEPARTMENT

Contract 8980

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

Exhibit A
Special Terms and Conditions

1. Total Contract Amount

Jagoe-Public Company is awarded as the primary contractor and pricing shall be per Exhibit F attached. The cumulative contract for primary and secondary contractors for contract 8980 shall not exceed $20,000,000

The contractor is required to meet performance specifications as follows:

a. Twenty-four (24) hour* telephone to receive messages. The City will give 12 hours' notice of intent to receive and attempt to give six (6) hours' notice of cancellation.

b. Seven (7) calendar day* response time after contractor is contacted by the City to provide experienced asphalt paving crew and laydown machine, rollers and trucks.

* The contractor is expected to respond to the initial contact from The City within 2 hours during normal business hours. Normal business hours are Monday – Friday 7am- 4pm. If no response from contractor within 2 hours, the City has the right to call secondary contractor. Secondary contractor must also respond to initial contact within 4 hours, etc. If contractor is not able to meet delivery deadline, is unable to meet specifications due to plant failure or other delivery commitments, the City reserves the right obtain materials from the secondary contractor.

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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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 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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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:

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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,

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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.

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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,

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

$1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

B. <u>WORKERS' COMPENSATION and EMPLOYERS LIABILITY INSURANCE</u>

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.

C. <u>BUSINESS AUTOMOBILE LIABILITY INSURANCE</u>

Business Automobile Liability Insurance covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage limit of $500,000.00 per occurrence.

NOTE:

a. If CONTRACTOR does not have owned, hired and non-owned autos or vehicles and/or no autos or vehicles will not be used in the performance of services under the contract, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement for owned autos.

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

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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- Contractors Proposal			Jagoe-Public Company
Line #	Description	UOM	Unit
1	SECTION 1 - Hot Mix Asphalt Concrete (PG-64-22) --- 100% SAC-A AGGREGATE MIXES		
2	OPTION 1A -- Pickup at plant Hot Mix Asphalt Concrete (PG-64-22) (for City Crew patching or installation)	TON	$92.00
2alt	Pickup-Hot Mix Asphalt Concrete **SAC-B**	TON	$85.00
3	OPTION 1B -- F.O.B DELIVERY Hot Mix Asphalt Concrete (PG-64-22)	TON	$103.00
3 alt	Delivery- Hot Mix Asphalt **SAC-B**		$97.00
4	Adder per ton for contractor installation at City of Denton job site. (0-400 tons)	TON	$40.00
5	Adder per ton for contractor installation at City of Denton job site. (400-999 tons)	TON	$16.00
6	Adder per ton for contractor installation at City of Denton job site. (1,000-1,999 tons)	TON	$14.00
7	Adder per ton for contractor installation at City of Denton job site. (2,000-4,000 tons)	TON	$11.00
8	SECTION 2 - Hot Mix Asphalt Concrete (PG-76-22) --- 100% SAC-A AGGREGATE MIXES		
9	OPTION 2A -- Pickup at plant Hot Mix Asphalt Concrete (PG-76-22)(for City Crew patching or installation)	TON	$98.00
9 alt	Pickup-Hot Mix Asphalt Concrete **SAC-B**		$91.00
10	OPTION 2B -- F.O.B DELIVERY Hot Mix Asphalt Concrete (PG-76-22)	TON	$109.00
10 alt	Delivery- Hot Mix Asphalt **SAC-B**		$101.00
11	Adder per ton for contractor installation at City of Denton job site. (0-400 tons)	TON	$40.00
12	Adder per ton for contractor installation at City of Denton job site. (400-999 tons)	TON	$16.00
13	Adder per ton for contractor installation at City of Denton job site. (1,000-1,999 tons)	TON	$14.00
14	Adder per ton for contractor installation at City of Denton job site. (2,000-4,000 tons)	TON	$11.00

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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.**

Jagoe-Public Company

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:
Brian Lee
32AA7C8848A7493...
Signature of vendor doing business with the governmental entity

3/10/2026
Date

Docusign Envelope ID: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713

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.

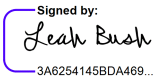
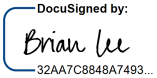
Certificate Of Completion

Envelope Id: 4B8FD20A-E8CA-4095-89A2-3E6CA187F713
Status: Sent
Subject: Please DocuSign: City Council Contract 8980 Supply of Hot Mix Asphalt Jagoe
Source Envelope:
Document Pages: 36
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Gabby Leeper
901B Texas Street
Denton, TX 76209
Gabby.Leeper@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
3/5/2026 2:18:36 PM
Holder: Gabby Leeper
Gabby.Leeper@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Gabby Leeper Gabby.Leeper@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: 3/5/2026 2:42:53 PM Viewed: 3/5/2026 2:43:01 PM Signed: 3/5/2026 2:43:29 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 Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 3/5/2026 2:43:32 PM Viewed: 3/5/2026 3:18:02 PM Signed: 3/5/2026 3:18:48 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:  3A6254145BDA469... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 3/5/2026 3:18:53 PM Viewed: 3/6/2026 9:18:55 AM Signed: 3/6/2026 9:30:08 AM
Brian Lee Brian.Lee@jagoepublic.com Chief Estimator/Senior Project Manager Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/10/2026 8:33:59 AM ID: c76c1c7e-72ac-45ab-a159-1b04e2111c9f	DocuSigned by:  32AA7C8848A7493... Signature Adoption: Pre-selected Style Using IP Address: 68.191.215.22	Sent: 3/6/2026 9:30:10 AM Resent: 3/9/2026 2:06:06 PM Viewed: 3/10/2026 8:33:59 AM Signed: 3/10/2026 8:40:21 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: 3/10/2026 10:25:16 AM ID: 633b8c13-c5f5-4b74-a4fe-cbe2ff0eb502	Signed by: FEB48BB9726E4A9... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104	Sent: 3/10/2026 8:40:24 AM Viewed: 3/10/2026 10:25:16 AM Signed: 3/10/2026 10:26:12 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: 3/10/2026 10:26:16 AM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 3/5/2026 2:43:32 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 3/10/2026 10:26:16 AM Viewed: 3/10/2026 11:23:17 AM

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		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/5/2026 2:42:53 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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

Docusign City Council Transmittal Coversheet

RFP	8980
File Name	Supply of Hot Mix Asphalt-Sunmount
Purchasing Contact	Gabby Leeper
City Council Target Date	
Piggy Back Option	Yes
Contract Expiration	
Ordinance	

Initial
LH

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND EUROVIA ATLANTIC COAST LLC DBA SUNMOUNT PAVING COMPANY
(Contract #8980)

THIS CONTRACT is made and entered into this date _____, by and between Eurovia Atlantic Coast LLC dba Sunmount Paving Company a Delaware Limited Liability Company, whose address 11801 Harmonson Road Justin, TX 76247, 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 8980 Supply of Hot Mix Asphalt 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 8980 (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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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 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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

BY:
CONTRACTOR
Jagoe-Public Company

Signed by:
John Rauer
42B1E662D5B144C...
Authorized Signature

Printed Name: John Rauer

Title: Division Manager

Email Adress: john.rauer@eurovia.us

_____
TEXAS ETHICS COMMISSION CERTIFICATE NUMBER

BY:
CITY OF DENTON, TEXAS

_____
Sara Hensley, City Manager

ATTEST:
INGRID REX, CITY SECRETARY

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.

Signed by:
Stephen D Gay
FEE4B5B72E6E4D8...
SIGNATURE

General Manager
TITLE

Water Utilities and Street Operations
DEPARTMENT

Contract 8980

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

Exhibit A
Special Terms and Conditions

1. Total Contract Amount

Eurovia Atlantic Coast LLC dba Sunmount Paving Company is awarded as the secondary contractor, and pricing shall be per Exhibit F attached. The cumulative contract for primary and secondary contractors for contract 8980 shall not exceed $20,000,000

The contractor is required to meet performance specifications as follows:

a. Twenty-four (24) hour* telephone to receive messages. The City will give 12 hours' notice of intent to receive and attempt to give six (6) hours' notice of cancellation.

b. Seven (7) calendar day* response time after contractor is contacted by the City to provide experienced asphalt paving crew and laydown machine, rollers and trucks.

* The contractor is expected to respond to the initial contact from The City within 2 hours during normal business hours. Normal business hours are Monday – Friday 7am- 4pm. If no response from contractor within 2 hours, the City has the right to call secondary contractor. Secondary contractor must also respond to initial contact within 4 hours, etc. If contractor is not able to meet delivery deadline, is unable to meet specifications due to plant failure or other delivery commitments, the City reserves the right obtain materials from the secondary contractor.

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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 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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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:

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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,

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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-

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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,

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

$1,000,000.00 per occurrence and $2,000,000.00 general aggregate.

B. <u>WORKERS' COMPENSATION and EMPLOYERS LIABILITY INSURANCE</u>

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.

C. <u>BUSINESS AUTOMOBILE LIABILITY INSURANCE</u>

Business Automobile Liability Insurance covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage limit of $500,000.00 per occurrence.

NOTE:

a. If CONTRACTOR does not have owned, hired and non-owned autos or vehicles and/or no autos or vehicles will not be used in the performance of services under the contract, CONTRACTOR shall provide a signed letter, with the current date, on official letterhead stating such to meet the requirement for owned autos.

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

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

	Exhibit F Contractors Proposal		Sunmount Paving (Eurovia Atlantic Coast LLC dba Sunmount Paving)
Line #	Description	UOM	BAFO
1	SECTION 1 - Hot Mix Asphalt Concrete (PG-64-22) --- 100% SAC-A AGGREGATE MIXES		
2	OPTION 1A -- Pickup at plant Hot Mix Asphalt Concrete (PG-64-22) (for City Crew patching or installation)	TON	$79.00
3	OPTION 1B -- F.O.B DELIVERY Hot Mix Asphalt Concrete (PG-64-22)	TON	$93.00
4	Adder per ton for contractor installation at City of Denton job site. (0-400 tons)	TON	$55.25
5	Adder per ton for contractor installation at City of Denton job site. (400-999 tons)	TON	$33.00
6	Adder per ton for contractor installation at City of Denton job site. (1,000-1,999 tons)	TON	$15.75
7	Adder per ton for contractor installation at City of Denton job site. (2,000-4,000 tons)	TON	$15.75
8	SECTION 2 - Hot Mix Asphalt Concrete (PG-76-22) --- 100% SAC-A AGGREGATE MIXES		
9	OPTION 2A -- Pickup at plant Hot Mix Asphalt Concrete (PG-76-22)(for City Crew patching or installation)	TON	$91.00
10	OPTION 2B -- F.O.B DELIVERY Hot Mix Asphalt Concrete (PG-76-22)	TON	$105.00
11	Adder per ton for contractor installation at City of Denton job site. (0-400 tons)	TON	$55.25
12	Adder per ton for contractor installation at City of Denton job site. (400-999 tons)	TON	$33.00
13	Adder per ton for contractor installation at City of Denton job site. (1,000-1,999 tons)	TON	$15.75
14	Adder per ton for contractor installation at City of Denton job site. (2,000-4,000 tons)	TON	$15.75

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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.**

Eurovia Atlantic Coast LLC

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 [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.

4 [X] **I have no Conflict of Interest to disclose.**

5 Signed by: John Rauer
42B15863958445F...
Signature of vendor doing business with the governmental entity

3/6/2026
Date

Docusign Envelope ID: DA843114-AF64-42FE-8A26-0DA8CFD63866

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

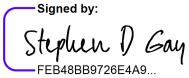
Envelope Id: DA843114-AF64-42FE-8A26-0DA8CFD63866
Status: Sent
Subject: Please DocuSign: City Council Contract 8980 Supply of Hot Mix Asphalt- Sunmount
Source Envelope:
Document Pages: 36
Signatures: 4
Certificate Pages: 6
Initials: 1
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Gabby Leeper
901B Texas Street
Denton, TX 76209
Gabby.Leeper@cityofdenton.com
IP Address: 198.49.140.10

Record Tracking

Status: Original
3/5/2026 2:43:42 PM
Holder: Gabby Leeper
Gabby.Leeper@cityofdenton.com
Location: DocuSign

Signer Events	Signature	Timestamp
Gabby Leeper Gabby.Leeper@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: 3/5/2026 2:47:45 PM Viewed: 3/5/2026 2:49:06 PM Signed: 3/5/2026 2:49:37 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: 198.49.140.104	Sent: 3/5/2026 2:49:39 PM Viewed: 3/5/2026 3:16:46 PM Signed: 3/5/2026 3:17:27 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: 3/5/2026 3:17:30 PM Viewed: 3/6/2026 3:09:12 PM Signed: 3/6/2026 3:19:34 PM
John Rauer john.rauer@eurovia.us Division Manager 10/11/2023 Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 3/6/2026 3:36:44 PM ID: 8b02fa07-ab5a-43b4-a2ae-38def192812a	Signed by: John Rauer 42B1E8639B8445F... Signature Adoption: Pre-selected Style Using IP Address: 98.6.97.250	Sent: 3/6/2026 3:19:38 PM Viewed: 3/6/2026 3:36:44 PM Signed: 3/6/2026 3:51:43 PM

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: 3/6/2026 4:51:26 PM ID: 3df1bcf8-7efa-4267-ba31-269526db85da	Signed by:  FEB48BB9726E4A9... Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10	Sent: 3/6/2026 3:51:46 PM Viewed: 3/6/2026 4:51:26 PM Signed: 3/6/2026 4:53:35 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: 3/6/2026 4:53:40 PM
Sara Hensley sara.hensley@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		
Ingrid Rex Ingrid.Rex@cityofdenton.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign		

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: 3/5/2026 2:49:39 PM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None)	COPIED	Sent: 3/6/2026 4:53:39 PM Viewed: 3/10/2026 11:24:45 AM

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		

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/5/2026 2:47:45 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

DCM: Cassey Ogden

DATE: March 24, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, regarding the issuance of a Service Plan, pursuant to Tex. Loc. Govt. Code Sec. 43.052, for the provision of city services to approximately 1.09 acres of land, generally located 740 feet south of Edwards Road and 290 feet west of Swisher Road; authorizing the City Manager to execute the Plan; and providing an effective date. (A25-0004d, Swisher Road Annexation, Bryce Van Arsdale)

BACKGROUND

The owner, J. Doss Phillips, (hereafter referred to as "Owner"), had a non-annexation agreement (ordinance 2012-362), 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 December 11, 2025, 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 1.09 acres of land, generally located 290 feet west of Swisher Road, approximately 740 feet south of Edwards 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, 18 NAAs remained expired.

When the Owner entered into the initial NAA in 2012, 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.

The subject property is situated 290 feet west of Swisher Road, approximately 740 feet south of Edwards Road. Swisher Road, the nearest right-of-way, is classified as a Proposed Secondary Arterial according to the 2022 Mobility Plan. The properties to the south and east of the subject property are situated within the City of Denton City Limits and classified under the Rural Residential (RR) zoning district. The property to the north of the subject property is within City Limits and zoned as Public Facilities (PF) zoning district; this property is maintained by the City as Villages of Carmel Park. The properties to the west of the subject property are within city limits and zoned as Residential 6 (R6) zoning district.

The Future Land Use designation for the subject property is Moderate Residential within the Denton 2040 Comprehensive Plan. The description for this Future Land Use category is provided below:

> This category accommodates single-family detached housing on small lots, typical of Denton's more compact, established single-family neighborhoods and low-rise multi-family dwellings and townhomes. This land use applies to areas within the central areas of Denton and transition areas between established single-family neighborhoods and mixed-use or commercial areas that can accommodate greater density, or adjacent to key corridors. Dwellings in this future land use category vary in scale and style and may contain a great deal of diversity by each street and block. Most areas are characterized by rectilinear lots with modest front yards. Most streets are lined by sidewalks, but this is not prevailing throughout. Development is linked by local streets and is most commonly accessed by multiple intersections and points of access. While the land use primarily includes single-family dwellings, multi-family dwellings, and townhomes may be located in this land use as well. While the quality of multi-family dwellings and townhomes currently varies, in the case of future infill development, they should maintain a scale, style, and building orientation in order to complement the prevailing character of its surroundings. This category may also include land uses that support residential neighborhoods, such as neighborhood scaled commercial at arterial and collector street corners, and appropriately scaled public and quasi-public uses, such as religious and educational institutions

The Subject Property is not currently being served with City water or sewer.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

December 18, 2012	City Council	Non-Annexation Agreement	Approved
February 17, 2026	City Council	Municipal Services Agreement Ordinance	Approved

February 17, 2026	City Council	Public Hearing	Public hearing held; no further action occurred
February 17, 2026	City Council	First Reading of the Annexation Ordinance	First Reading held; no further action occurred

Recommendation:
Staff recommends approval of the Municipal Services Agreement and annexation schedule.

OPTIONS

1. Approve
2. Deny
3. Postpone Item

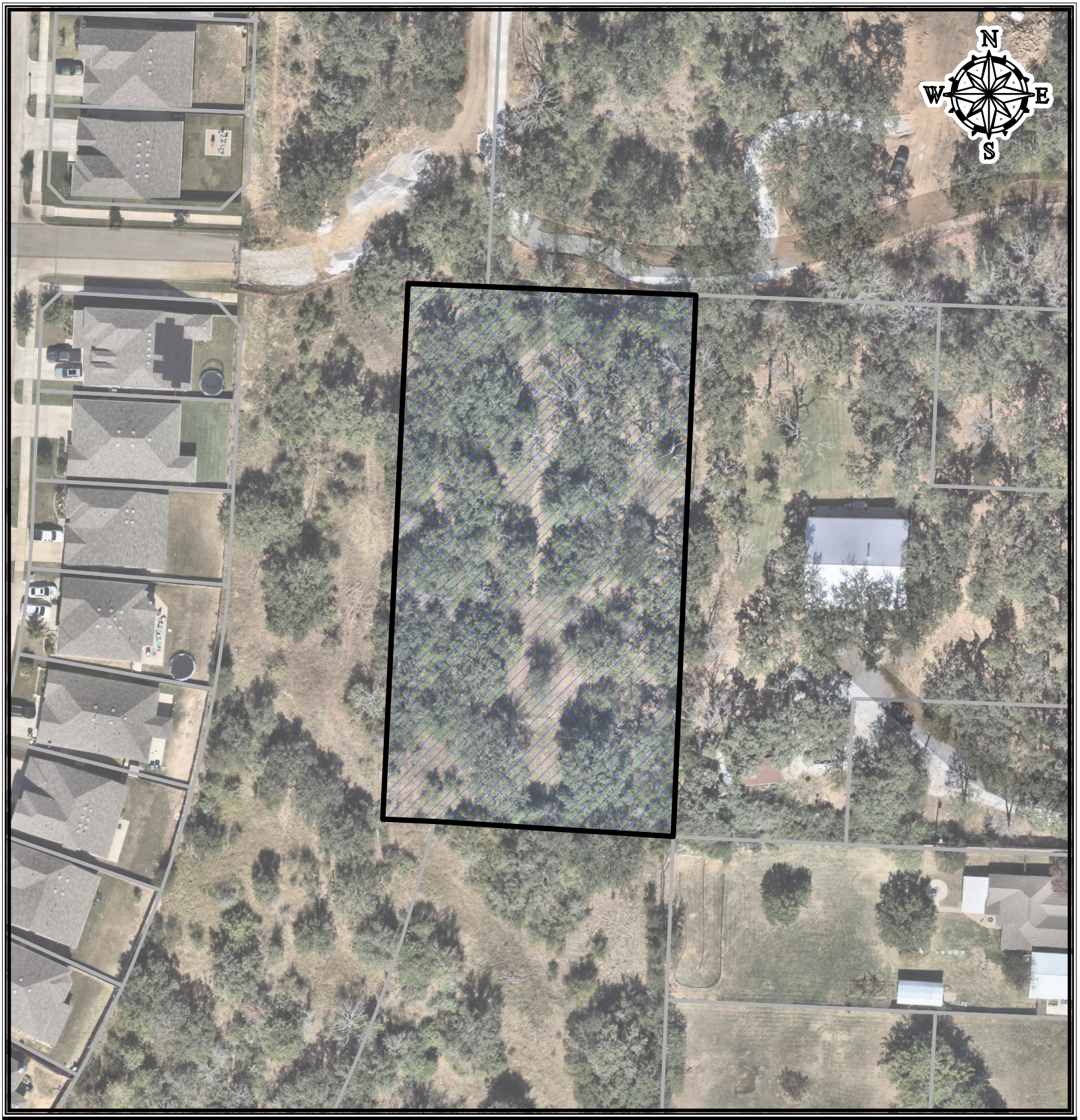
EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Draft Annexation Ordinance
Exhibit 4 - Presentation

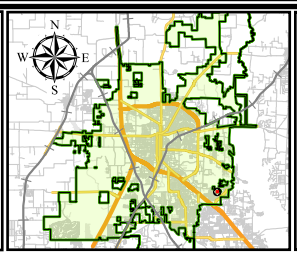
Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Bryce Van Arsdale
Assistant Planner

A25-0004
Aerial Site Location



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40



0 20 40 80 Feet

CITY OF DENTON
Development Services · GIS
Date: 12/30/2025

"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 J. DOSS PHILLIPS FOR THE PROVISION OF CITY SERVICES TO APPROXIMATELY 1.0959 ACRES OF LAND, GENERALLY LOCATED 290 FEET WEST OF SWISHER ROAD, APPROXIMATLEY 740 FEET SOUTH OF EDWARDS ROAD; AUTHORIZING THE CITY MANAGER TO EXECUTE THE PLAN; AND PROVIDING AN EFFECTIVE DATE. (A25-0004d)

WHEREAS, J. Doss Phillips (hereafter referred to as "Owner"), owns approximately 1.0959 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 December 13, 2012, via Ordinance (2012-362), 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 20, 2024, June 13, 2024, and December 11, 2025, to offer an updated NAA with an expiration date in 2040; and

WHEREAS, Owner has not responded to Staff's contact attempts; and as a result, Staff are proceeding with the Annexation Case no. A25-0004c ("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 February 17, 2026, via Ordinance A25-0004; 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
Gerard Hudspeth, Mayor:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this, the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon _____

EXHIBIT A
LEGAL DESCRIPTION

Being a 1.0959 acre tract of land, more or less, situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, and being more fully described in that certain Warranty Deed dated December 31, 1996 from David W. Mason to J. Doss Phillips and wife, Glynnis Phillips, filed for record on January 2, 1997 and recorded in Instrument No. 97-R0000117 of the Real Property Records of Denton County, Texas. Said 1.0959 acre tract is commonly known as DCAD Property ID 189728.

EXHIBIT B
Service Plan

SERVICE PLAN

This Service Plan ("Plan") is issued this March 24, 2026, by the City of Denton, a Texas home-rule municipality ("City"), in relation to the annexation of property owned by J. Doss Phillips (hereafter referred to as "Owner").

RECITALS:

WHEREAS, the Owner owns the tract of land, totaling approximately 1.03 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 (2012-362), 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 20, 2024, June 13, 2024, and December 11, 2025, to offer an updated NAA with an expiration date in 2040; and

WHEREAS, the Owner has not responded to Staff's contact attempts; and as a result, Staff are proceeding with the Annexation Case no. A25-0004c ("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 February 17, 2026, via Ordinance A25-0004; 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. <u>Electric</u>

The Property will be served with electricity distribution service in the most cost-effective manner; provided, however, that before Owner may enter into a contract with an electricity distribution service provider, (i) Owner shall provide the City with any and all bona fide offers that Owner has received from electricity distribution service providers that can legally serve the Property and (ii) the City shall have 30 business days to provide to Owner Denton Municipal Electric's ("DME") offer to provide distribution electricity service to the Property; and provided further, that if DME's offer is substantially similar to the most cost-effective offer from another distribution electricity service provider that can legally serve the Property, then Owner will obtain electricity distribution service from DME. The term "substantially similar" means that the terms of the offers provide the approximately the same level of service at approximately the same start-up cost to Owner. Electric rates applicable to customers within the Property will be pursuant to the then applicable DME rates as approved by the Denton City Council.

Such electricity service offers will be based upon the following terms:

1. The electricity distribution service provider will extend electric distribution facilities as necessary to serve full development of the Property. The electricity distribution service provider will evaluate the cost associated with service extension through the undeveloped area to determine if Aid-

in-Construction is required. The electricity distribution service provider is responsible for installation of all primary-voltage electrical cables, transformers, switchgear, streetlight poles and LED streetlight fixtures, streetlight cables, single-family residential services, and other necessary electric distribution and transmission system equipment in compliance with Electric Service Standards and Line Extension Policies currently in place at the time of development, whether onsite or offsite as necessary to provide adequate and reliable electric service to the Property.

2. Owner will provide all on-site public utility easements to the electricity distribution provider that are necessary to protect, install, safely operate and maintain the electric infrastructure, at no cost to the City. PUEs will be 8 feet in width adjacent to street rights-of-way in single family residential areas, and 15 feet in width adjacent to Primary and Secondary Arterial rights-of-way (20 feet where duct banks are required). Easements will be conveyed through the platting process unless the electricity distribution service provider requests an easement be transferred by separate instrument. The provider agrees to joint trench installation of other franchised utilities such as telephone, cable tv, fiber optic cables, or other non-gas utilities within the designated public utility easements as long as those utilities are on an edge shelf of the trench and not placed directly above the electric facilities.

3. Existing overhead electric distribution lines, which are located in the public rights-of-way, will be relocated by the electricity distribution service provider at no cost to the Owner when development adjacent to the existing electric line requires the line to be relocated in order to accommodate the adjacent development as long as the relocation is also to an overhead position. If Owner requests the relocation be placed underground, then Owner shall be responsible for the difference in cost between the overhead relocation and the underground relocation as reasonably determined and demonstrated by the electricity distribution service provider. Existing overhead electric distribution lines not owned by the electricity distribution service provider will be relocated underground by the owner of the lines if so required to comply with the Denton Development Code.

4. Owner will comply with those City approved policies within the DME Electric Service Standards (ESS), as amended, that are available on the City website and uniformly applied within the City, including the specifications for street lighting.

5. All new distribution electric service within the Property shall be placed underground except for necessary above ground appurtenances such as streetlights, switchgear and transformers. The City shall have the right to inspect the electric facilities prior to placing such facilities into use.

J. **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.

K. **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.

L. **Permitting and Inspections.** Permitting and Inspections shall be obtained through the City of Denton, as outlined in the Code of Ordinances.

M. **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 andstand 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 a 1.0959 acre tract of land, more or less, situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, and being more fully described in that certain Warranty Deed dated December 31, 1996 from David W. Mason to J. Doss Phillips and wife, Glynnis Phillips, filed for record on January 2, 1997 and recorded in Instrument No. 97-R0000117 of the Real Property Records of Denton County, Texas. Said 1.0959 acre tract is commonly known as DCAD Property ID 189728.

EXHIBIT B
LOCATION MAP

A25-0004d Swisher Road Annexation Services Plan

Bryce Van Arsdale

Assistant Planner

March 24, 2026

Request

- Consider adoption of an ordinance approving a **Service** for approximately **1.09 acres of land** located 290 feet west of Swisher Road, approximately 740 feet south of Edwards 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?

Bryce Van Arsdale
Assistant 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

DCM: Cassey Ogden

DATE: March 24, 2026

SUBJECT

Conduct the second of two readings and consider adoption of an ordinance of the City of Denton, Texas annexing approximately 1.09 acres of land, generally located 290 feet west of Swisher Road, and 740 feet south of Edwards 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. (A25-0004c, Swisher Road, Bryce Van Arsdale)

BACKGROUND

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, 18 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 18 expired agreements to extend the NAAs and pursue annexation for any remaining expired NAAs. Initial letters offering NAA extensions were mailed in May 2024 with follow-up letters in June prior to the initial response deadline of June 21, 2024. Additional letters were mailed in September 2024. Currently, 7 of the 18 property owners with expired NAAs have entered into new agreements with the City. 11 NAAs remain expired and the City has begun the process of annexing these areas. There was a delay in bringing these annexation cases forward because there was a significant number of bills submitted during the 89th Legislative Session, which may have impacted annexation law. On December 11, 2025, a final letter was sent to this property owner, informing them of the City's intent to move forward with annexation.

After the first reading of the annexation ordinance at City Council on February 17, 2026, staff sent a certified letter to the property owner as the final notice of the opportunity to sign the new NAA. Staff has not received any communication from the property owner as of the writing of this report.

The next (and final) step required for a voluntary annexation based upon the requirements of TXLGC Sec. 43.0672 and the City's Charter is to conduct the second of two readings of the annexation ordinance at least 30 days after the publication of the draft annexation ordinance in the newspaper (see steps outlined below).

1. Approval of a Municipal Services Agreement
2. Annexation Public Hearing
3. First Reading of Annexation Ordinance
4. Publication of Annexation Ordinance
5. **Second Reading and Adoption of Annexation Ordinance**

The subject property is situated 290 feet west of Swisher Road, approximately 740 feet south of Edwards Road. Swisher Road, the nearest right-of-way, is classified as a Proposed Secondary Arterial according to the 2022 Mobility Plan. The properties to the south and east of the subject property are situated within the City of Denton City Limits and classified under the Rural Residential (RR) zoning district. The property to the north of the subject property is within City Limits and zoned as Public Facilities (PF) zoning district; this property is maintained by the City as Villages of Carmel Park. The properties to the west of the subject property are within city limits and zoned as Residential-6 (R6) zoning district.

The Future Land Use designation for the subject property is Moderate Residential within the Denton 2040 Comprehensive Plan. The description for this Future Land Use category is provided below:

> This category accommodates single-family detached housing on small lots, typical of Denton's more compact, established single-family neighborhoods and low-rise multi-family dwellings and townhomes. This land use applies to areas within the central areas of Denton and transition areas between established single-family neighborhoods and mixed-use or commercial areas that can accommodate greater density, or adjacent to key corridors. Dwellings in this future land use category vary in scale and style and may contain a great deal of diversity by each street and block. Most areas are characterized by rectilinear lots with modest front yards. Most streets are lined by sidewalks, but this is not prevailing throughout. Development is linked by local streets and is most commonly accessed by multiple intersections and points of access. While the land use primarily includes single-family dwellings, multi-family dwellings, and townhomes may be located in this land use as well. While the quality of multi-family dwellings and townhomes currently varies, in the case of future infill development, they should maintain a scale, style, and building orientation in order to complement the prevailing character of its surroundings. This category may also include land uses that support residential neighborhoods, such as neighborhood scaled

commercial at arterial and collector street corners, and appropriately scaled public and quasi-public uses, such as religious and educational institutions

The Subject Property is not currently being served with City water or sewer.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

December 18, 2012	City Council	Non-Annexation Agreement	Approved
February 17, 2026	City Council	Municipal Services Agreement Ordinance	Approved
February 17, 2026	City Council	Public Hearing	Public hearing held; no further action occurred
February 17, 2026	City Council	First Reading of the Annexation Ordinance	First Reading held; no further action occurred

OPTIONS

1. Approve
2. Deny
3. Postpone item

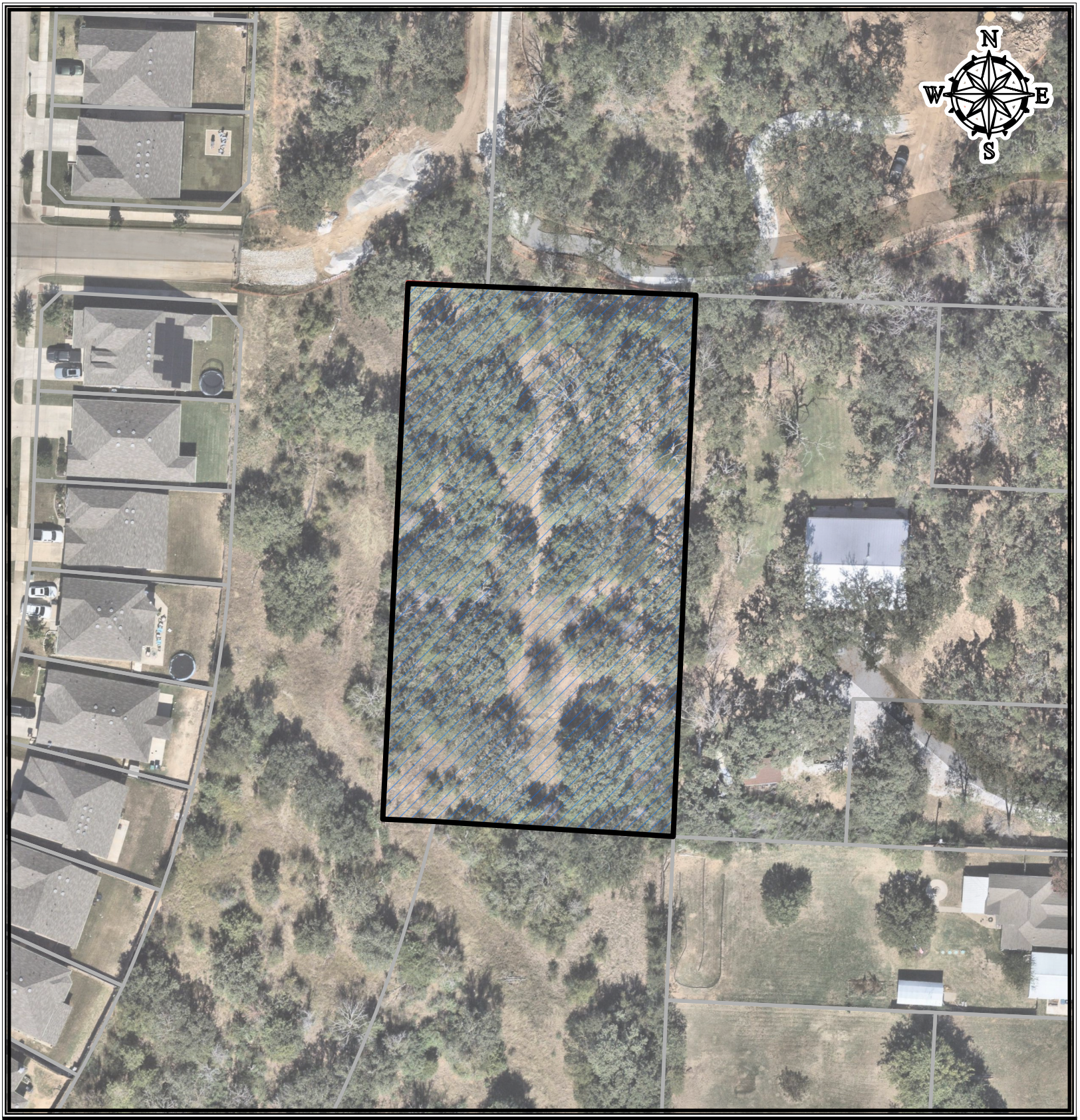
EXHIBITS

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

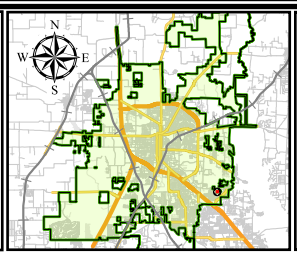
Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Bryce Van Arsdale
Assistant Planner

A25-0004
Aerial Site Location



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40

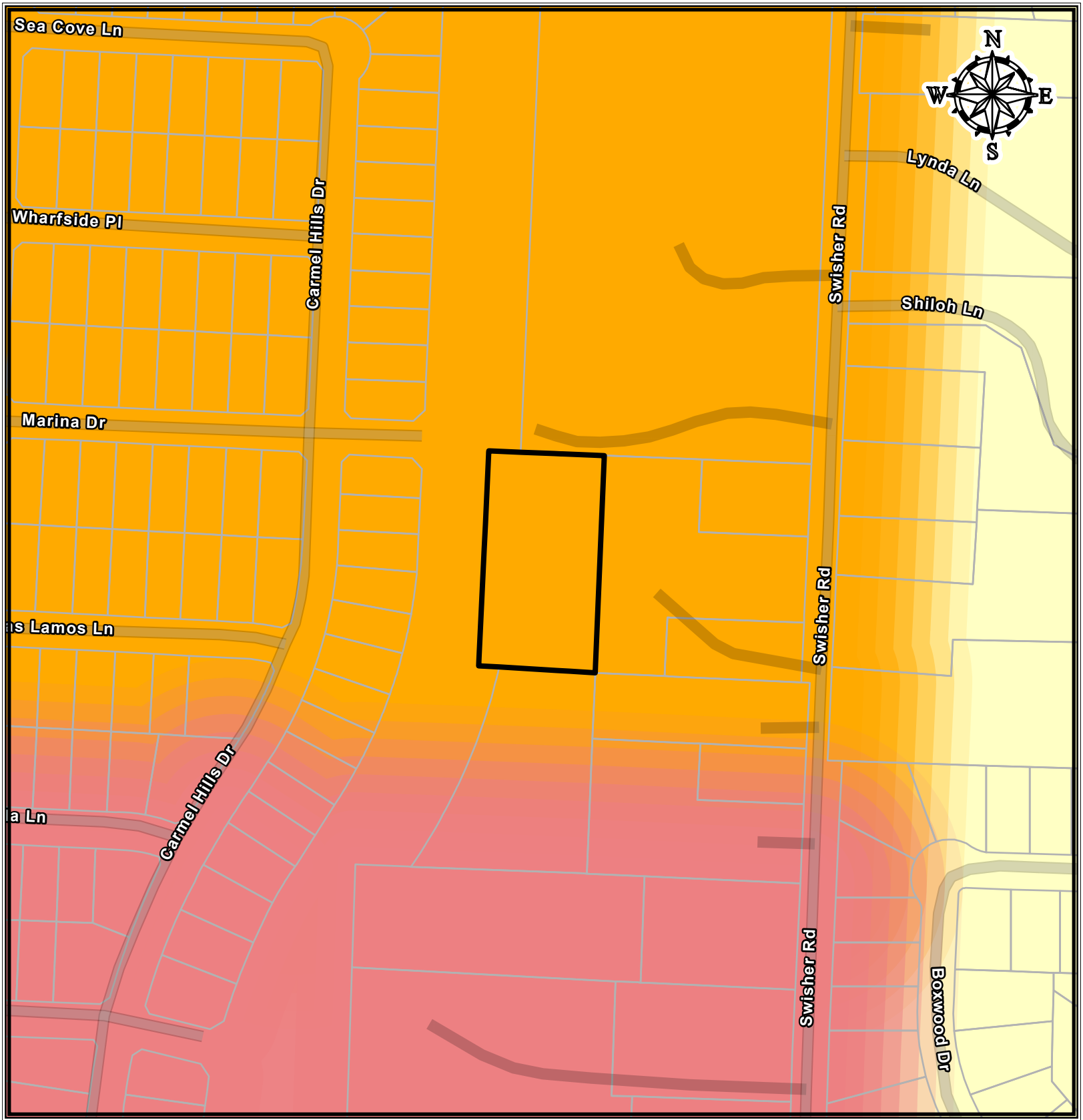


0 20 40 80 Feet

CITY OF DENTON
Development Services · GIS
Date: 12/30/2025

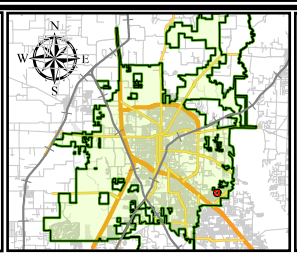
"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure 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."

A25-0004
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: 12/30/2025

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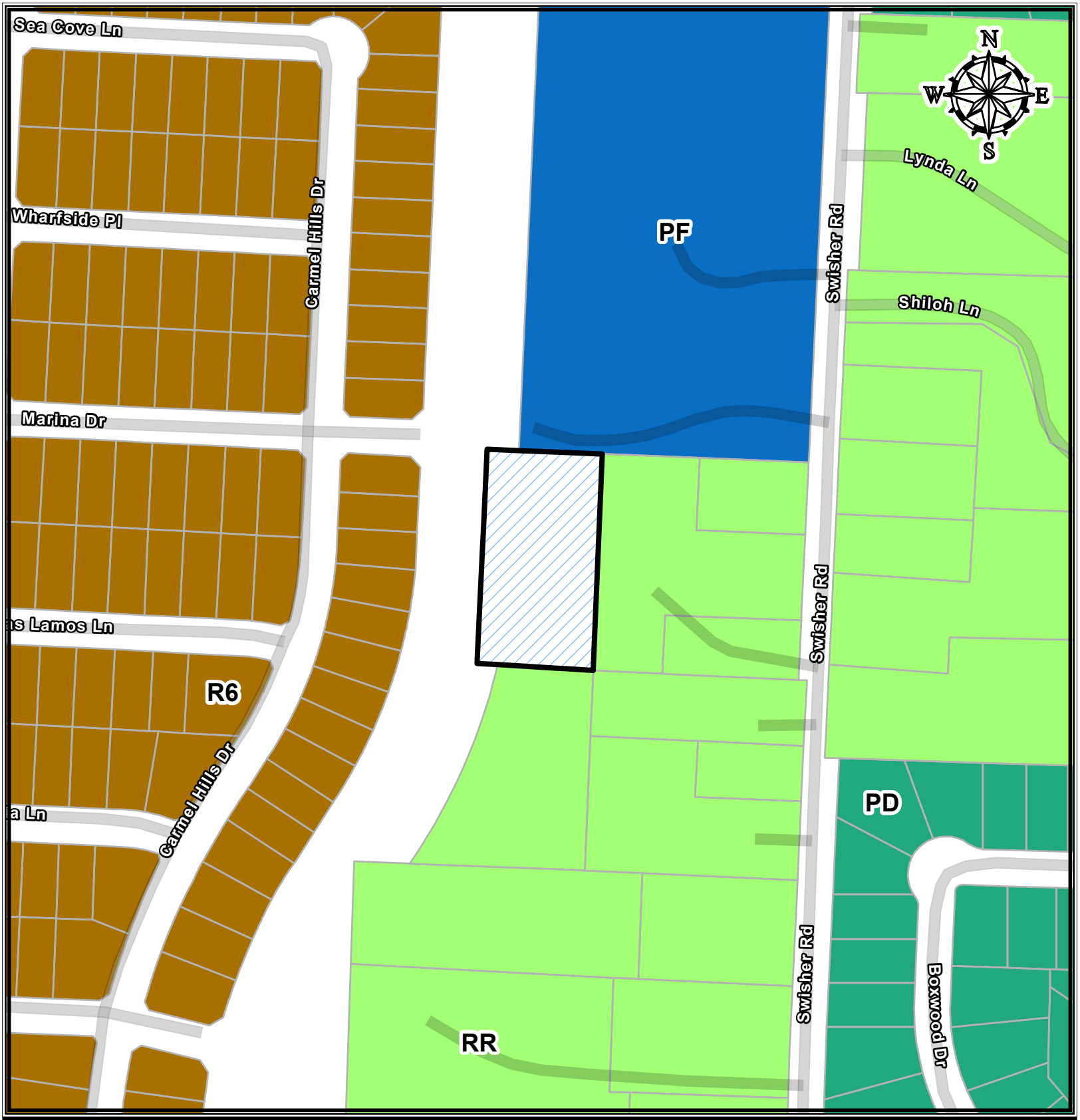
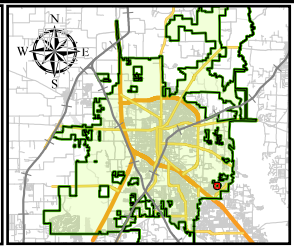
A25-0004
Current Zoning Map



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 50 100 200 Feet

CITY OF DENTON
Development Services · GIS
Date: 12/30/2025

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ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, TEXAS ANNEXING APPROXIMATELY 1.09 ACRES OF LAND, GENERALLY LOCATED 290 FEET WEST OF SWISHER ROAD, AND 740 FEET SOUTH OF EDWARDS 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. (A25-0004c)

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 property owner J. Doss Phillips ("Owner") submitted a petition for voluntary annexation of approximately 1.09 acres of land in Denton County, Texas, and described in **Exhibit A** and depicted on **Exhibit B** attached hereto and incorporated herein as ("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 February 17, 2026; and

WHEREAS, on February 17, 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 February 17, 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 March 24, 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. A25-0004 , 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**
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this, the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, INTERIM CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon _____

EXHIBIT A
LEGAL DESCRIPTION

BEING a 1.0959 acre tract of land, more or less, situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, and being more fully described in that certain Warranty Deed dated December 31, 1996 from David W. Mason to J. Doss Phillips and wife, Glynnis Phillips, filed for record on January 2, 1997 and recorded in Instrument No. 97-R0000117 of the Real Property Records of Denton County, Texas. Said 1.0959 acre tract is commonly known as DCAD Property ID 189728.

EXHIBIT B
LOCATION MAP

EXHIBIT C
MUNICIPAL SERVICES AGREEMENT

ORDINANCE NO. A25-0004

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 J. DOSS PHILLIPS FOR THE PROVISION OF CITY SERVICES TO APPROXIMATELY 1.09 ACRES OF LAND, GENERALLY LOCATED 740 FEET SOUTH OF EDWARDS ROAD AND 290 FEET WEST OF SWISHER ROAD; APPROVING A SCHEDULE OF ANNEXATION; AUTHORIZING THE CITY MANAGER TO EXECUTE THE AGREEMENT; AND PROVIDING AN EFFECTIVE DATE. (A25-0004)

WHEREAS, the property owner, J. Doss Phillips (hereafter referred to as "Owner"), owns approximately 1.09 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 2012-362, 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 December 11, 2025, 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 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 Brian Beck and seconded by Joe Holland, the ordinance was passed and approved by the following vote [6 - 0 - 1]:

	Aye	Nay	Abstain	Absent
Gerard Hudspeth, Mayor:				X
Vicki Byrd, District 1:	X			
Brian Beck, District 2:	X			
Suzi Rumohr, 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 February, 2026.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: Ingrid Rex

CITY OF DENTON TEXAS DENTON

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Hilary McMahon

EXHIBIT A
LEGAL DESCRIPTION

Being a 1.0959 acre tract of land, more or less, situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, and being more fully described in that certain Warranty Deed dated December 31, 1996 from David W. Mason to J. Doss Phillips and wife, Glynnis Phillips, filed for record on January 2, 1997 and recorded in Instrument No. 97-R0000117 of the Real Property Records of Denton County, Texas. Said 1.0959 acre tract is commonly known as DCAD Property ID 189728.

EXHIBIT B
MUNICIPAL SERVICES AGREEMENT

MUNICIPAL SERVICES AGREEMENT

This Municipal Service Agreement ("Agreement") is entered into this 17th day of February 2026, by and between the City of Denton, a Texas home-rule municipality (“City”), and the property owner, J. Doss Phillips (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 1.09 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 2012-362, 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 December 11, 2025, 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. A25-0004 (“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. Electric

The Property will be served with electricity distribution service in the most cost-effective manner; provided, however, that before Owner may enter into a contract with an electricity distribution service provider, (i) Owner shall provide the City with any and all bona fide offers that Owner has received from electricity distribution service providers that can legally serve the Property and (ii) the City shall have 30 business days to provide to Owner Denton Municipal Electric's ("DME") offer to provide distribution electricity service to the Property; and provided further, that if DME's offer is substantially similar to the most cost-effective offer from another distribution electricity service provider that can legally serve the Property, then Owner will obtain electricity distribution service from DME. The term "substantially similar" means that the terms of the offers provide the approximately the same level of service at approximately the same start-up cost to Owner. Electric rates applicable to customers within the Property will be pursuant to the then applicable DME rates as approved by the Denton City Council.

Such electricity service offers will be based upon the following terms:

1. The electricity distribution service provider will extend electric distribution facilities as necessary to serve full development of the Property. The electricity distribution service provider will evaluate the cost associated with service extension through the undeveloped area to determine if Aid-in-Construction is required. The electricity distribution service provider is responsible for installation of all primary-voltage electrical cables, transformers, switchgear, streetlight poles and LED streetlight fixtures, streetlight cables, single-family residential services, and other necessary electric distribution and transmission system equipment in compliance with Electric Service Standards and Line Extension Policies currently in place at the time of development, whether onsite or offsite as necessary to provide adequate and reliable electric service to the Property.

2. Owner will provide all on-site public utility easements to the electricity distribution provider that are necessary to protect, install, safely operate and maintain the electric infrastructure, at no cost to the City. PUEs will be 8 feet in width adjacent to street rights-of-way in single family residential areas, and 15 feet in width adjacent to Primary and Secondary Arterial rights-of-way (20 feet where duct banks are required). Easements will be conveyed through the platting process unless the electricity distribution service provider requests an easement be transferred by separate instrument. The provider agrees to joint trench installation of other franchised utilities such as telephone, cable tv, fiber optic cables, or other non-gas utilities within the designated public utility easements as long as those utilities are on an edge shelf of the trench and not placed directly above the electric facilities.

3. Existing overhead electric distribution lines, which are located in the public rights-of-way, will be relocated by the electricity distribution service provider at no cost to the Owner when development adjacent to the existing electric line requires the line to be relocated in order to accommodate the adjacent development as long as the relocation is also to an overhead position. If Owner requests the relocation be placed underground, then Owner shall be responsible for the difference in cost between the overhead relocation and the underground relocation as reasonably determined and demonstrated by the electricity distribution service provider. Existing overhead electric distribution lines not owned by the electricity distribution service provider will be relocated underground by the owner of the lines if so required to comply with the Denton Development Code.

4. Owner will comply with those City approved policies within the DME Electric Service Standards (ESS), as amended, that are available on the City website and uniformly applied within the City, including the specifications for street lighting.

5. All new distribution electric service within the Property shall be placed underground except for necessary above ground appurtenances such as streetlights, switchgear and transformers. The City shall have the right to inspect the electric facilities prior to placing such facilities into use.

J. **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.

K. **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.

L. **Permitting and Inspections.** Permitting and Inspections shall be obtained through the City of Denton, as outlined in the Code of Ordinances.

M. **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: J. Doss Phillips

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.

Charlie Rosendahl Digitally signed by Charlie Rosendahl
DN: C=US, E=Charlie.Rosendahl@cityofdenton.com, O=City of Denton, CN=Charlie Rosendahl
Date: 2026.01.29 11:03:25-06'00'

_____
Signature

Interim Director
Title

Development Services
Department

Date Signed: 1/29/2026

APPROVED AS TO LEGAL FORM:

Mack Reinwand, City Attorney
By: Hilary McMahon

EXHIBIT A
LEGAL DESCRIPTION

Being a 1.0959 acre tract of land, more or less, situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, and being more fully described in that certain Warranty Deed dated December 31, 1996 from David W. Mason to J. Doss Phillips and wife, Glynnis Phillips, filed for record on January 2, 1997 and recorded in Instrument No. 97-R0000117 of the Real Property Records of Denton County, Texas. Said 1.0959 acre tract is commonly known as DCAD Property ID 189728.

EXHIBIT B
LOCATION MAP

EXHIBIT C
ANNEXATION SCHEDULE

Annexation

12/15/2025 **Final Non-Annexation Agreement letter sent to property owner**

01/27/2026 Deadline to submit notice to Denton Record Chronicle and City Website for publication before the 16th day before the public hearing on February 17, 2026 *(published on Sunday, February 1, 2026)*

02/05/2026 Deadline to submit backup for posting of City Council Agenda for Meeting on February 17, 2026

02/17/2026 Annexation **Municipal Service Agreement** – IC (*Required prior to annexation per 43.0672),*
Annexation **Public Hearing** – PH (*Only one public hearing is required per 43.0673),*
AND
First Reading of annexation ordinance – IC (*per City Charter*)

02/22/2026 Publish Ordinance in the newspaper (*Charter Sec. 1.03; cannot be acted on for 30 days*)

03/24/2026 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

A25-0004c
Swisher Road Annexation
Second Reading

Bryce Van Arsdale

Assistant Planner

March 24, 2026

CITY OF DENTON

Request

- Conduct the **second** of two readings **and act on** an ordinance of the City of Denton to annex approximately 1.09 acres of land

- Located 290 feet west of Swisher Road, approximately 740 feet south of Edwards Road

Background

- Non-Annexation Agreement (NAA) for the property expired on August 1, 2020
- A new NAA has not been signed
- The property is undeveloped

Annexation Schedule

- **February 17, 2026**
  - Municipal Services Agreement – Action Required
  - Public Hearing – No Action
  - First Reading of the Annexation Ordinance – No Action

- **February 22, 2026**
  - Publication of Annexation Ordinance

- **March 24, 2026**
  - Second Reading and Adoption of the Annexation Ordinance – Action Required

Ordinance Caption

AN ORDINANCE OF THE CITY OF DENTON, TEXAS ANNEXING APPROXIMATELY 1.09 ACRES OF LAND, GENERALLY LOCATED 290 FEET WEST OF SWISHER ROAD AND 740 FEET SOUTH OF EDWARDS 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?

Bryce Van Arsdale
Assistant 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

DCM: Cassey Ogden

DATE: March 24, 2026

SUBJECT

Conduct the second of two readings and consider adoption of an ordinance of the City of Denton, Texas, annexing approximately 1.03 acres of land, generally located on the north side of Mills Road, approximately 1,453 feet west of South Trinity Road to 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. (A25-0003c, Mills Rd Annexation, Ashley Ekstedt)

BACKGROUND

The owner, Victor Lopez, (hereafter referred to as "Owner"), had a non-annexation agreement (ordinance 2012-363), 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 December 11, 2025, 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 1.03 acres generally located on the north side of Mills Road, approximately 1,453 feet west of South Trinity Road (hereafter referred to as "Subject 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, 18 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 18 expired agreements to extend the NAAs and pursue annexation for any remaining expired NAAs. Initial letters offering NAA extensions were mailed in May 2024 with follow-up letters in June prior to the initial response deadline of June 21, 2024. Additional letters were mailed in September 2024, and a final letter was sent to the property owner on December 11, 2025. Currently, 7 of the 18 property owners with expired NAAs have entered into new agreements with the City. 11 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.

After the first reading of the annexation ordinance at City Council on February 17, 2026, staff sent a certified letter to the property owner as the final notice of the opportunity to sign the new NAA.

Upon receipt of final notice, the Owner contacted staff and signed the new NAA (Exhibit 5**). Therefore, staff is recommending denial of the annexation ordinance**. At the April 7, 2026 City Council meeting, staff will bring forward an ordinance agreeing to the extension of the NAA for the Property until August 1, 2040.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

December 18, 2012	City Council	Non-Annexation Agreement	Approved
February 17, 2026	City Council	Municipal Services Agreement Ordinance	Approved
February 17, 2026	City Council	Public Hearing	Public hearing held; no further action occurred
February 17, 2026	City Council	First Reading of the Annexation Ordinance	First Reading held; no further action occurred

OPTIONS

1. Approve
2. Deny
3. Postpone Item

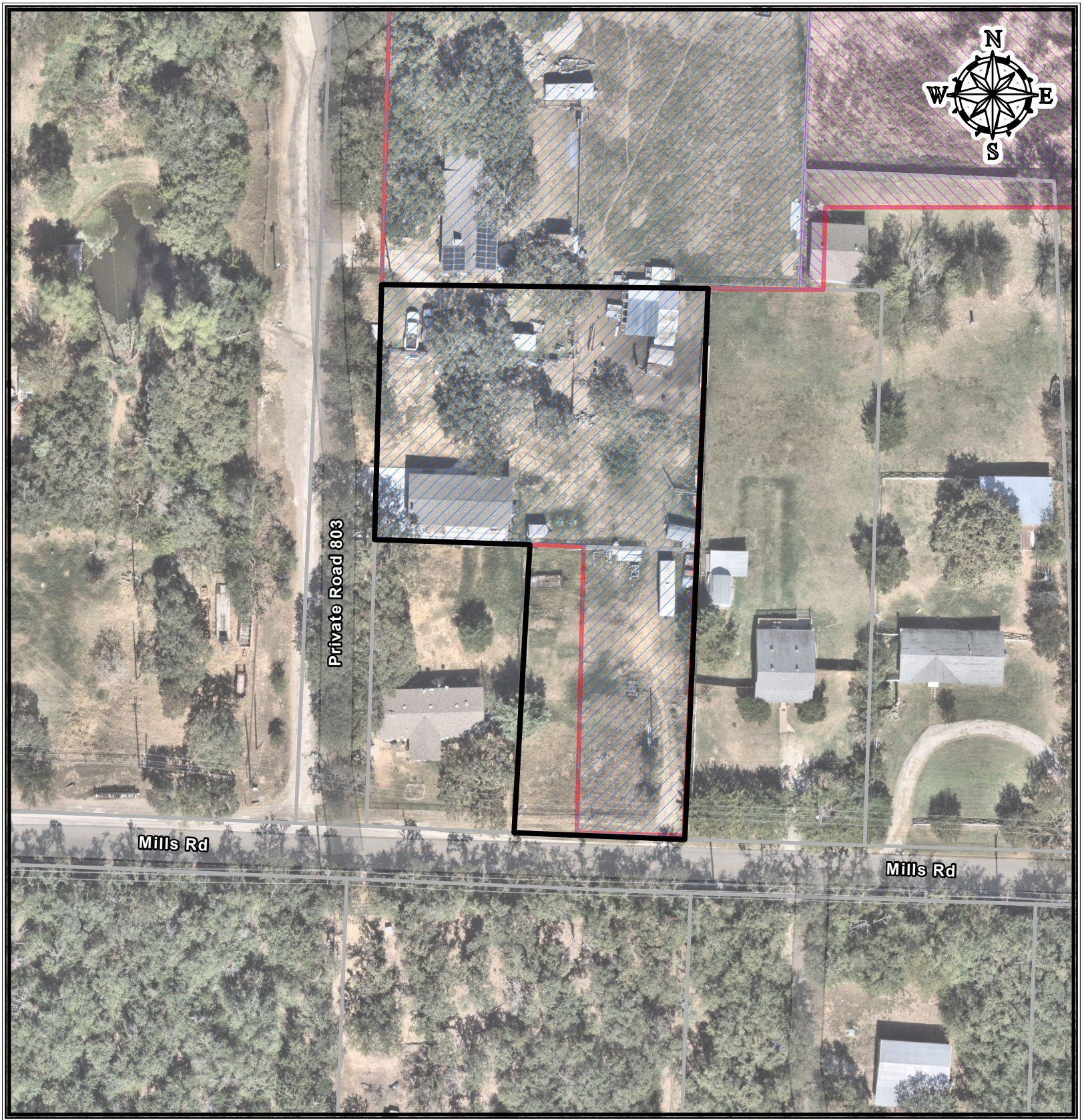
EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Future Land Use Map
Exhibit 4 - Current Zoning Map
Exhibit 5 - Signed Non-Annexation Agreement
Exhibit 6 - Presentation

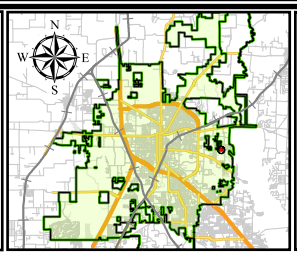
Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Ashley Ekstedt, AICP
Associate Planner

A25-0003
Aerial Site Location



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40

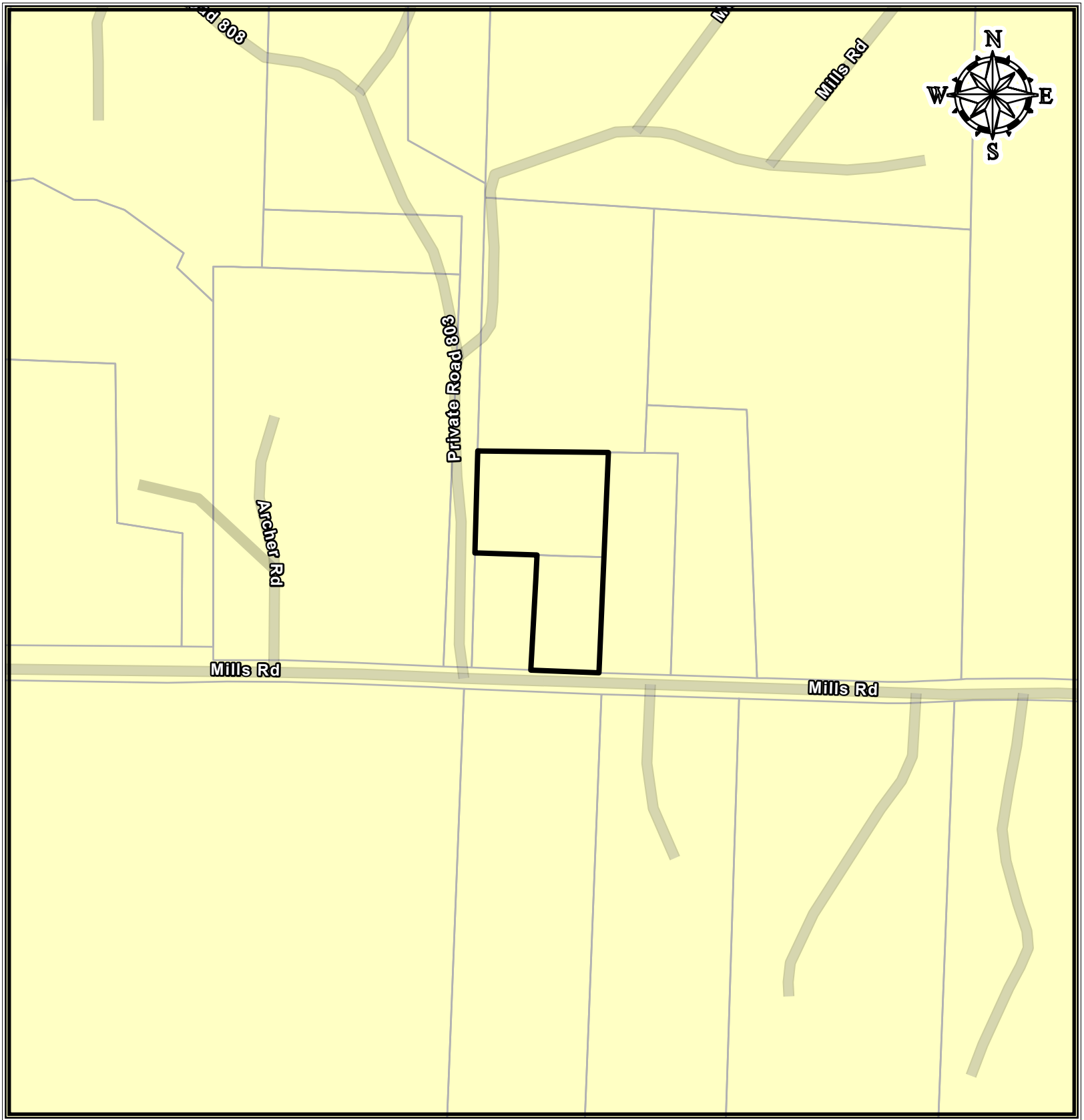


0 20 40 80 Feet

CITY OF DENTON
Development Services · GIS
Date: 12/30/2025

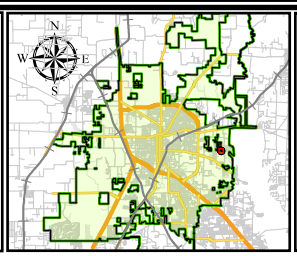
"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure 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."

A25-0003
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: 12/30/2025

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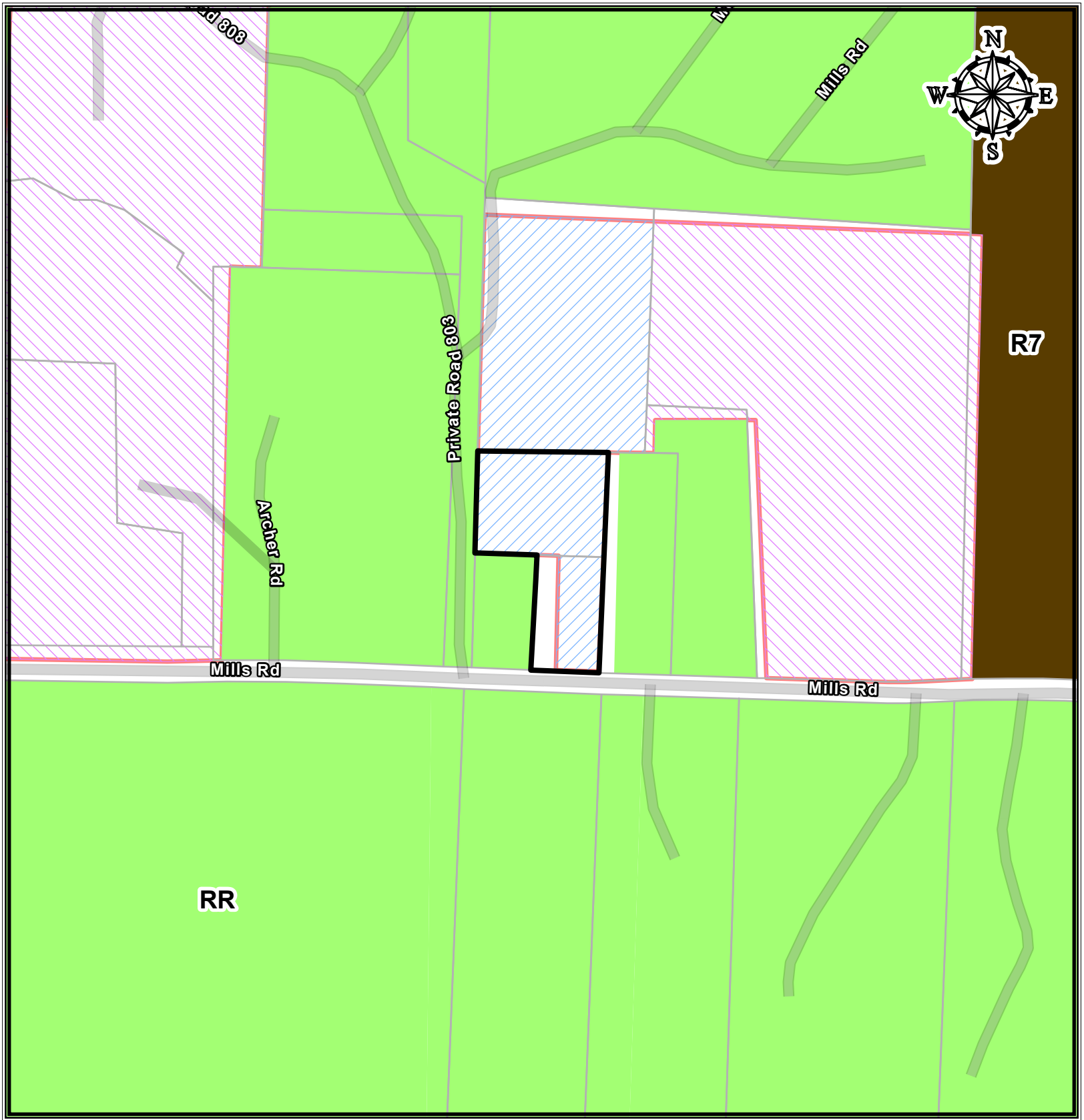
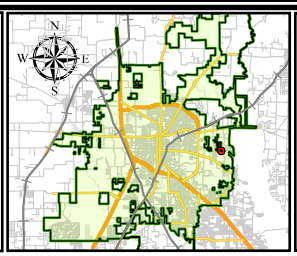
A25-0003
Current Zoning Map



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 55 110 220 Feet

CITY OF DENTON
Development Services · GIS
Date: 12/30/2025

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CHAPTERS 43 AND 212 TEXAS LOCAL GOVERNMENT CODE
2024 NON-ANNEXATION AGREEMENT

This AGREEMENT, entered into on the Effective Date, is by and between the CITY OF DENTON, TEXAS (the "City") and LOPEZ, VICTOR ("Owners"), the property owners of the hereinafter described property (the "Property") in Denton County, Texas:

Being a 2.0 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated September 20, 1973, from H.L. Harris to Jimmie D. Brown and wife, Reba E. Brown, filed for record on September 20, 1973, and recorded in Volume 686, Page 82, of the Real Property Records of Denton County, Texas, SAVE and EXCEPT the following three (3) tracts of land: A 0.344 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated February 21, 1985, from Jimmie D. Brown and wife, Reba E. Brown, to Jimmie D. Brown, Jr. and wife, Brenda Danielle Brown, filed for record on March 5, 1985, and recorded in Volume 1534, Page 805, of the Real Property Records of Denton County, Texas. Said 0.344 acre tract of land is commonly known as DCAD Property ID 161515. A 0.344 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated May 9, 1986, from Jimmie D. Brown and wife, Reba E. Brown, to Jeffery G. Brown, filed for record on May 12, 1986, and recorded in Volume 1882, Page 499, of the Real Property Records of Denton County, Texas. Said 0.344 acre tract of land is commonly known as DCAD Property ID 121712. A called 0.688 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated May 9, 1986, from Jimmie D. Brown and wife, Reba E. Brown, to John C. Brown and wife, Shelia M. Brown, filed for record on May 12, 1986, and recorded in Volume 1882, Page 503, of the Real Property Records of Denton County, Texas. Said 0.688 acre tract of land is commonly known as DCAD Property ID 131805. Leaving a called 0.69 acre tract of land that is commonly known as DCAD Property ID 37221.

Being a 2.0 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated September 20, 1973, from H.L. Harris to Jimmie D. Brown and wife, Reba E. Brown, filed for record on September 20, 1973, and recorded in Volume 686, Page 82, of the Real Property Records of Denton County, Texas, SAVE and EXCEPT the following three (3) tracts of land:

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Leaving a called 0.69 acre tract of land that is commonly known as DCAD Property ID 37221.

Being a 0.344 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated January 27, 1998, from John C. Brown and wife, Shelia M. Brown, to Jeffery G. Brown and wife, Gina C. Brown, filed for record on March 23, 1998, and recorded in Volume 4055, Page 284, of the Real Property Records of Denton County, Texas. Said 0.344 acre tract of land is commonly known as DCAD Property ID 121712.

RECITALS

WHEREAS, this Agreement is entered into pursuant to Sections 43.016 and 212.172 of the Tex. Loc. Gov't Code, in order to address the desires of Owner and the procedures of the City; and

WHEREAS, pursuant to Ch. 43 of the Tex. Loc. Gov't Code, the City had previously given notice of its intent to institute annexation proceedings in 2010, 2015, and again in 2016 for an "Annexation Area" that includes the above-described Property which was and is subject to the provisions of Sec. 43.016 of Tex. Loc. Gov't Code; and

WHEREAS, in accordance with State law, the City offered, and Owners accepted, a non-annexation development agreement ("NAA"), as then contemplated by former Section 43.035 (as previously codified) and current Section 212.172 of Tex. Loc. Gov't Code, in lieu of the City's annexation in 2010, as well as extensions of said NAA in lieu of the City's annexation in 2015 and 2016 (collectively, "Extended NAAs"), of the Property in the Annexation Area not otherwise excluded by operation of State law; and

WHEREAS, Sec. 43.016 of the Tex. Loc. Gov't Code authorizes a property owner and a municipality to enter into an agreement pursuant to Sec. 212.172 of the Tex. Loc. Gov't Code for purposes of retaining land in the municipality's extraterritorial jurisdiction (ETJ) in exchange for the property owner's covenant not to develop the property and to authorize the municipality to apply regulations and development authority not inconsistent with agricultural use; and

WHEREAS, the Denton County Appraisal District records show that the Property currently is appraised for ad valorem tax purposes as land for agricultural or wildlife management use, or timber land pursuant to Ch. 23 of the Tex. Tax Code, Subchapters C, D, or E; and

WHEREAS, based upon Owners' representations and City's investigation, it appears that the Property still meets the eligibility criteria of Sec. 43.016 of Tex. Loc. Gov't Code, and the Ch. 23 of Tex. Tax Code; and

WHEREAS, the most recent Extended NAA executed by the City and Owners expired on August 1, 2020; and

WHEREAS, the City desires to allow the Property to remain in the City's ETJ for the term of this 2024 non-annexation agreement (hereinafter, the "2024 NAA" or "Agreement"), which amends and extends the term of the NAA and Extended NAA previously executed by the Parties for all purposes, until such time as stated herein; and

WHEREAS, Owners hereby accept this offer and agree to the terms of this 2024 NAA, as set forth herein, and Owners represent that it is their intention not to develop the Property during the term of this Agreement; and

WHEREAS, upon expiration of the 2024 NAA, Owners shall be deemed to have filed a petition for voluntary annexation, pursuant to Subch. C-3 of Ch. 43 of the Tex. Loc. Gov't Code, incorporating the agreed terms and schedule of the Written Agreement for Services, attached hereto as Exhibit "A"; and

WHEREAS, Owners and the City acknowledge that this Agreement between them is binding upon the City and the Owners and their respective successors and assigns for the term of the Agreement; and

WHEREAS, this Agreement is to be recorded in the Real Property Records of Denton County, Texas; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

Section 1. Continuation of ETJ Status. The City guarantees the continuation of the extraterritorial status of the Property and agrees not to annex the Property for the term of this Agreement, as hereinafter defined, and any subsequent renewals as may be agreed upon by the Parties, subject, however, to the provisions of this Agreement.

Section 2. Development Plan. The Owners covenant and agree that use of the Property for the term of this Agreement, as hereinafter defined, and any extensions agreed to by the Parties shall be limited to farm-related and ranch-related uses and customary accessory uses, and single-family detached farm or ranch dwellings, provided that no single-family dwelling may be located or constructed on a lot smaller than five (5) acres unless the lot was created prior to the date of this Agreement. The property owner may apply to the City for division of the land subject to this Agreement into parcels, each of which is at least five (5) acres in size, for the purposes set forth in this section without being in violation of this Agreement. Such uses and activities constitute the

development plan for the Property (the "Development Plan") in satisfaction of Sec. 212.172(b) of the Tex. Loc. Gov't Code.

Section 3. Governing Regulations. The City regulations, including but not limited to the following, shall apply to any development of the Property, as such regulations may hereafter be amended from time to time during the term of this Agreement, as hereinafter defined, provided that the application of such regulations does not result in interference with the use of the land for agricultural, wildlife management or forestry purposes and does not prevent the continuation of a use established prior to the effective date of this Agreement and which remains lawful at the time the Agreement is executed:

(1) Zoning standards contained in the Denton Development Code, as amended pursuant to the Denton Plan 2040, as amended, including but not limited to the Residential Rural (RR) Zoning District regulations, and standards incorporated therein;

(2) The subdivision and development regulations contained within the Denton Development Code, as amended, together with applicable Design Criteria Manuals, Denton Mobility Plan, and other approved Master Plans of the City of Denton, Texas, as amended and the most recent North Central Texas Council of Governments Standard Specifications for Public Works Construction, as amended or replaced;

(3) Denton building codes, as adopted by the City and currently contained within Chapters 17, 28, and 29 of the Denton Code of Ordinances and Subchapter 7 in the Denton Development Code, as amended, along with local amendments, as amended, and more particularly set forth as follows:

a. International Building Code, 2021 Edition with local amendments;
b. International Residential Code, 2021 Edition with Appendix G and local amendments;
c. The International Fire Code, 2021 Edition with local amendments;
d. International Plumbing Code, 2021 Edition with local amendments;
e. International Fuel Gas Code, 2021 Edition with local amendments;
f. International Mechanical Code, 2021 Edition with local amendments
g. Code of Ordinances of Chapter 17, Property Maintenance Code, as amended;
h. International Energy Conservation Code, 2021 Edition with regional amendments;
i. National Electric Code, 2020 Edition with local amendments;
j. National Electric Safety Code, 2021 Edition, with regional amendments;
k. Minimum housing and building standards, Code of Ordinances, Sections 17-141 – 196, as amended and as applicable; and
l. Irrigation Systems, Code of Ordinances, Sections 28-441 – 457;

(4) Sign regulations, as contained within Subchapter 33 of the Code of Ordinances, as amended;

(5) Applicable water and wastewater connection, construction and on-site operation requirements, contained within Chapter 26 of the Denton Code of Ordinances, as

amended, and Subchapters 7 and 8 of the Denton Development Code, as amended, the Denton Water and Wastewater Criteria Manual, as amended, and as supplemented by the Texas Water Code, as amended, Texas Natural Resources Code, as amended, Texas Utilities Code, as amended, and applicable administrative standards of the Texas Commission on Environmental Quality, as amended;

(6) Applicable Flood Protection, Drainage and related standards, as contained within Chapter 30 of the Denton Code, as amended, subchapters 7 and 8 of the Denton Development Code, as amended, the Denton Stormwater Criteria Manual, as amended, and as supplemented by requirements of the Texas Water Code, as amended, Texas Natural Resources Code, as amended, applicable administrative standards of the Texas Commission on Environmental Quality, as amended, and applicable administrative standards of the Federal Emergency Management Administration, as amended; and

(7) Gas Well platting, drilling and production standards, as contained within Subchapters 2 and 6 of the Denton Development Code, as amended and as applicable, and as supplemented by requirements of the Texas Utilities Code, the Texas Natural Resources Code, the Texas Water Code, and applicable administrative standards of the Texas Railroad Commission and Texas Commission on Environmental Quality, as amended; and

(8) The City states and specifically reserves its authority pursuant to Chapter 251 of the Tex. Loc. Gov't Code to exercise eminent domain on the Property.

Section 4. Development Plan to Remain in Effect. Following expiration or termination of this Agreement for any reason, the Development Plan set forth in Section 2 shall remain in effect for a period of 180 calendar days thereafter, or until the effective date of the annexation and permanent zoning of the Property, whichever first occurs. The Parties covenant and agree that the City may deny any development application or plan of development that is submitted to the City for the Property during such period if such application or plan is inconsistent with the Development Plan. The Owners expressly waive any vested rights that might arise under Sec. 43.002(a)(2) and Chapter 245 of the Tex. Loc. Gov't Code, local or state law, or by common law, from the submittal of such inconsistent development application. The Owners further agree that no use commenced or completed on the Property that is inconsistent with the Development Plan shall be considered established or in existence prior to the expiration of the 180-day period during which the Development Plan is in effect.

Section 5. Agreement Deemed Void in Part; Petition for Voluntary Annexation; Service Plan.

(A) If an Owner files any application or plan of development for or otherwise commences development of any portion of the Property inconsistent with the Development Plan provided in Section 2, then Sections 1 and 3 of this Agreement shall become null and void and remedy provisions of Section 5(B) of this Agreement will apply.

(B) UPON EXPIRATION, OR UPON BREACH OR TERMINATION OF THIS AGREEMENT FOR ANY REASON, OR AT ANY POINT THEREAFTER, THEN IN

ADDITION TO THE CITY'S OTHER REMEDIES, SUCH ACT WILL CONSTITUTE A PETITION FOR VOLUNTARY ANNEXATION BY THE OWNER, PURSUANT TO SUBCH. C-3 OF CH. 43 OF THE TEX. LOC. GOV'T CODE AND THE PROPERTY WILL BE SUBJECT TO ANNEXATION AT THE DISCRETION OF THE CITY COUNCIL. OWNER AGREES THAT SUCH ANNEXATION IS VOLUNTARILY MADE AND HEREBY CONSENTS TO ANNEXATION PURSUANT TO SEC. 212.172(B)(7) OF THE TEX. LOC. GOV'T. CODE. OWNER HEREBY AGREES TO THE CITY'S LIST AND SCHEDULE OF MUNICIPAL SERVICES SET FORTH IN EXHIBIT "A" BY SIGNING THIS AGREEMENT AND OWNER AGREES THAT THE 2024 NAA SERVES AS THE WRITTEN AGREEMENT REGARDING SERVICES, PURSUANT TO SEC. 43.0672 OF THE TEX. LOC. GOV'T CODE. IN THE EVENT THAT THE WRITTEN AGREEMENT REGARDING SERVICES ARE NO LONGER REQUIRED BY CH. 43 ON THE DATE OF ANNEXATION, THEN THE MUNICIPAL SERVICES TO BE PROVIDED TO THE PROPERTY WILL BE IN ACCORDANCE WITH EXISTING CITY POLICY ON THE DATE OF ANNEXATION, AND AS AMENDED THEREAFTER. No subsequent change in the law regarding annexation shall affect the enforceability of this written Agreement or of the City's ability to annex the Property, pursuant to the terms of this Agreement. This section shall survive any termination of this Agreement.

Section 6. Notice of Sale or Exemption Status Change. Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give 30 days' written notice of this Agreement to the prospective purchaser or grantee. A copy of the notice shall be provided to the City 30 days prior to such sale or conveyance, and notice of the change in the exemption status of the Property shall be provided to the City within 14 days of any change at the following address:

City of Denton, Texas
ATTN: City Manager
215 E. McKinney St.
Denton, TX 76201

Section 7. Recording. This Agreement is to run with the Property and be recorded in the real property records, Denton County, Texas.

Section 8. Severability. Invalidation of any provision of this Agreement by judgment, court order, legislation, or otherwise shall not invalidate any of the remaining provisions which shall remain in full force and effect.

Section 9. Remedies. This Agreement may be enforced by either Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. Entry into this Agreement by Owner waives no rights as to matters not addressed in this Agreement.

Section 10. Change in Law. No subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

Section 11. Venue. Venue for this Agreement shall be in Denton County, Texas.

Section 12. Execution in Multiple Copies. This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and same instrument.

Section 13. Effective Date; Term and Extension. The Effective Date of the Agreement shall be the date the Agreement is executed by the City. This Agreement shall terminate on August 1, 2040 ("Term"). The Term may be extended upon mutual agreement of the Parties. Owners and the City agree that this Agreement is binding upon both the City and Owners, and Owners' heirs, successors, and assigns for the term of the Agreement. Owners, and all of Owner's heirs, successors, and assigns shall be deemed to have filed a petition for voluntary annexation before the end of the Term for annexation of the Property to be completed on or after the end of the Term. Prior to the end of the Term, the City may commence the voluntary annexation of the Property. Owner agrees that such annexation shall be voluntary and consents to the annexation pursuant to Sec. 212.172(b)(7) of Tex. Loc. Gov't Code and Ch. 43, Subch. C-3 of the Tex. Loc. Gov't Code.

Section 14. Survival of Covenants. The covenants in Sections 2, 4, and 5 shall survive termination of this Agreement, together with any other provisions, as may be necessary for the implementation of those sections.

Section 15. **OWNERS REPRESENT AND ACKNOWLEDGE THAT EACH AND EVERY OWNER OF THE PROPERTY HAS SIGNED THIS AGREEMENT, AND OWNERS COVENANT AND AGREE, JOINTLY AND SEVERALLY, TO INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY AGAINST ANY AND ALL LEGAL CLAIMS, BY ANY PERSON CLAIMING AN OWNERSHIP INTEREST IN THE PROPERTY WHO HAS NOT SIGNED THE AGREEMENT, ARISING IN ANY WAY FROM THE CITY'S RELIANCE ON THIS AGREEMENT.**

Entered into this 10 day of March, 2026.

OWNERS

Victor López

THE STATE OF TEXAS } Victor Lopez

COUNTY OF DENTON }

This instrument was acknowledged before me on the 16 day of March, 2026, by Paola Soto.

PAOLA SOTO
Notary ID #132577816
My Commission Expires
August 20, 2028

Notary Public, State of Texas

THE STATE OF TEXAS } Victor Lopez

COUNTY OF DENTON }

This instrument was acknowledged before me on the 16 day of March, 2026 by Paola Soto.

PAOLA SOTO
Notary ID #132577816
My Commission Expires
August 20, 2028

Notary Public, State of Texas

THE STATE OF TEXAS } Victor Lopez

COUNTY OF DENTON }

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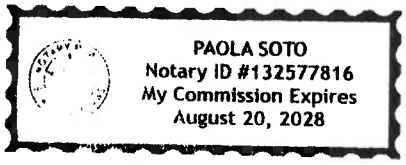


Notary Public, State of Texas

THE STATE OF TEXAS } Victor Lopez

COUNTY OF DENTON }

This instrument was acknowledged before me on the 16 day of _____, 20__, by _____, City Manager/Deputy City Manager/Assistant City Manager, on behalf of the City of Denton, Texas.

Notary Public, State of Texas

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

After recording return to:
City of Denton
Attn.: City Secretary
215 E. McKinney St.
Denton, TX 76201

A25-0003c
Mills Road Annexation
Second Reading

Ashley Ekstedt, AICP

Associate Planner

March 24, 2026

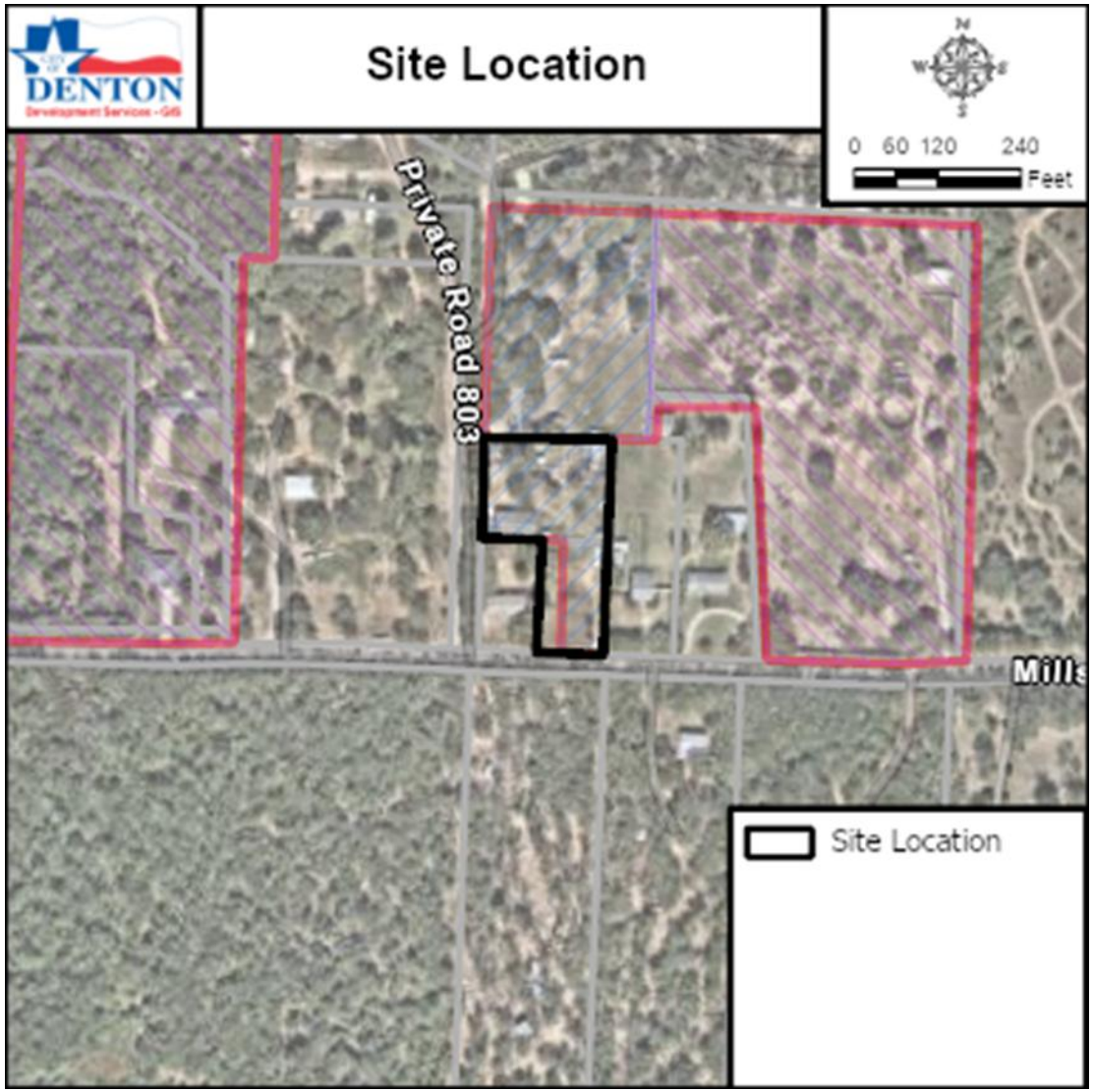
CITY OF DENTON

Request

- Conduct the **second** of two readings **and act on** an ordinance of the City of Denton to annex approximately 1.03 acres of land

- Since the first reading, the Owner has signed the NAA.

- **Staff recommends denial of this annexation.**



Ordinance Caption

AN ORDINANCE OF THE CITY OF DENTON, TEXAS ANNEXING APPROXIMATELY 1.03 ACRES OF LAND, GENERALLY LOCATED ON THE NORTH SIDE OF MILLS ROAD, APPROXIMATELY 1,453 FEET WEST OF SOUTH TRINITY 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.

Recommendation

Staff recommends **denial** of the annexation as the Owner has signed the new NAA. The NAA will be on the April 7, 2026 agenda for Council approval.

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

DCM: Cassey Ogden

DATE: March 24, 2026

SUBJECT

Conduct the second of two readings and consider adoption of an ordinance of the City of Denton, Texas, annexing approximately 2.00 acres of land, approximately located 300.77 feet north of Mills Road, approximately 1,453 feet west of South Trinity Road to 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. (A25-0005c, 5811 Mills Rd Annexation, Angie Manglaris)

BACKGROUND

The owners, Victor and Leticia Lopez, (hereafter referred to as "Owner"), had a non-annexation agreement (ordinance 2012-263), 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 December 11, 2025, 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 2.00 acres approximately located 300.77 feet north of Mills Road and approximately 1,453 feet west of South Trinity Road (hereafter referred to as "Subject 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, 18 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 18 expired agreements to extend the NAAs and pursue annexation for any remaining expired NAAs. Initial letters offering NAA extensions were mailed in May 2024 with follow-up letters in June prior to the initial response deadline of June 21, 2024. Additional letters were mailed in September 2024, and a final letter was sent to the property owner on December 11, 2025. Currently, 7 of the 18 property owners with expired NAAs have entered into new agreements with the City.

After the first reading of the annexation ordinance at City Council on February 17, 2026, staff sent a certified letter to the property owner as the final notice of the opportunity to sign the new NAA.

Upon receipt of final notice, the Owner contacted staff and signed the new NAA (Exhibit 5). **Therefore, staff is recommending denial of the annexation ordinance.** At the April 7, 2026 City Council meeting, staff will bring forward an ordinance agreeing to the extension of the NAA for the Property until August 1, 2040.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

December 18, 2012	City Council	Non-Annexation Agreement	Approved
February 17, 2026	City Council	Municipal Services Agreement Ordinance	Approved
February 17, 2026	City Council	Public Hearing	Public hearing held; no further action occurred
February 17, 2026	City Council	First Reading of the Annexation Ordinance	First Reading held; no further action occurred

OPTIONS

1. Approve
2. Deny
3. Postpone Item

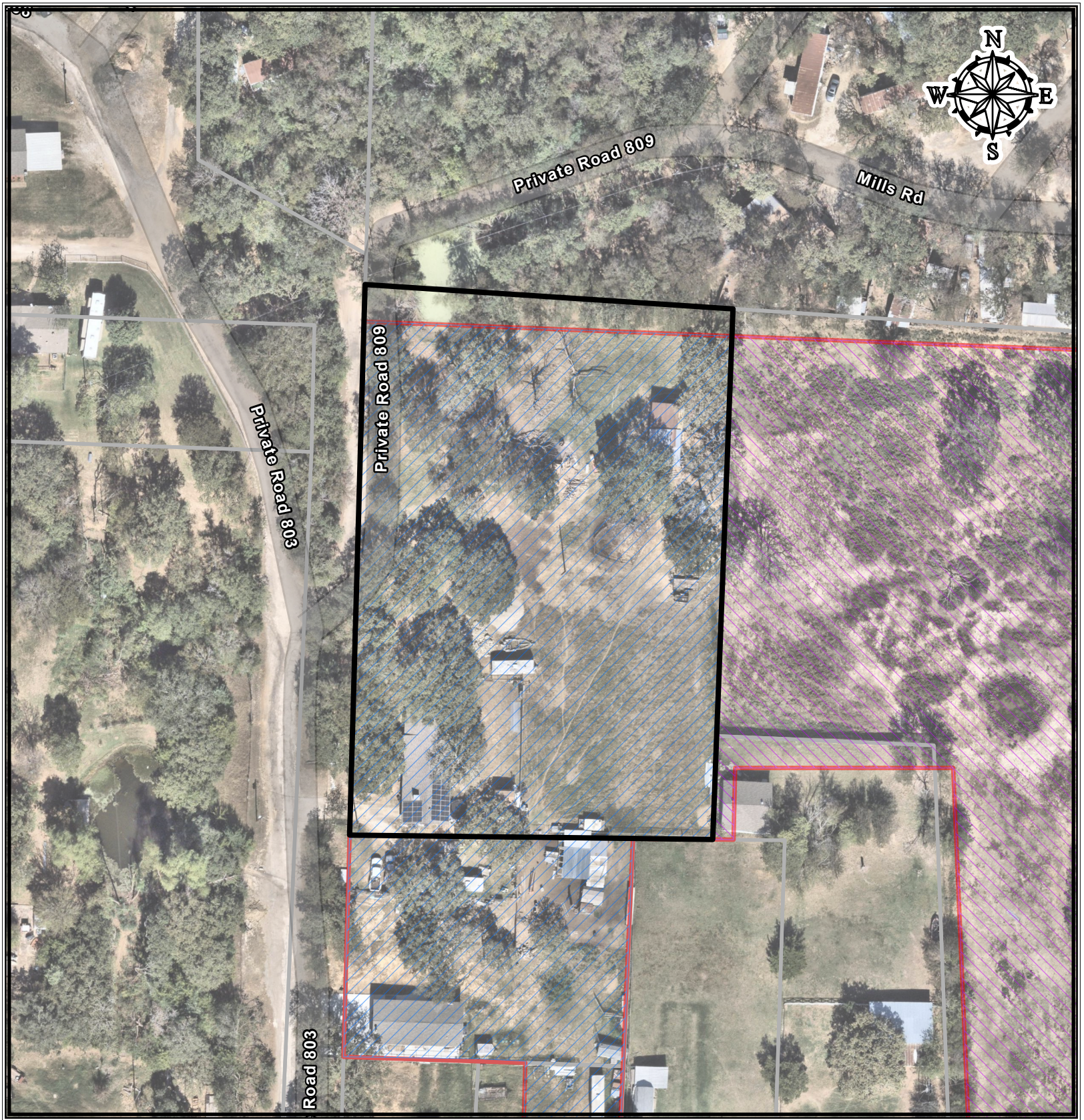
EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Site Location Map
Exhibit 3 - Future Land Use Map
Exhibit 4 - Current Zoning Map
Exhibit 5 - Signed Non-Annexation Agreement
Exhibit 6 - Presentation

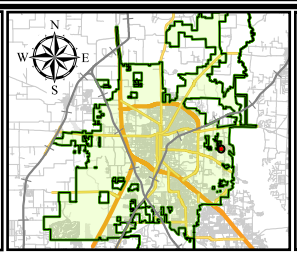
Respectfully submitted:
Hayley Zagurski, AICP
Planning Director

Prepared by:
Angie Manglaris, AICP
Assistant Planning Director

A25-0005
Aerial Site Location



COD
ETJ
ETJ 2
NAA 8/1/20
NAA 8/1/40

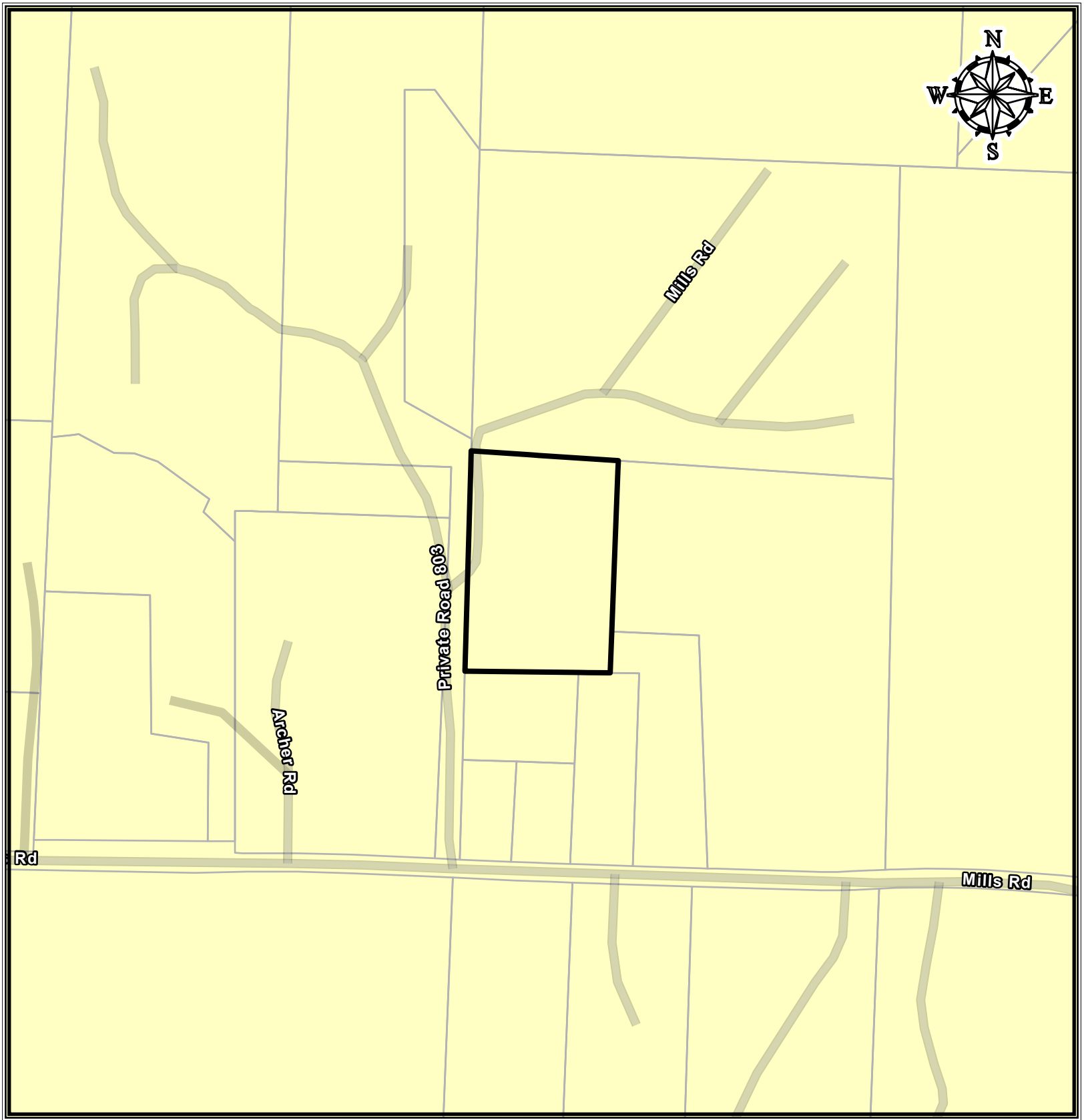


0 25 50 100 Feet

CITY OF DENTON
Development Services · GIS
Date: 12/30/2025

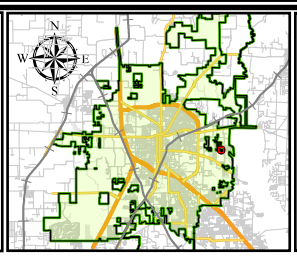
"This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. Although every effort was made to ensure 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."

A25-0005
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



0 62.5 125 250 Feet

CITY OF DENTON
Development Services · GIS
Date: 12/30/2025

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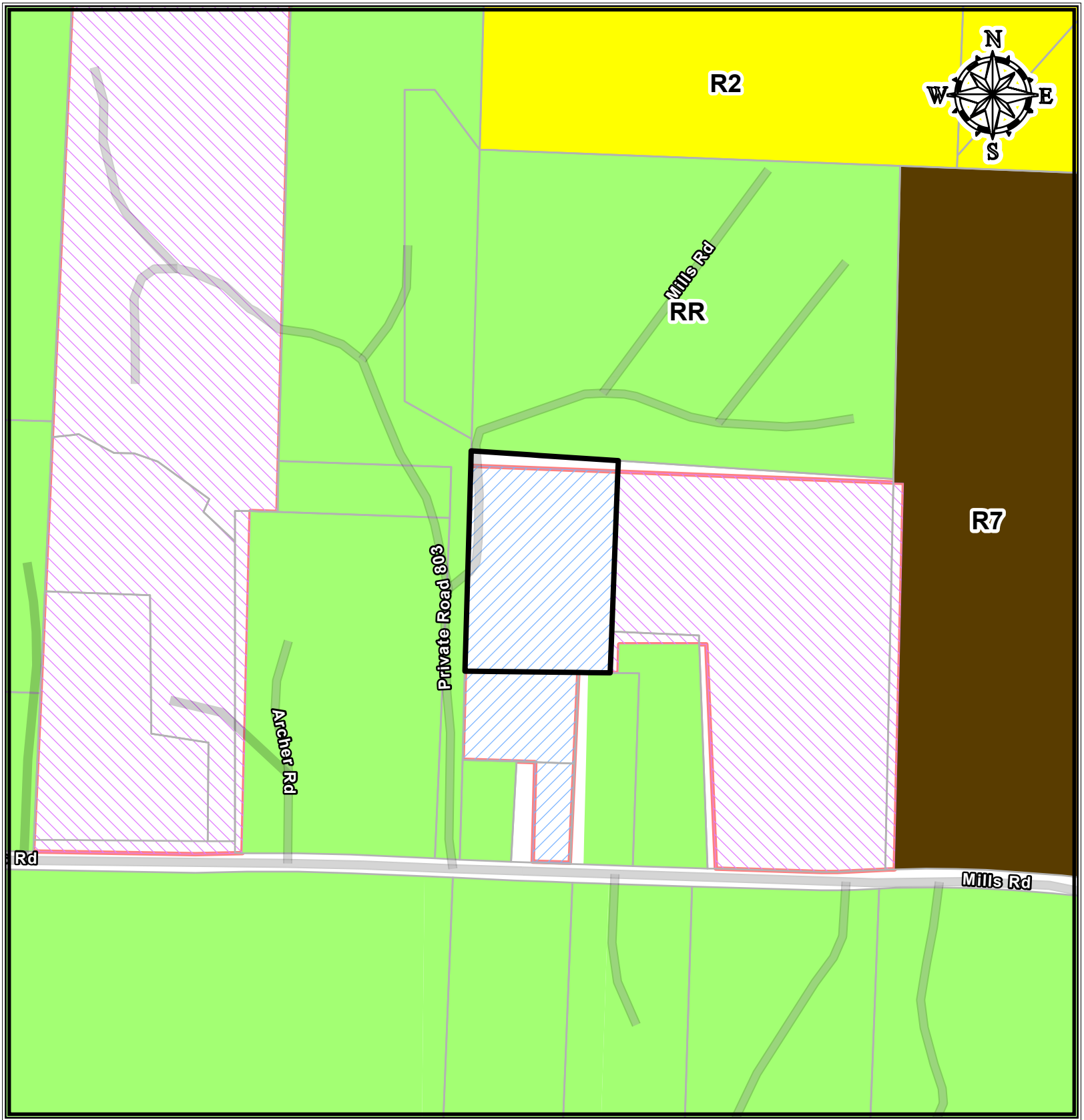
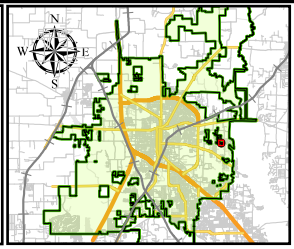
A25-0005
Current Zoning Map



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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CHAPTERS 43 AND 212 TEXAS LOCAL GOVERNMENT CODE
2026 NON-ANNEXATION AGREEMENT

This AGREEMENT, entered into on the Effective Date, is by and between the CITY OF DENTON, TEXAS (the "City") and LOPEZ, VICTOR ("Owners"), the property owners of the hereinafter described property (the "Property") in Denton County, Texas:

Being a 2.0 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated September 20, 1973, from H.L. Harris to Jimmie D. Brown and wife, Reba E. Brown, filed for record on September 20, 1973, and recorded in Volume 686, Page 82, of the Real Property Records of Denton County, Texas, SAVE and EXCEPT the following three (3) tracts of land: A 0.344 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated February 21, 1985, from Jimmie D. Brown and wife, Reba E. Brown, to Jimmie D. Brown, Jr. and wife, Brenda Danielle Brown, filed for record on March 5, 1985, and recorded in Volume 1534, Page 805, of the Real Property Records of Denton County, Texas. Said 0.344 acre tract of land is commonly known as DCAD Property ID 161515. A 0.344 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated May 9, 1986, from Jimmie D. Brown and wife, Reba E. Brown, to Jeffery G. Brown, filed for record on May 12, 1986, and recorded in Volume 1882, Page 499, of the Real Property Records of Denton County, Texas. Said 0.344 acre tract of land is commonly known as DCAD Property ID 121712. A called 0.688 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated May 9, 1986, from Jimmie D. Brown and wife, Reba E. Brown, to John C. Brown and wife, Shelia M. Brown, filed for record on May 12, 1986, and recorded in Volume 1882, Page 503, of the Real Property Records of Denton County, Texas. Said 0.688 acre tract of land is commonly known as DCAD Property ID 131805. Leaving a called 0.69 acre tract of land that is commonly known as DCAD Property ID 37221.

Being a 2.0 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated September 20, 1973, from H.L. Harris to Jimmie D. Brown and wife, Reba E. Brown, filed for record on September 20, 1973, and recorded in Volume 686, Page 82, of the Real Property Records of Denton County, Texas, SAVE and EXCEPT the following three (3) tracts of land:

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Leaving a called 0.69 acre tract of land that is commonly known as DCAD Property ID 37221.

Being a 0.344 acre tract of land, more or less, situated in the Moreau Forrest Survey, Abstract No. 417, Denton County, Texas, and being more fully described in that Warranty Deed dated January 27, 1998, from John C. Brown and wife, Shelia M. Brown, to Jeffery G. Brown and wife, Gina C. Brown, filed for record on March 23, 1998, and recorded in Volume 4055, Page 284, of the Real Property Records of Denton County, Texas. Said 0.344 acre tract of land is commonly known as DCAD Property ID 121712.

RECITALS

WHEREAS, this Agreement is entered into pursuant to Sections 43.016 and 212.172 of the Tex. Loc. Gov't Code, in order to address the desires of Owner and the procedures of the City; and

WHEREAS, pursuant to Ch. 43 of the Tex. Loc. Gov't Code, the City had previously given notice of its intent to institute annexation proceedings in 2010, 2015, and again in 2016 for an "Annexation Area" that includes the above-described Property which was and is subject to the provisions of Sec. 43.016 of Tex. Loc. Gov't Code; and

WHEREAS, in accordance with State law, the City offered, and Owners accepted, a non-annexation development agreement ("NAA"), as then contemplated by former Section 43.035 (as previously codified) and current Section 212.172 of Tex. Loc. Gov't Code, in lieu of the City's annexation in 2010, as well as extensions of said NAA in lieu of the City's annexation in 2015 and 2016 (collectively, "Extended NAAs"), of the Property in the Annexation Area not otherwise excluded by operation of State law; and

WHEREAS, Sec. 43.016 of the Tex. Loc. Gov't Code authorizes a property owner and a municipality to enter into an agreement pursuant to Sec. 212.172 of the Tex. Loc. Gov't Code for purposes of retaining land in the municipality's extraterritorial jurisdiction (ETJ) in exchange for the property owner's covenant not to develop the property and to authorize the municipality to apply regulations and development authority not inconsistent with agricultural use; and

WHEREAS, the Denton County Appraisal District records show that the Property currently is appraised for ad valorem tax purposes as land for agricultural or wildlife management use, or timber land pursuant to Ch. 23 of the Tex. Tax Code, Subchapters C, D, or E; and

WHEREAS, based upon Owners' representations and City's investigation, it appears that the Property still meets the eligibility criteria of Sec. 43.016 of Tex. Loc. Gov't Code, and the Ch. 23 of Tex. Tax Code; and

WHEREAS, the most recent Extended NAA executed by the City and Owners expired on August 1, 2020; and

WHEREAS, the City desires to allow the Property to remain in the City's ETJ for the term of this 2024 non-annexation agreement (hereinafter, the "2024 NAA" or "Agreement"), which amends and extends the term of the NAA and Extended NAA previously executed by the Parties for all purposes, until such time as stated herein; and

WHEREAS, Owners hereby accept this offer and agree to the terms of this 2024 NAA, as set forth herein, and Owners represent that it is their intention not to develop the Property during the term of this Agreement; and

WHEREAS, upon expiration of the 2024 NAA, Owners shall be deemed to have filed a petition for voluntary annexation, pursuant to Subch. C-3 of Ch. 43 of the Tex. Loc. Gov't Code, incorporating the agreed terms and schedule of the Written Agreement for Services, attached hereto as Exhibit "A"; and

WHEREAS, Owners and the City acknowledge that this Agreement between them is binding upon the City and the Owners and their respective successors and assigns for the term of the Agreement; and

WHEREAS, this Agreement is to be recorded in the Real Property Records of Denton County, Texas; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the Parties hereto agree as follows:

Section 1. Continuation of ETJ Status. The City guarantees the continuation of the extraterritorial status of the Property and agrees not to annex the Property for the term of this Agreement, as hereinafter defined, and any subsequent renewals as may be agreed upon by the Parties, subject, however, to the provisions of this Agreement.

Section 2. Development Plan. The Owners covenant and agree that use of the Property for the term of this Agreement, as hereinafter defined, and any extensions agreed to by the Parties shall be limited to farm-related and ranch-related uses and customary accessory uses, and single-family detached farm or ranch dwellings, provided that no single-family dwelling may be located or constructed on a lot smaller than five (5) acres unless the lot was created prior to the date of this Agreement. The property owner may apply to the City for division of the land subject to this Agreement into parcels, each of which is at least five (5) acres in size, for the purposes set forth in this section without being in violation of this Agreement. Such uses and activities constitute the

development plan for the Property (the "Development Plan") in satisfaction of Sec. 212.172(b) of the Tex. Loc. Gov't Code.

Section 3. Governing Regulations. The City regulations, including but not limited to the following, shall apply to any development of the Property, as such regulations may hereafter be amended from time to time during the term of this Agreement, as hereinafter defined, provided that the application of such regulations does not result in interference with the use of the land for agricultural, wildlife management or forestry purposes and does not prevent the continuation of a use established prior to the effective date of this Agreement and which remains lawful at the time the Agreement is executed:

(1) Zoning standards contained in the Denton Development Code, as amended pursuant to the Denton Plan 2040, as amended, including but not limited to the Residential Rural (RR) Zoning District regulations, and standards incorporated therein;

(2) The subdivision and development regulations contained within the Denton Development Code, as amended, together with applicable Design Criteria Manuals, Denton Mobility Plan, and other approved Master Plans of the City of Denton, Texas, as amended and the most recent North Central Texas Council of Governments Standard Specifications for Public Works Construction, as amended or replaced;

(3) Denton building codes, as adopted by the City and currently contained within Chapters 17, 28, and 29 of the Denton Code of Ordinances and Subchapter 7 in the Denton Development Code, as amended, along with local amendments, as amended, and more particularly set forth as follows:

a. International Building Code, 2021 Edition with local amendments;
b. International Residential Code, 2021 Edition with Appendix G and local amendments;
c. The International Fire Code, 2021 Edition with local amendments;
d. International Plumbing Code, 2021 Edition with local amendments;
e. International Fuel Gas Code, 2021 Edition with local amendments;
f. International Mechanical Code, 2021 Edition with local amendments
g. Code of Ordinances of Chapter 17, Property Maintenance Code, as amended;
h. International Energy Conservation Code, 2021 Edition with regional amendments;
i. National Electric Code, 2020 Edition with local amendments;
j. National Electric Safety Code, 2021 Edition, with regional amendments;
k. Minimum housing and building standards, Code of Ordinances, Sections 17-141 – 196, as amended and as applicable; and
l. Irrigation Systems, Code of Ordinances, Sections 28-441 – 457;

(4) Sign regulations, as contained within Subchapter 33 of the Code of Ordinances, as amended;

(5) Applicable water and wastewater connection, construction and on-site operation requirements, contained within Chapter 26 of the Denton Code of Ordinances, as

amended, and Subchapters 7 and 8 of the Denton Development Code, as amended, the Denton Water and Wastewater Criteria Manual, as amended, and as supplemented by the Texas Water Code, as amended, Texas Natural Resources Code, as amended, Texas Utilities Code, as amended, and applicable administrative standards of the Texas Commission on Environmental Quality, as amended;

(6) Applicable Flood Protection, Drainage and related standards, as contained within Chapter 30 of the Denton Code, as amended, subchapters 7 and 8 of the Denton Development Code, as amended, the Denton Stormwater Criteria Manual, as amended, and as supplemented by requirements of the Texas Water Code, as amended, Texas Natural Resources Code, as amended, applicable administrative standards of the Texas Commission on Environmental Quality, as amended, and applicable administrative standards of the Federal Emergency Management Administration, as amended; and

(7) Gas Well platting, drilling and production standards, as contained within Subchapters 2 and 6 of the Denton Development Code, as amended and as applicable, and as supplemented by requirements of the Texas Utilities Code, the Texas Natural Resources Code, the Texas Water Code, and applicable administrative standards of the Texas Railroad Commission and Texas Commission on Environmental Quality, as amended; and

(8) The City states and specifically reserves its authority pursuant to Chapter 251 of the Tex. Loc. Gov't Code to exercise eminent domain on the Property.

Section 4. Development Plan to Remain in Effect. Following expiration or termination of this Agreement for any reason, the Development Plan set forth in Section 2 shall remain in effect for a period of 180 calendar days thereafter, or until the effective date of the annexation and permanent zoning of the Property, whichever first occurs. The Parties covenant and agree that the City may deny any development application or plan of development that is submitted to the City for the Property during such period if such application or plan is inconsistent with the Development Plan. The Owners expressly waive any vested rights that might arise under Sec. 43.002(a)(2) and Chapter 245 of the Tex. Loc. Gov't Code, local or state law, or by common law, from the submittal of such inconsistent development application. The Owners further agree that no use commenced or completed on the Property that is inconsistent with the Development Plan shall be considered established or in existence prior to the expiration of the 180-day period during which the Development Plan is in effect.

Section 5. Agreement Deemed Void in Part; Petition for Voluntary Annexation; Service Plan.

(A) If an Owner files any application or plan of development for or otherwise commences development of any portion of the Property inconsistent with the Development Plan provided in Section 2, then Sections 1 and 3 of this Agreement shall become null and void and remedy provisions of Section 5(B) of this Agreement will apply.

(B) UPON EXPIRATION, OR UPON BREACH OR TERMINATION OF THIS AGREEMENT FOR ANY REASON, OR AT ANY POINT THEREAFTER, THEN IN

ADDITION TO THE CITY'S OTHER REMEDIES, SUCH ACT WILL CONSTITUTE A PETITION FOR VOLUNTARY ANNEXATION BY THE OWNER, PURSUANT TO SUBCH. C-3 OF CH. 43 OF THE TEX. LOC. GOV'T CODE AND THE PROPERTY WILL BE SUBJECT TO ANNEXATION AT THE DISCRETION OF THE CITY COUNCIL. OWNER AGREES THAT SUCH ANNEXATION IS VOLUNTARILY MADE AND HEREBY CONSENTS TO ANNEXATION PURSUANT TO SEC. 212.172(B)(7) OF THE TEX. LOC. GOV'T. CODE. OWNER HEREBY AGREES TO THE CITY'S LIST AND SCHEDULE OF MUNICIPAL SERVICES SET FORTH IN EXHIBIT "A" BY SIGNING THIS AGREEMENT AND OWNER AGREES THAT THE 2024 NAA SERVES AS THE WRITTEN AGREEMENT REGARDING SERVICES, PURSUANT TO SEC. 43.0672 OF THE TEX. LOC. GOV'T CODE. IN THE EVENT THAT THE WRITTEN AGREEMENT REGARDING SERVICES ARE NO LONGER REQUIRED BY CH. 43 ON THE DATE OF ANNEXATION, THEN THE MUNICIPAL SERVICES TO BE PROVIDED TO THE PROPERTY WILL BE IN ACCORDANCE WITH EXISTING CITY POLICY ON THE DATE OF ANNEXATION, AND AS AMENDED THEREAFTER. No subsequent change in the law regarding annexation shall affect the enforceability of this written Agreement or of the City's ability to annex the Property, pursuant to the terms of this Agreement. This section shall survive any termination of this Agreement.

Section 6. Notice of Sale or Exemption Status Change. Any person who sells or conveys any portion of the Property shall, prior to such sale or conveyance, give 30 days' written notice of this Agreement to the prospective purchaser or grantee. A copy of the notice shall be provided to the City 30 days prior to such sale or conveyance, and notice of the change in the exemption status of the Property shall be provided to the City within 14 days of any change at the following address:

City of Denton, Texas
ATTN: City Manager
215 E. McKinney St.
Denton, TX 76201

Section 7. Recording. This Agreement is to run with the Property and be recorded in the real property records, Denton County, Texas.

Section 8. Severability. Invalidation of any provision of this Agreement by judgment, court order, legislation, or otherwise shall not invalidate any of the remaining provisions which shall remain in full force and effect.

Section 9. Remedies. This Agreement may be enforced by either Owner or the City by any proceeding at law or in equity. Failure to do so shall not be deemed a waiver to enforce the provisions of this Agreement thereafter. Entry into this Agreement by Owner waives no rights as to matters not addressed in this Agreement.

Section 10. Change in Law. No subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City's ability to annex the properties covered herein pursuant to the terms of this Agreement.

Section 11. Venue. Venue for this Agreement shall be in Denton County, Texas.

Section 12. Execution in Multiple Copies. This Agreement may be separately executed in individual counterparts and, upon execution, shall constitute one and same instrument.

Section 13. Effective Date; Term and Extension. The Effective Date of the Agreement shall be the date the Agreement is executed by the City. This Agreement shall terminate on August 1, 2040 ("Term"). The Term may be extended upon mutual agreement of the Parties. Owners and the City agree that this Agreement is binding upon both the City and Owners, and Owners' heirs, successors, and assigns for the term of the Agreement. Owners, and all of Owner's heirs, successors, and assigns shall be deemed to have filed a petition for voluntary annexation before the end of the Term for annexation of the Property to be completed on or after the end of the Term. Prior to the end of the Term, the City may commence the voluntary annexation of the Property. Owner agrees that such annexation shall be voluntary and consents to the annexation pursuant to Sec. 212.172(b)(7) of Tex. Loc. Gov't Code and Ch. 43, Subch. C-3 of the Tex. Loc. Gov't Code.

Section 14. Survival of Covenants. The covenants in Sections 2, 4, and 5 shall survive termination of this Agreement, together with any other provisions, as may be necessary for the implementation of those sections.

Section 15. **OWNERS REPRESENT AND ACKNOWLEDGE THAT EACH AND EVERY OWNER OF THE PROPERTY HAS SIGNED THIS AGREEMENT, AND OWNERS COVENANT AND AGREE, JOINTLY AND SEVERALLY, TO INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY AGAINST ANY AND ALL LEGAL CLAIMS, BY ANY PERSON CLAIMING AN OWNERSHIP INTEREST IN THE PROPERTY WHO HAS NOT SIGNED THE AGREEMENT, ARISING IN ANY WAY FROM THE CITY'S RELIANCE ON THIS AGREEMENT.**

Entered into this 9 day of March, 2020

OWNERS

Victor López

Leticia López

THE CITY OF DENTON, TEXAS

By:_____
Its: City Manager, Deputy City Manager, or Assistant City Manager

THE STATE OF TEXAS } Victor Lopez
COUNTY OF DENTON } Leticia Lopez

This instrument was acknowledged before me on the 9th day of March, 2026 by Paola Soto.

PAOLA SOTO
Notary ID #132577816
My Commission Expires
August 20, 2028

_____
Notary Public, State of Texas

THE STATE OF TEXAS } Victor Lopez
COUNTY OF DENTON } Leticia Lopez

This instrument was acknowledged before me on the 9th day of March, 2026 by Paola Soto.

PAOLA SOTO
Notary ID #132577816
My Commission Expires
August 20, 2028

_____
Notary Public, State of Texas

THE STATE OF TEXAS } Victor Lopez
COUNTY OF DENTON } Leticia Lopez

This instrument was acknowledged before me on the 9th day of March, 2026 by Paola Soto.

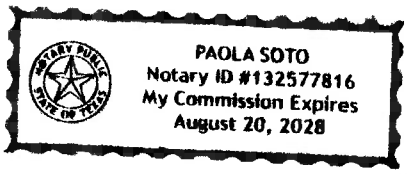
PAOLA SOTO
Notary ID #132577816
My Commission Expires
August 20, 2028

Notary Public, State of Texas

THE STATE OF TEXAS } Victor Lopez

COUNTY OF DENTON } Leticia Lopez

This instrument was acknowledged before me on the 9th day of March, 2026 by Paola Soto.



Notary Public, State of Texas

THE STATE OF TEXAS }

COUNTY OF DENTON }

This instrument was acknowledged before me on the _____ day of _____, 20__, by _____, City Manager/Deputy City Manager/Assistant City Manager, on behalf of the City of Denton, Texas.

Notary Public, State of Texas

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

After recording return to:
City of Denton
Attn.: City Secretary

215 E. McKinney St.
Denton, TX 76201

A25-0005c
5811 Mills Road Annexation
Second Reading

Angie Manglaris, AICP

Assistant Planning Director

March 24, 2026

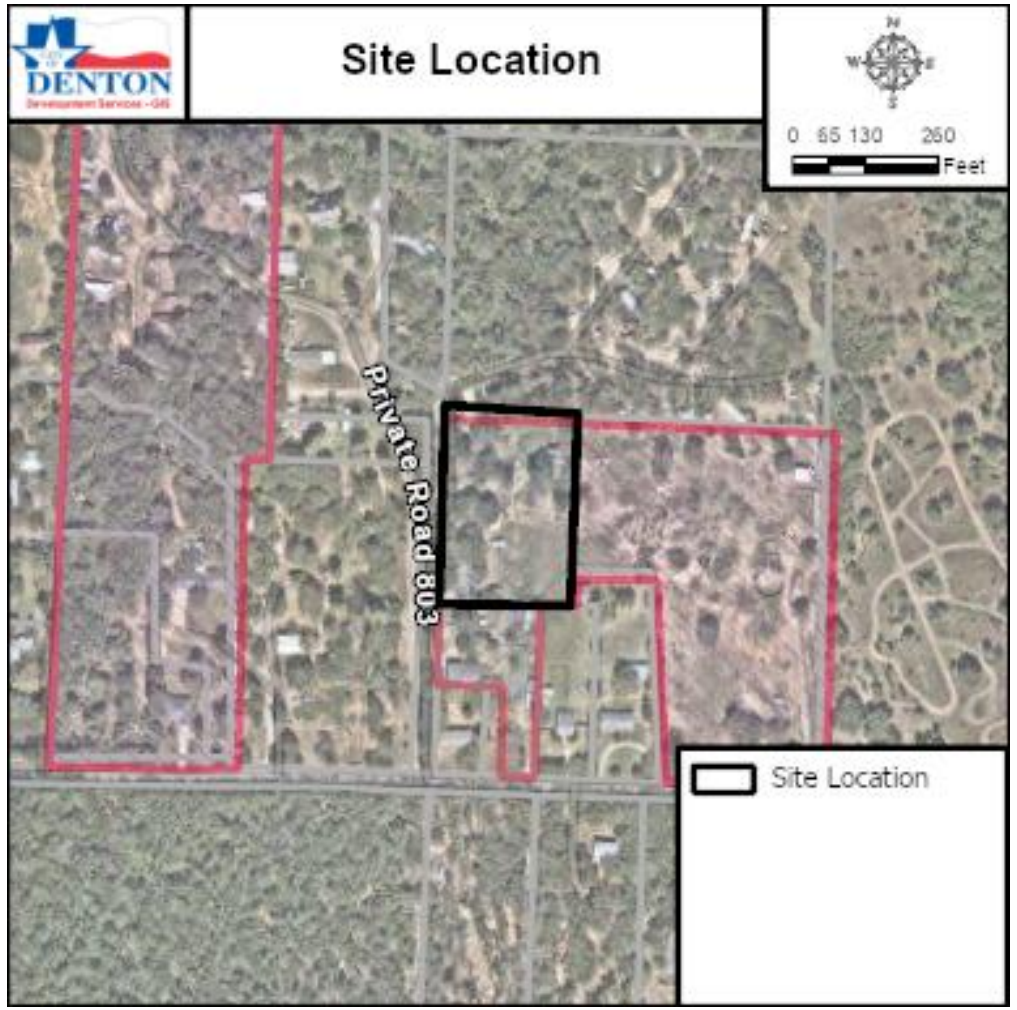
CITY OF DENTON

Request

- Conduct the **second** of two readings **and act on** an ordinance of the City of Denton to annex approximately 2.00 acres of land

- Since the first reading, the Owner has signed the new NAA.

- **Staff recommends denial of annexation.**



Ordinance Caption

AN ORDINANCE OF THE CITY OF DENTON, TEXAS ANNEXING APPROXIMATELY 2.00 ACRES OF LAND, APPROXIMATELY LOCATED 300.77 FEET NORTH OF MILLS ROAD, APPROXIMATELY 1,453 FEET WEST OF SOUTH TRINITY ROAD TO 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.

Recommendation

- Staff recommends **denial** of the annexation as the Owner has signed the new NAA. The NAA will be on the April 7, 2026 agenda for Council approval.

QUESTIONS?

Angie Manglaris, AICP
Assistant Planning Director
Development Services

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: **Finance**

ACM: **Christine Taylor**

DATE: **March 24, 2026**

SUBJECT

Consider approval of a resolution of the City of Denton nominating a member to the Board of Directors of the Denton Central Appraisal District; and providing an effective date.

BACKGROUND

The Denton Central Appraisal District Board of Directors notified the City on February 13, 2026 of the passing of Board Member Ann Pomykal, Place 4. Ms. Pomykal was an appointed member of the DCAD Board of Directors. Therefore, DCAD is seeking nominations from the taxing jurisdictions to fill this vacancy. The City Council may nominate one individual to fill the unexpired term. Once nominations are received by DCAD, the current Board of Directors shall appoint one of the nominees by majority vote to fill the vacancy.

The DCAD Board of Directors board composition includes 5 members appointed by the taxing jurisdictions, the Tax Assessor/Collector serving as a voting member, and 3 publicly elected members. Board members serve staggered 4-year terms.

The passing of Ms. Pomykal and nomination process to follow is separate from the regular board appointment process previously conducted for terms ending December 31, 2025.

If City Council chooses to pass a nominating resolution to fill Ms. Pomykal's vacancy, the resolution will be submitted to the Chief Appraiser prior to the DCAD requested deadline of Monday, March 30, 2026. Following this deadline, the Chief Appraiser will prepare a list of all submitted nominees, and the current Board of Directors shall appoint one of the nominees by majority vote to fill the vacancy.

The current DCAD Board of Directors members are as follows:

Name	**Title**
Alex Buck	Chairman – Place 6
Angie Cox	Vice Chairman – Place 1
Rick Guzman	Secretary – Place 3
Rich Olson	Member – Place 2
Vacant	**Member – Place 4**
James Lawrence	Member – Place 5
Mike Hennefer	Member – Place 7
Charles Stafford	Member – Place 8
Dawn Waye	Tax Assessor/Collector – Member – Place 9

Eligibility Guidelines:

The selection process for the Board of Directors is set forth in Section 6.03 of the Property Tax Code. This process is not an "election" governed by the Texas Election Code. It is an independent procedure unique to the property tax system. An appraisal district director must reside in the appraisal district for at least two (2) years immediately preceding the date the member takes office. Most residents are eligible to serve as a director. An individual who is serving on the governing body of a city, county, or school district is eligible to serve as an appraisal district's director. An employee of a taxing unit served by the appraisal district is not eligible to serve as a director. However, if the employee is an elected official, he or she is eligible to serve. Additionally, a person may not serve as a board member if closely related to anyone in the appraisal district if related to anyone who represents owners in the district, or if the person has an interest in a business that contracts with the district or taxing jurisdiction.

EXHIBITS

Exhibit 1 - Agenda Information Sheet
Exhibit 2 - Resolution
Exhibit 3 - Presentation

Respectfully submitted:
Matt Hamilton
Chief Financial Officer

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF DENTON NOMINATING A MEMBER TO THE BOARD OF DIRECTORS OF THE DENTON CENTRAL APPRAISAL DISTRICT; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Directors of the Denton Central Appraisal District (DCAD) notified the City of Denton Place 4 of the DCAD Board of Directors was vacated by the passing of Board Member Ann Pomykal on February 13, 2026; and

WHEREAS, pursuant to Texas Tax Code, Title 1, Subtitle B, Chapter 6 , Subchapter A, Section 6.0301 (f) "If a vacancy occurs in an appointive position on the board of directors, each taxing unit that is entitled to vote under Section 6.03 may nominate by resolution adopted by its governing body a candidate to fill the vacancy. The taxing unit shall submit the name of its nominee to the chief appraiser within 45 days after notification from the board of directors of the existence of the vacancy, and the chief appraiser shall prepare and deliver to the board of directors within the next five days a list of the nominees. The board of directors shall appoint by majority vote of its members one of the nominees to fill the vacancy."; and

WHEREAS, each jurisdiction may nominate by resolution a candidate to be considered for the DCAD Board of Directors; and

WHEREAS, to be eligible to serve on the Board, an individual must be a resident of the district (Denton County) and must have resided in the district for at least two years immediately preceding the date they take office. Members cannot be an employee of a taxing unit served by the appraisal district and cannot be related to an employee of the appraisal district; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY RESOLVES:

SECTION 1. The recitals which are set forth in the preamble of this Resolution are incorporated herein and are made part of this Resolution for all purposes.

SECTION 2. The City of Denton hereby nominates the following individual as a member to the Board of Directors of the Denton Central Appraisal District.

Nominee Name _____
Nominee Address _____
Nominee Address _____

SECTION 3. This Resolution shall become effective immediately upon its passage and approval.

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 Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

_____
GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____ Susan Keller Digitally signed by Susan Keller Date: 2026.03.10 14:09:31 -05'00'

Denton Central Appraisal District

Board of Directors Nomination

Matt Hamilton, CFO

Finance Department

ID 26-0266 3/24/2026

Background

- Board of Directors currently has a 9-member board, with 5 members appointed by the taxing jurisdictions.
  - Tax Assessor serves as voting member
  - 3 publicly elected members

- The Denton Central Appraisal District notified the City on February 13, 2026 of the passing of Board Member Ann Pomykal, Place 4.

- DCAD is now seeking nominations from the taxing jurisdictions to fill this vacancy.

- The City Council may nominate one individual to fill the unexpired term.

- Once nominations are received by DCAD, the current Board of Directors shall appoint one of the nominees by majority vote to fill the vacancy.

Questions