



City of Denton

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

Meeting Agenda Public Utilities Board

Monday, April 28, 2025

9:00 AM

Council Work Session Room

REGISTRATION GUIDELINES FOR ADDRESSING THE PUBLIC UTILITIES BOARD

Citizens will be able to participate in the following way:

- eComment – The agenda was posted online at <https://tx-denton.civicplus.com/242/Public-Meetings-Agendas>. 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 Public Utilities Board immediately upon submission and recorded by the Secretary into the Minutes of the Meeting.

After determining that a quorum is present, the Public Utilities Board of the City of Denton, Texas will convene in a Regular Meeting on Monday, April 28, 2025, at 9:00 a.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas at which the following items will be considered:

REGULAR MEETING

1. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

This section of the agenda permits a person to make comments regarding public business on items as listed on the agenda. Each speaker will be allowed a maximum of four (4) minutes. Such person(s) shall have registered under the REGISTRATION GUIDELINES FOR ADDRESSING THE PUBLIC UTILITIES BOARD detailed at the beginning of this agenda. Registration is required prior to the time this agenda item is read into the record.

2. CONSENT AGENDA

Each of the items on the Consent Agenda is recommended by the Staff and approval thereof will be strictly on the basis of the Staff recommendations. Approval of the Consent Agenda authorizes the City Manager or designee to implement each item in accordance with the Staff recommendations. The Public Utilities Board has received background information and has had an opportunity to raise questions regarding these items prior to consideration.

Listed below are bids, purchase orders, contracts, and other items to be approved for payment or other action under the Consent Agenda (Agenda Item A). This listing is provided on the Consent Agenda to allow Public Utilities Board 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. [PUB25-060](#) Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with

Credit Systems International, Inc., for unpaid utilities and miscellaneous account collection services owed by customers for various City of Denton departments for the Customer Service Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8746 - awarded to Credit Systems International, 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 \$545,050.00).

Attachments: [Exhibit 1 - Agenda Information Sheet](#)
 [Exhibit 2 - Pricing Evaluation](#)
 [Exhibit 3 - Ordinance and Contract](#)

3. ITEMS FOR INDIVIDUAL CONSIDERATION

- A. [PUB25-062](#) Consider approval of the April 14, 2025, minutes.

Attachments: [4.14.2025 PUB Minutes](#)

- B. [PUB25-061](#) Management Reports
1. February Recycling Contamination Rate
 2. Robinwood Reconstruction Inquiry
 3. Future Agenda Items
 4. New Business Action Items

Attachments: [1. February Recycling Contamination Rate](#)
 [2. Robinwood Reconstruction Inquiry](#)
 [3. Future Agenda Items](#)
 [4. New Business Action Items](#)

4. CONCLUDING ITEMS

CERTIFICATE

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 April 24, 2025, in advance of the 72-hour 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 48 HOURS 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

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Legislation Text

File #: PUB25-060, **Version:** 1

AGENDA CAPTION

Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Credit Systems International, Inc., for unpaid utilities and miscellaneous account collection services owed by customers for various City of Denton departments for the Customer Service Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8746 - awarded to Credit Systems International, 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 \$545,050.00).



AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Christine Taylor
DATE: April 28, 2025

SUBJECT

Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Credit Systems International, Inc., for unpaid utilities and miscellaneous account collection services owed by customers for various City of Denton departments for the Customer Service Department; providing for the expenditure of funds therefor; and providing an effective date (RFP 8746 – awarded to Credit Systems International, 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 \$545,050.00).

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

INFORMATION/BACKGROUND

The City of Denton's Utilities Customer Service, Finance, and Fire Departments have utilized the services of Credit Systems International, Inc. for the past 21 years to assist with the collection of unpaid bills. The current contract expires on October 5, 2025. In an effort to obtain the best value for the City of Denton, Utilities Customer Service partnered with the aforementioned departments to issue a Request for Proposal (RFP) to qualified collection agencies.

Because the collection of debt is handled somewhat differently by each department, the receivables were separated for evaluation purposes into the following three parts: Utilities, and miscellaneous receivables (Part A) and Fire/EMS, Code Enforcement (Part B).

After reviewing each vendor proposal and checking references for Part A – Utilities and Miscellaneous Account Receivables and Part B – EMS Services, Credit Systems International was selected to be awarded the contract. Credit Systems International Inc. provides a comprehensive approach to the collection of unpaid debts for the City's collection efforts. These efforts include but are not limited to proactive phone calls, letter notifications, and credit bureau reporting.

Credit Systems International, Inc. has 44 years of experience in the collection of utility, healthcare, and municipal/governmental debts. In addition to the City of Denton, they serve local municipalities such as the City of Irving, San Marcos, Keller, and North Richland Hills. Staff recommends awarding the contract for the third-party collection agency for outstanding utility bills and miscellaneous charges to Credit Systems International, Inc.

Request for Proposals was sent to 217 prospective suppliers, including four (4) 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, delivery, compliance with specifications, experience, and probable performance. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, Credit Systems International, Inc. was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	946 - (Service Only) - Financial Services
Notifications sent for Solicitation sent in IonWave:	217
Number of Suppliers that viewed Solicitation in IonWave:	14
HUB-Historically Underutilized Business Invitations sent out:	26
SBE-Small Business Enterprise Invitations sent out:	52
Responses from Solicitation:	4

RECOMMENDATION

Award a contract with Credit Systems International, Inc., for unpaid utilities and miscellaneous account collection services owed by customers for various City of Denton departments for the Customer Service 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 \$545,050.

PRINCIPAL PLACE OF BUSINESS

Credit Systems International, Inc.
Fort Worth, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial one (1) year contract with options to extend the contract for four (4) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

These services will be funded from Utility Customer Service account 870100.7866 and EMS account 320001.7866. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is \$545,050. 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: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Autumn Perkins, 940-349-7409.

Legal point of contact: Marcella Lunn at 940-349-8333.

Exhibit 2
RFP 8746 - Pricing Evaluation for Third Party Collection Agency

Respondent's Business Name:		Credit Systems International, Inc.	Bull City Financial Solutions, Inc.	IC System (I.C. System, Inc.)	Midwest Municipal Services LLC
Principal Place of Business (City and State):		Fort Worth, TX	Austin, TX	Vadnais Heights, MN	Mooreville, IN
Item #	Evaluation Criteria	Score	Score	Score	Score
1	Delivery/Project Schedule - 10%	8.67	6.00	4.67	6.00
2	Compliance with Specifications - 10%	8.67	8.00	6.00	4.67
3	Experience - 20%	17.33	18.67	16.00	13.33
4	Probable Performance - 10%	9.33	7.33	6.67	5.33
5	Price, Total Cost of Ownership - 50%	50.00	20.25	23.47	21.41
Total Score:		94.00	60.25	56.81	50.74

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH CREDIT SYSTEMS INTERNATIONAL, INC., FOR UNPAID UTILITIES AND MISCELLANEOUS ACCOUNT COLLECTION SERVICES OWED BY CUSTOMERS FOR VARIOUS CITY OF DENTON DEPARTMENTS FOR THE CUSTOMER SERVICE DEPARTMENT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFP 8746 – AWARDED TO CREDIT SYSTEMS INTERNATIONAL, 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 \$545,050.00).

WHEREAS, the City has solicited, received, and evaluated competitive proposals for unpaid utilities and miscellaneous account collection services owed by customers for various City of Denton departments for the Customer Service 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.

<u>RFP NUMBER</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
8746	Credit Systems International, Inc.	\$545,050.00

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:	_____	_____	_____	_____
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 _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

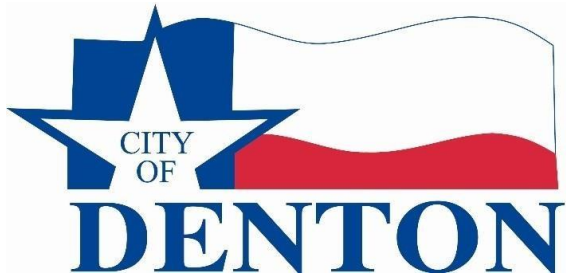
ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: _____

Laura Beam



Docusign City Council Transmittal Coversheet

RFP	8746
File Name	Third Pary Collection Agency
Purchasing Contact	Christina Dormady
City Council Target Date	
Piggy Back Option	Yes
Contract Expiration	
Ordinance	

**CONTRACT BY AND BETWEEN
CITY OF DENTON, TEXAS AND CREDIT SYSTEMS INTERNATIONAL, INC.
(Contract #8746)**

THIS CONTRACT is made and entered into this date _____, by and between CREDIT SYSTEMS INTERNATIONAL, INC. a TEXAS corporation, whose address 1277 Country Club Lane, Fort Worth, TX 76112, 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#8746 Third Party Collection Agency, 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] 8746 (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

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.

THIS CONTRACT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations
and business terms.

Signed by:

William Shepherd
575142ED7A4941

SIGNATURE

William Shepherd

PRINTED NAME

Executive Manager Business Services

TITLE

DME

DEPARTMENT

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

DocuSigned by:

Marcella Lunn

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~~DocuSigned by:~~
CONTRACTOR

Laura Emmons-Beam

~~DocuSigned by:~~
AUTHORIZED SIGNATURE

Printed Name: Laura Emmons-Beam

Title: Account Executive\Dir of Business Development

817-496-6800

PHONE NUMBER

LBeam@CreditSystemsIntl.com

EMAIL ADDRESS

2025-1283170

TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

CITY OF DENTON, TEXAS

BY: _____

SARA HENSLEY
CITY MANAGER

Exhibit A

Special Terms and Conditions

1. Total Contract Amount

The contract total for services shall not exceed \$545,050. Pricing shall be per Exhibit F attached.

2. The Quantities

The quantities indicated on Exhibit F are estimates based upon the best available information. The City reserves the right to increase or decrease the quantities to meet its actual needs without any adjustments in the bid price. Individual purchase orders will be issued on an as needed basis.

3. Contract Terms

The contract term will be one (1) year, effective from date of award. The City and the Supplier shall have the option to renew this contract for an additional four (4) one-year periods.

The Contract shall commence upon the issuance of a Notice of Award by the City of Denton and shall automatically renew each year, from the date of award by City Council. The Supplier's request to not renew the contract must be submitted in writing to the Purchasing Manager at least 60 days prior to the contract renewal date for each year. At the sole option of the City of Denton, the Contract may be further extended as needed, not to exceed a total of six (6) months.

4. Price Escalation and De-escalation

On Supplier's request in the form stated herein, the City will implement an escalation/de-escalation price adjustment annually based on these special terms. Any request for price adjustment must be based on the, U.S Department of Labor, Bureau of Labor Statistics, Producer Price Index (PPI) or the manufacturer published pricing list. The maximum escalation will not exceed +/- 8% for any individual year. The escalation will be determined annually at the renewal date. The price will be increased or decreased based upon the annual percentage change in the PPI or the percentage change in the manufacturer's price list. Should the PPI or manufacturer price list change exceed a minimum threshold value of +/-1%, then the stated eligible bid prices shall be adjusted in accordance with the percent change not to exceed the 8% limit per year. The supplier should provide documentation as percentage of each cost associated with the unit prices quoted for consideration.

Request must be submitted in writing with supporting evidence for need of such increase to the Purchasing Manager at least 60 days prior to contract expiration of each year. Respondent must also provide supporting documentation as justification for the request. If no request is made, then it will be assumed that the current contract price will be in effect.

Upon receipt of such request, the City of Denton reserves the right to either: accept the escalation as competitive with the general market price at the time, and become effective upon the renewal 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.

Exhibit B
City of Denton's RFP 8476

On File at the Office of the Purchasing Agent

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.

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

applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.

C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.

D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.

E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

13. PAYMENT:

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 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 Contract 8746

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 (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 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.

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

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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:

- 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, 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 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.

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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 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 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

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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 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 Contract 8746

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 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**

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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-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 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

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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.

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 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 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.

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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 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.

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 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 Contract; (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.

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/whatsnew/elf_info_form1295.htm
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.

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, 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

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.

B. 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 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				Credit Systems International, Inc.	
Line #	Description	QTY	UOM	BAFO	Unit
PART A - Utilities including active drainage accounts and miscellaneous receivables					
1	Outstanding Accounts (January 2019 thru October 2024)	10,137	\$3,051,237	16.5%	17.9%
2	Monthly collections (Avg. age: 90 days)	159	\$34,821	14.5%	14.9%
PART B - Emergency Medical Service Ambulance billing					
1	Outstanding Accounts (January 2016 thru October 2019)	18,982	\$12,582,219	19.25%	19.90%
2	Monthly Collections	410	\$300,083	19.25%	19.90%



Credit Systems International, Inc.'s Strategic Proposal Created Exclusively
for



ORIGINAL

REQUEST FOR PROPOSAL

Solicitation No.: 8746

Third Party Collection Agency – Part C



PROPOSAL SUBMITTED BY:

Credit Systems International, Inc. (CSII)
1277 Country Club Lane
Fort Worth, TX 76112
800.405.7546

DUE DATE:

February 12, 2025 at 1:00 PM (CT)

Electronic Submission via IONWAVE

Ms. Laura Beam
Director of Business Development
lbeam@creditsystemsintl.com



February 11, 2025

The City of Denton
Christina Dormady, Purchasing
901-B Texas Street
Denton, TX 76209 USA

Re: Request for Proposal 8746 Third Party Collection Agency (Part C)

Dear Ms. Dormady and The City of Denton Team,

Thank you for allowing Credit Systems International, Inc. (CSII) the opportunity to respond to **The City of Denton's RFP 8746 for Third Party Collection Agency (Part C: Combined Parts A and B)**. For the last twenty years, CSII has shared the City of Denton's commitment to integrity, responsibility, transparency, and exceptional customer service. We strive to demonstrate these core values in our proposal, and we certainly look forward to the opportunity of continuing to serve the City of Denton as its agency partner for bad debt account recovery and collection strategies for the Utility Customer Service and Fire Departments. We are honored to submit our strategic proposal! Please find CSII's contact information for this RFP below:

Credit Systems International, Inc. (CSII)
1277 Country Club Lane | Fort Worth, TX | 76112
Ms. Laura Beam, Director of Business Development
817-496-6800 | lbeam@creditsystemsintl.com

For more than 44 years, CSII has specialized in managing high-volume bad debt portfolios for the utility, municipal/governmental, and healthcare industries. This extensive experience places CSII as a highly qualified agency partner for the City of Denton. Our consumer-centric approach and customized debt reconciliation solutions, tailored to each client's specific needs, are what sets us apart within the ARM (Accounts Receivable Mgmt) industry. CSII has a proven track record in assisting municipalities with account recovery strategies while navigating the fine line between collecting past due A/R from constituents and protecting the City's public image simultaneously, which is not a simple task, but with CSII's customer-service-oriented culture, we are able to serve the City of Denton well in both of these areas.



CSII is a nationally recognized, State of TX HUB Certified collection agency headquartered in Fort Worth, Texas, where we have two on-site Call Centers, Training Focus Group rooms, all Executive Offices, our Information Technology Department, Payment Processing Center, and our Marketing/Client Services Departments. In 2023, CSII acquired an agency in Amarillo, Texas, allowing us to gain an additional Texas Contact Center located in Amarillo. All of CSII's Contact Center Teams focus on professionally negotiating with all consumers instead of taking a more harsh or abrasive approach to collection efforts, as you might experience with municipal court, credit card, or deficiency balance agencies. This business model is especially beneficial for clients like the City of Denton, who place top priority on maintaining a positive public image while serving their community well. CSII offers the City of Denton assurance that all customers/patients are treated ethically and professionally with a customer service approach, and by selecting CSII as the City's agency partner again, it will not only ensure the continued level of commitment to CSII serving the community, but it also ensures no downtime for implementation which equates to no lost revenue for the City's Utility and EMS Depts. With all processes around data transfers, communications, reporting, and invoicing currently in place, implementation will be as easy as CSII establishing new IDs to accommodate the new contract term and reduced pricing structure.

CSII remains committed to setting the standard of excellence in the recovery of account receivables by providing consumer centric solutions where our philosophy remains 'Always treat others (consumers) as you would want to be treated.' CSII strives to ensure a positive consumer experience with the highest standards of ethical and professional conduct.



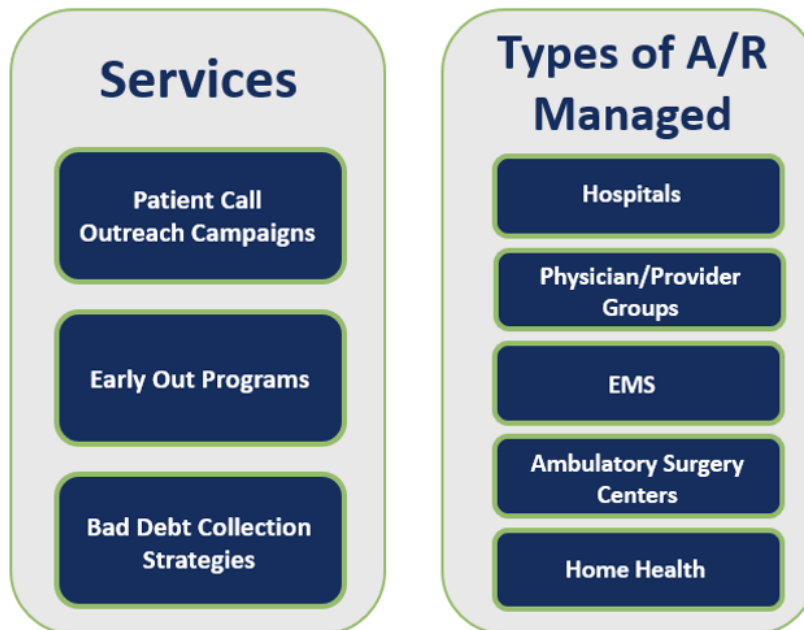
Experienced in the Utility Industry

CSII's first experience in the utility industry began in 1982 with Lone Star Gas Company.



Experienced in the Healthcare Industry

CSII's client-agency partnerships span across a multitude of subsectors within the healthcare industry.





Industry Experience: CSII opened its doors in 1980, and since then, we have continued to provide consumer-centric debt collection services for more than 450 clients across multiple industries, including utilities, municipalities, and healthcare. CSII has had the honor of partnering with the City of Denton's Utility Customer Service and EMS Departments for more than 20 years, and we understand the unique requirements for system capabilities around data transfers, customized reporting models, and invoice/remittance processes to ensure a successful client-agency partnership. To maximize liquidations while ensuring that all aspects of communications continue to be handled with efficiency and care, Ms. Kourtney Cannon will continue her role as the City of Denton's Client Services Specialist, and Ms. Laura Emmons-Beam will remain serving the City of Denton as Account Executive. Both Kourtney and Laura bring immense knowledge to the professional relationship as they have managed the City of Denton's portfolios during previous contract terms and will continue to work hand-in-hand with the City's staff to ensure a seamless onboarding and implementation process as well as support the day-to-day account-related items throughout the next contract term. They will also continue with facilitating monthly reporting touchpoints and portfolio/industry updates.

One of the best value-added services that CSII offers the City of Denton is our experience, knowledge, and saturation in the Texas market, particularly in the greater Dallas-Fort Worth-Denton metroplex and surrounding areas. CSII currently provides utility collection services for other regulated municipal utility providers such as Brownsville Public Utilities Board and the City of San Marcos. CSII also assists Electric Cooperatives, such as CoServ and United Cooperative Services, as well as Retail Electric Providers in Texas, such as Reliant Energy, Green Mountain Energy, Direct Energy, Cirro Energy, and Discount Power. Additionally, CSII assists many municipalities such as the City of Irving, City of Conroe, City of Keller, City of Mansfield, City of North Richland Hills, etc. with collection strategies for water/sewer/garbage bills. This unique value-added service is not just for the City's Utility Customer Service Dept, it stretches across to CSII's Healthcare Division as well, which serves Denton Fire/EMS' portfolio. Within our Healthcare Division, CSII currently assists the largest Healthcare Organizations in the greater Dallas-Fort Worth-Denton metroplex area, such as Texas Health Resources/Texas Health Physicians Group, BaylorScott & White, USMD, Radiology Associates of North Texas (who is the largest Radiology group in the country) and many other EMS groups in Texas such as City of Odessa EMS, City of San Angelo EMS, City of Corsicana EMS, City of Mansfield EMS, to just name a few.

With CSII's current clients in both our Utility & Healthcare Divisions, we are positioned incredibly well to locate consumers and effectively communicate with them to resolve their outstanding balances owed to the City. Please see the following page for a sampling of CSII's current client-agency partnerships from both our Utility & Healthcare Divisions. CSII strives to build long-term business relationships with our clients by working as a team for the best interests of all consumers and our clients' A/R. CSII's success is reflected in our long-term business relationships with so many of our wonderful clients.

CSII's Utility Client-Agency Partnerships



CSII's Healthcare Client-Agency Partnerships



**Best in Class Client Services Team:**

Our Client Services Specialists are dedicated to providing exceptional support to our clients and being available when you need us! The City of Denton has experienced our client dedication first-hand over the years, and we expect to continue serving the City to the very best of our ability if selected to serve another contract term as the City's collection agency partner! We think that the testament below from Alabama Power Company says it all...

“My experience with CSII has been absolutely wonderful; they are extremely prompt and very professional. Their customer service is phenomenal, and they are able to maximize our recoveries. They are everything they say they are!”

- KT, APCo

Consumer-Centric:

At CSII, we treat all consumers with respect. We recognize the importance of treating our clients' customers respectfully while optimizing account recovery. Our Collection Specialists receive extensive training in negotiation techniques designed to optimize account reconciliation while upholding our clients' public image. We understand that the consumers we manage are your customers/patients!

Knowledgeable:

Since 1980, CSII has continued to expand our position as a leader in debt collection services. CSII was a pioneer in our industry with the use of advanced technology, and we continue to remain forward-thinking in the sourcing and utilization of an advanced technical infrastructure designed for high-volume portfolios. CSII utilizes innovative locate & skip tracing avenues, digital communication channels, data mining, and analytical tools, along with cutting-edge collection strategies to locate and contact consumers, resulting in optimal account recovery. CSII's Collection Specialists listen to the customer/patient and recognize specific circumstances that assist in providing the customer with a solution to resolving their account. CSII's leadership team combined provides hundreds of years of industry experience and knowledge in all areas of accounts receivable management, and they ensure a positive consumer experience throughout the life-cycle of each account entrusted to us.



Increased account resolution opportunities:

High-volume outbound efforts (calls, emails, texting/SMS) and live Collection Specialists/Agents are the main attributes that increase collection opportunities. Our philosophy has always been geared toward speaking with consumers, as that is what generates the highest revenue. This is the reason that CSII implements high-volume communication strategies with Collection Specialists handling all inbound and outbound calls received unless our IVR is selected by the consumer. This means that the City of Denton's customers/patients speak to a live agent when they call CSII's Contact Centers! And if they prefer email communications, which is quickly becoming the preferred communication channel for so many, CSII has that covered as well so that we are able to accommodate the needs of our multigenerational population.

Compliance Driven:

CSII is an active member of ACA International, The Association of Credit and Collection Professionals. Our CEO serves on the Regulatory and Legislative Committee for Texas, and our leadership team is highly involved in all ACA-related events, webinars, and conferences. Our Collection Specialists, Trainers, and Managers continue to all be ACA Certified. And CSII's Corporate Counsel and Chief Compliance Officer lead CSII's Compliance Department to ensure conformity with all federal, state, and local laws, which includes the Fair Debt Collection Practices Act, Regulation F, FCRA, etc.



CSII remains SOC 2, Type II Certified with HITRUST Framework Auditing Criteria.

CSII maintains our SOC 2, Type II certification mapped to the HITRUST Framework, which positions us with the highest level of data security certification for the Healthcare industry. This level of certification signifies that CSII has met industry-defined requirements and is appropriately managing risk around data security, which places CSII in an elite group of organizations holding this level of certification. By including federal and state regulations, standards, and frameworks and incorporating a risk-based approach, these certifications help companies address challenges through a comprehensive and flexible framework of prescriptive and scalable security controls.



CSII's current Insurance Portfolio greatly exceeds the City's minimum requirements and offers the City of Denton far greater coverage than most agencies offer!

Protecting the consumer information entrusted to us by our clients is one of CSII's highest priorities.

CSII's Insurance Portfolio

CSII offers a **robust insurance portfolio** to protect our clients, your consumers, and our businesses. Features included, but are not limited to:

- o \$5M Errors and Omissions – Professional Liability
- o \$5M Cyber Liability/Corporate Identity Protection
- o \$2M Commercial General Liability w/ \$4M Umbrella
- o \$2M Commercial Crime Policy
- o Workers Compensation & Employer's Liability Insurance

Financial Strength:

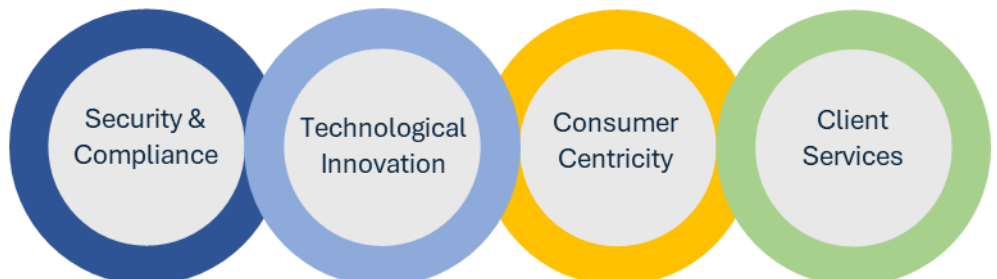
CSII remains a debt-free company with the financial stability to continue managing the City of Denton's past-due delinquent accounts at an incredibly competitive rate while generating the highest added revenue back to the City.

CSII is pleased to present our proposal created specifically for the City of Denton. We would be extremely honored to be selected to serve the City of Denton again as your collection agency partner! Our Executive Leadership Team invites the City's teams to visit and tour our headquarters facility in Fort Worth, as we always welcome site visits.

With Much Appreciation,

Darlene Mead

Darlene Mead
Chief Executive Officer





CSII's Understanding of the Scope of Work for the City of Denton's Collection Portfolios

Part C: Combined Parts A & B

CSII understands that the City of Denton is seeking to continue utilizing a highly qualified collection company to provide a consumer-centric collection approach for the City's unpaid accounts by resolving past-due accounts receivables for the Utility Customer Service Dept, which includes utility accounts, active drainage accounts, miscellaneous accounts receivables, Code Enforcement Leins, and Returned Items. The City's EMS/Fire Dept will also be placing unpaid Ambulance Transports billed by the City's Fire/EMS billing company for patient-centric collection strategies. The programs will consist of the City continuing to place primary delinquent/disconnected utility service accounts and unpaid EMS transport charges monthly with a highly qualified collection firm that will exercise the highest ethical standards in their collection philosophy and conduct all communications with consumers in a professional, kind, and courteous fashion. Over the years, CSII has proven that this is our expertise as we have maintained this collection philosophy for the City of Denton's portfolios since 2002, which included some of the recent most critical and sensitive years during the pandemic when our nation was more sensitive and volatile than ever before.

CSII is prepared to continue to meet or exceed all requirements included in the Scope of Work for Parts A & B (Part C combined) of the RFP. Awarding CSII a new contract term as the City's collection agency will allow CSII to retain the City's current inventory at the reduced rate proposed, which will continue the revenue stream for the City of Denton without any gaps in credit reporting and loss of revenue due to a new implementation and ramp-up time that will come along with transitioning to a new agency. All processes are currently in place, and CSII is fully capable of continuing to perform at a high level with the City's monthly placement volume of approximately 150-200 Utility accounts and 400 EMS accounts. CSII will establish new client IDs in our system for each portfolio, allowing us to build custom workflows for each portfolio so we can reinvest in the current inventory as well as strategize to build new workflows for the new accounts placed since the collection landscape has so drastically changed since the last RFP process in 2019. CSII will continue to provide reporting to the City of Denton separately for each book of business. The City of Denton will electronically provide new account data submissions to the awarded agency monthly and will include all the data elements currently provided to CSII, including the consumer's email addresses. CSII's technical team is able to work with the existing file layouts produced by the NorthStar CIS (Utility) and Digitech (EMS), and we will continue to provide access to CSII's Client Web Portal for secure file uploads, account inquiries, basic report generation, and uploading of secure documentation that may be required for validating consumer requests. CSII will also continue to offer and host an SFTP site as well for secure file transfers from the EMS' billing companies' environment.

With regard to the changes in the collection industry since 2021, CSII would like to share a few impactful items that will forever change the landscape of utility and healthcare collections.



Regulation F, which was the long-awaited update to the FDCPA that was originally written in 1976, is now the Federal Regulation governing the Accounts Receivable Management (collection) industry.

CSII's CEO, Ms. Darlene Mead, has traveled back and forth from Ft. Worth, TX to Washington, D.C., for the last ten years serving on Regulatory and Legislative Committees and being a voice for our industry by meeting with Senators and Congressmen/women to share how the lack of digital communications has hindered our industry for years. We are grateful to say that Regulation F did introduce current communication channels and digital communications into our industry, but along with these updates came several other new regulations, some of which have greatly hindered CSII's ability to collect on past-due accounts receivables for utility and healthcare portfolios. Please find a few of the impactful elements below:

Regulation F – Effective 11-30-21

The long-awaited updates to the FDCPA are finally here & became effective November 30, 2021.

Impactful Elements

- **The Model Validation Notice (MVN)** is the new notice required in which the agency must convey specific information in a very specific format to the consumer.
 - The notice is more of a notification or disclaimer providing the consumer their rights vs. being a notice that compels the consumer to pay. It provides an opportunity for the consumer to dispute or voice any disagreement with the account. This is not new in Regulation F, but agencies must send the notice within 5 days of communication with the consumer or may choose to send notice at placement which is CSII's current process.
- The rule outlines acceptable **call frequency and limits agencies to 7 call attempts in 7 rolling days or one contact within a rolling 7-day period.**
 - At CSII, we have always considered ourselves to be ambassadors of our clients' customer service and as such, we do not repeatedly call. This did not change our approach to collections as we were already well within the confines of the rule.
- **The consumer can now choose the time, place, and channel in which they would like to be contacted.**
 - At CSII, we have always focused on the consumers' needs and convenience.
- All outbound messages left on answering machines comply with the rule using the suggested **Limited Content Message.**
 - The Limited Content Message's scripting was created and issued by the CFPB in the release of Reg F.

MOST IMPORTANTLY...

- There are **new requirements for an account to be eligible for credit reporting.** Agencies must now communicate with the consumer prior to reporting the account to the credit report agencies. A communication is equivalent to:
 - Agency mails/emails the new notice & does not get return/undeliverable mail in a certain time frame (14 days)
 - Agency speaks to the consumer

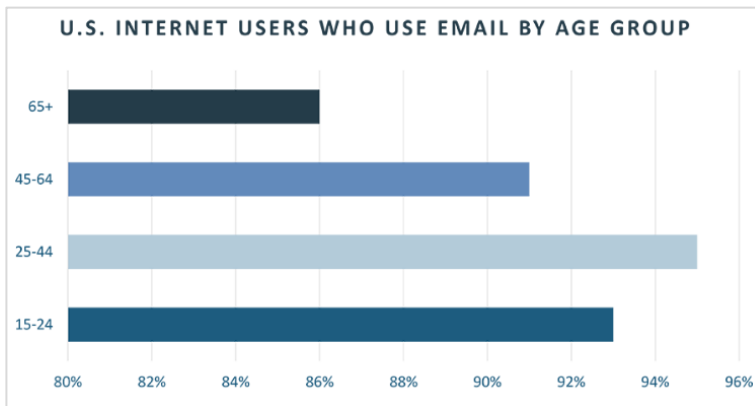




With sharing these updates around Regulation F, CSII would like to encourage the City of Denton to continue capturing the email addresses of their customers at service activation and then provide the email addresses to CSII at the time of placement. CSII has experienced a decrease in liquidations for clients, including the City of Denton’s portfolios since Regulation F went into effect. Ironically, this timing also coincides with the pandemic, so although the decrease in liquidations was driven by many components, we are confident that City of Denton capturing and passing email addresses will position CSII to reach more consumers, which means that more consumer accounts will be eligible for credit reporting!

Historically, when a collection agency wasn’t able to successfully SKIP the consumer, our industry relied on credit reporting as a source to alert the consumer of their past-due account. This is no longer an avenue under Reg F since we must communicate with the consumer prior to credit reporting, so email addresses have become one of the most important data points for successful liquidations.

How many of us change our email addresses when we move? Statistics from the Direct Marketing Association (DMA) show that most consumers keep the same email addresses for 10+ years, and the majority of consumers which CSII contact on our clients’ behalf use email as a source of communications. Therefore, capturing email addresses continues to be imperative for the City of Denton’s revenue generated by a collection agency.



10 YEARS

Data from the DMA shows that 51% of people now have held the same email address for over **10 years**.

The Utility industry hasn’t been the only industry impacted financially by Regulation F! In addition to all of the above aspects of Regulation F, which pertain to medical debt too, for the EMS Dept’s collection portfolio, we have also experienced a tremendous amount of reform around the rules for credit reporting medical debt. CSII’s healthcare clients have seen an even greater negative impact on their revenue generation from bad debt due to all the new medical debt credit reporting rules that the CFPB has rolled out over the last 3 years. Please see the new rules and their effective dates for credit reporting medical debt on the following page:



Overview of Credit Reporting Medical Debt



- Medical accounts are not reported to the CRAs until at least 365 days from the date of first delinquency (Effective 7/1/2022)
- Before an account is eligible for credit reporting, the Data Furnisher (CSII) must:
 - Have the consumers' full SSN or DOB
 - Communicate with the consumer (via mail/email or telephone)
 - Both of the above went into effect on 11/30/2021 w Reg F
- Once an account is paid, it is deleted from the consumer's credit report (Effective 7/1/2022)
- Medical debt balances <\$500 are no longer eligible for credit reporting (Effective 3/31/2023)



*State Laws vary by State for Credit Reporting — This slide is TX-specific as of today.

With the above new rules in effect for the last two years, CSII has launched several new tools for locate efforts, capturing email addresses, and sending email and SMS campaigns. We also continue to seek out new vendor partners to enhance our analytical tools so that we can reach more consumers daily!



CSII agrees to continue to remit to the City of Denton the gross amount collected by the 10th of each month for the previous month's collection activity, and our invoice format will remain as the City's Departments are accustomed to receiving, with the PO Number denoted. Any fees due to the agency will continue to be invoiced to the City of Denton. CSII will continue to provide the account-level details with our remittance advice to City of Denton's Utility Dept. As for the reporting requirements, CSII will continue to provide monthly Dashboard Reports for each portfolio.

As previously mentioned, CSII will continue to meet and/or exceed all requirements addressed in the Scope of Work, and we have provided feedback for each item below:

Part A (Utility/Miscellaneous Uncollectable Debt)

- Vendor must obtain a surety bond for \$50,000, guaranteeing payment to the City for monies due the City under the contract period.

This item was disallowed as per Addendum. However, CSII carries a \$2M Commercial Crime Insurance Policy to protect the City of Denton.

- Vendor must be able to accept and transmit information from the City via the mail, fax or electronic file transmission at the City's option.

Understood. CSII currently has all data transfer processes in place between our office and the City's Utility and EMS Departments.

- Vendor must report all accounts to Experian and/or another national credit bureau, at the time the accounts are received from the City.

CSII currently reports unpaid accounts to Experian, Equifax, & TransUnion and we follow all the credit reporting rules previously stated for medical debt. Please find CSII's credit reporting guidelines for Utility accounts on the following page.

CSII's Credit Reporting Model for Utility



- Utility accounts are not reported to the Credit Reporting Agencies (CRAs) until at least 45 days from the date of account placement with CSII
- Before an account is eligible for credit reporting, the Data Furnisher (CSII) must:
 - ➡
 - Have the consumers' full SSN or DOB
 - Communicate with the consumer (via mail/email or telephone)
 - Both of the above went into effect on 11/30/2021 w/ Regulation F
- CSII manages CRA disputes and Inquiries via our Dispute Resolution Team
- Files are Securely Forwarded to CRAs via SFTP
- Exclusions from credit reporting referrals:
 - Unverified Contact Consumers, Paid Accounts, Accounts in a Paying Status, Disputed Accounts, or Accounts in a Hold Status Pending Final Bill/Verification



- Vendor must actively pursue all receivables, turned over by the City, regardless of the amount owed.

Understood.



- Vendor will retain all accounts for the life of the account. At the end of the life of the account, inactive uncollected accounts must be promptly returned to the City along with its findings and recommendations. Active accounts (those who have a payment pending or are actively on a payment plan) may be retained by the vendor for an additional 180 days, but will be returned sooner if an account becomes inactive. If the vendor has not succeeded in collection any part of an account during that time period, then the vendor must promptly submit its findings and recommendations to the City.

CSII currently retains accounts for the full account life-cycle. Our agency supports all aspects of credit reporting on behalf of the City, and we propose to continue with the current processes of CSII retaining the accounts for the full contract term and beyond, if applicable.

- Vendor will retain a record of all accounts for the life of the account for credit bureau reporting purposes.

Understood.

- In processing and handling Code Enforcement Liens, vendor must comply with state law of accrual of interest penalties.

Understood.

- In processing and handling Utilities, vendor must comply with federal Red Flag Rules.

Understood.

- In processing and handling Utilities, vendor must comply with FCC TCPA rulings

Understood.

- Accounts may not be compromised by the vendor; however, vendor may enter into payment arrangements with customer not to exceed 6 months without prior approval of the City of Denton. It is the intent of the City of Denton that the vendor work with cooperative customers who enter and comply with the terms of a payment agreement. Such accounts shall not be referred to the credit bureaus unless the customer fails to make payments in accordance with the agreement.

Understood.



- Payments for Utility Collections shall be submitted via ACH and monthly reporting via electronic file.

Understood and this process is currently in place for the Utility's portfolio with CSII.

- Vendor must provide monthly reports on the collection activities. These reports are due to the City by the 15th of each month and should include:
 1. Acknowledgment of accounts received (number of accounts and total revenue)
 2. Itemized monthly activity statements (include for each service: summary of collection activity, each debtor account collection status, and verified fee amount due to collector)
 3. Statement of accounts being returned to the City

Understood.

- Vendor must provide regular, periodic software or electronic reports to the City to enable account balance review by the City, and vendor comments regarding review of accounts held by the vendor. Vendor must provide technical support to enable electronic placement of accounts.

Understood.

- The City will pay the agreed upon fee based on the amount collected on a monthly basis. A monthly report will be provided by the City by the 5th working day of payments received from debtors during the previous month for billing purposes.

Understood.

- It is preferred that the vendor is located within the state of Texas and preferably located within the Dallas/Fort Worth/Denton Metroplex. The vendor must be licensed to conduct business in the state of Texas.

Understood. CSII is located here in the metroplex.

- It is preferred that the vendor employs bilingual collectors who can correspond with Spanish-speaking debtors both orally and in writing.

Understood.

Accommodations for Spanish-Speaking Patients

- Approximately 40% of CSII's Contact Center Staff is Bi-lingual
- Translation Managers
- 24/7/365 ACH Payments in English & Spanish






ACA International

is pleased to recognize

CSII's Collection Specialist

has fulfilled the requirements and has earned the designation of

Professional Collection Specialist



- Vendor correspondence and collection methods must comply with a format acceptable to the City and be in accordance with all federal, state and local statutes regarding Fair Debt Collections practices.

Understood.

- Vendor's collection experience and qualifications must be sufficient to provide the most adequate and secure collection services as determined by the City.

Understood. CSII addressed our experience and qualifications in our proposal's Introduction Letter included.



- Vendor must provide skip-tracing services.

Understood.

CSII's Skip Tracing Resources – CONFIDENTIAL section containing Trade Secrets

CSII is highly skilled and organized in the management of high-volume placements, as well as in the utilization of information/data provided by the City of Denton. For example, prompt identification of accounts lacking contact information are batched into electronic files for processing through CSII's Skip-Trace Department. CSII utilizes a variety of resources including our in-house proprietary hybrid database which incorporates data from TXDL, NCOA, and our vast market share of consumers residing Texas. CSII also has vendor partners who provide information from a multitude of sources, which can include public records, credit reports and social media. Additionally, **CSII's proprietary Texas Driver License database provides information on more than 20M Texas residents!**

CSII's skip efforts start at placement and remain part of our collection process for the entire account life-cycle as needed based upon the account status.

- Vendor must obtain a surety bond for \$50,000, guaranteeing payment to the City for monies due the City under the contract period.

This item was disallowed as per Addendum. However, CSII carries a \$2M Commercial Crime Insurance Policy to protect the City of Denton.

- Vendor must be able to accept and transmit information from the City via the mail, fax or secure electronic file transmission at the City's option.

Understood.

- Vendor must report all accounts to Experian, Equifax and/or TransUnion, however at minimum to the national credit bureau, 37 days after the time the accounts are received from the City.

Understood.

- Vendor must actively pursue all receivables, turned over by the City, regardless of the amount owed.

Understood.



- Vendor will retain all accounts for the life of the account. City of Denton EMS Accounts do not have a termed life. The accounts can be closed or written off by notification from the City of Denton and will remain open unless otherwise notified.

Understood.

- Vendor will retain a record of all accounts for the life of the account for credit bureau reporting purposes.

Understood.

- Vendor must provide monthly reports on the collection activities. These reports are due to the City by the 15th of each month and should include:

1. Acknowledgment of accounts received (number of accounts and total revenue)
2. Itemized monthly activity statements (include for each service: summary of collection activity, each debtor account collection status, and verified fee amount due to collector)
3. Statement of accounts being returned to the City

Understood.

- Vendor must provide regular, periodic software or electronic reports to the City to enable account balance review by the City, and vendor comments regarding review of accounts held by the vendor. Vendor must provide technical support to enable electronic placement of accounts.

Understood.

- The City will pay the agreed upon fee based on the amount collected on a monthly basis. A monthly report will be provided by the City by the 5th working day of payments received from debtors during the previous month for billing purposes.

Understood.

- It is preferred that the vendor is located within the state of Texas and preferably located within the Dallas/Fort Worth/Denton Metroplex. The vendor must be licensed to conduct business in the state of Texas.

Understood.



- It is preferred that the vendor employs bilingual collectors who can correspond with Spanish-speaking debtors both orally and in writing.

Understood.

- It is preferred that the vendor obtain a Corporate Identity Protection Policy, also known as Cyber Insurance in the amount of \$1 million or greater.

Understood. CSII's robust Insurance Portfolio greatly exceeds this \$1M policy request. CSII carries a \$5M Corporate Identity Protection Policy.

- Vendor correspondence and collection methods must comply with a format acceptable to the City and be in accordance with all federal, state and local statutes regarding Fair Debt Collections practices.

Understood.

- Vendor's collection experience and qualifications must be sufficient to provide the most adequate and secure collection services as determined by the City.

Understood. CSII has the experience and qualifications to provide the City with exceptional and secure collection services.

- Vendor must provide skip-tracing services.

Understood.

- Vendor must provide credit card, online payment options and accept payments of any amount. The City of Denton is not responsible for any fees associated with electronic payment transactions.

Understood. Please see CSII's payment options for consumers on the following page:



CSII's Convenient Payment Options

At CSII, we care about your customers/patients and your A/R!

- **CSII accepts the following payment types**

- Check / Money Order / Cashier's Check
- ACH
- Credit & Debit Cards (**HSA & FSA Cards accepted for EMS**)



- **CSII is now accepting ApplePay & GooglePay – Exciting News!!!!**

- **Methods of payment**

- Pay By phone - CSII's Payment Verification Team via a recorded line
- 24/7/365 secure web payments at **www.paycsitoday.com**
- US Mail & delivery services



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- Upon the completion of the contract term, the incumbent will maintain all accounts previously placed.

Understood, if applicable.

ADDITIONAL SPECIFICATIONS (PART B only – EMS / Ambulance Billing)

- In processing and handling EMS accounts, vendor must comply with all Health Insurance Portability and Accountability Act (HIPPA) requirements and must maintain a compliance program or policy in place.

Understood. CSII holds our SOC 2, Type II / HITRUST Certification which validates our level of commitment to protecting all sensitive data entrusted to our agency. The HITRUST is the highest level of data security certification obtainable in the healthcare industry.



CSII's Compliance & Security

CSII remains **SOC 2, Type II Certified** with **HITRUST Framework Auditing Criteria**.

The SOC 2, Type II report is based upon the following 'Trust Service Principals' and is the highest level of data security certification. CSII's auditing criteria is built around the **HITRUST certification framework** which is a higher level of certification than the traditional SOC 2, Type II certification.



Security
The system is protected from unauthorized access

Availability
The system is available and used for the agreed upon purposes

Processing Integrity
System processes are authorized, complete, accurate and timely

Confidentiality
Confidential information is protected

Privacy
Personal information is obtained, utilized, retained and disclosed in compliance with the privacy principals established by the American Institute of Certified Public Accountants



Outline of CSII's Collection Services

CSII created this proposal to address the City of Denton's Scope of Work in regard to account recovery strategies. In the following pages, please find CSII's standard and basic workflow overview, as well as CSII's implementation plan if selected for the new contract.

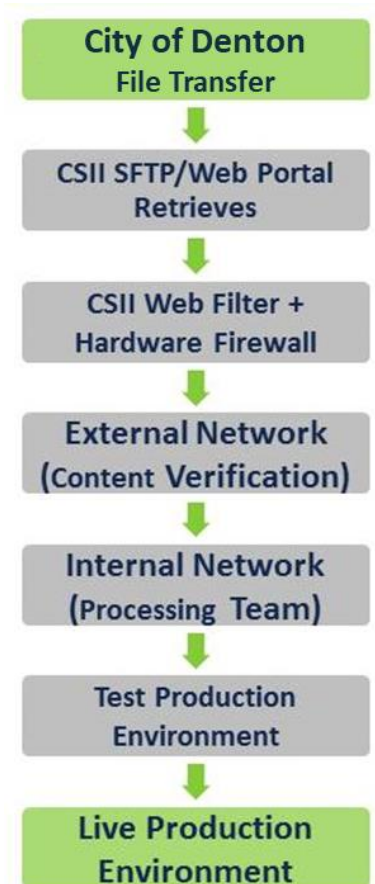
CSII's Implementation Expertise to Assist the City of Denton and On-boarding Timeline:

With CSII already having all processes currently in place for the City of Denton's portfolios, the implementation period will be as easy as a one-day process! CSII will establish new IDs for the new PO and maintain the existing SFTP for data transfers. Our CFO will establish monthly ACH/EFT fund transfers to replace the current process of mailing a remittance check, and we will schedule a Kick-Off call to determine exact dates for new file transfers, confirm our City of Denton's counterparts for daily communications, and discuss a new quarterly virtual meeting schedule as well as annual face to face meetings since the last few years' meetings have been interrupted due to the pandemic and remote work schedules. CSII's team looks forward to getting back to annual meetings in Denton and establishing quarterly virtual touchpoints via Teams!

CSII's Data Transfers & Processing of Accounts for City of Denton's placements:

CSII will continue with all existing processes including hosting our client web portal and SFTP for secure file transfers from both the Utility & EMS Departments.

All files are processed by CSII's Technical Processing Division within our Information Technology Department where Developers are on-site with the experience and capability to process all types of file formats such as fixed length, variable fixed length, comma or pipe delimited, text, Excel, csv, etc. An I.T. Coordinator will continue to supervise all inbound/outbound data transfers as well as monitor data exchange schedules. To ensure quality control and accuracy on all inbound data, each file submission is balanced to the control numbers provided by the City of Denton (number of accounts and total dollar amount of each placement submission). This diagram offers a snapshot of CSII's **City of Denton to CSII Dataflow** and the routing of the file from placement to launching into CSII's live production environment.





With CSII's saturation in the Texas market, the linking of accounts for the same responsible party/account holder is a tool that provides benefits for all CSII's clients, especially for the City of Denton considering CSII's saturation in the N TX/DFW areas, due to the fact that we MUST communicate with the customer/patient before their account is eligible for credit reporting!

CSII has more than 10 million active consumers in our data base, and approximately 80-85% of these consumers reside in Texas. This places CSII at an exclusive advantage in locating the City of Denton's customers/patients and speaking with them to resolve their account.

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CSII's Exclusive Advantages for Increased Recovery in Texas

CSII's Proprietary Texas Driver's License Data Base

- Provides over 20 million addresses of record
- Increases right-party contact & reduces fraud



CSII's Saturation in the Texas Market

- Over 10 million active Texas consumers
- Extensive skip-tracing resource

Scoring Algorithm

- Enhanced "Super Score" accurately measures the probability to pay for every consumer maximizing profitability





CSII's Acknowledgment of Placement:

Confirmation for receipt of files is electronically forwarded to the City of Denton within 24 hours of receipt and processing the placement and contains the number of accounts processed as well as the total dollar amount. All files received prior to 2:00 p.m. are processed into CSII's system that day. Files received after 2:00 p.m. are processed into CSII's system the following business day.

CSII's New Placement Processing Procedures & CSII's Work Flows:

CSII starts our collection efforts immediately with data validation efforts, bankruptcy/deceased/litigious consumer/active military scrubs. Utilization of our Proprietary Texas Driver's License data base for verification & locate efforts, SSN validation, and CSII scores the account for probability to pay.

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Collection Process Starts at Placement

Upon receipt of placement, CSII's account processing procedures commence utilizing these sequential data analytical resources

Data analytics provide valuable consumer information utilized for:

- Internal collection procedures
- Risk mitigation

Bankruptcy and litigious consumer searches are:

- Conducted at placement
- Accounts are monitored for the duration an account remains with CSII
- Clients receive the information in an electronic file





CSII's Account Scoring Algorithms & Strategies:

Allows for increased ROI on every account entrusted to us by the City of Denton. CSII knows the propensity to pay of the consumer before we speak with them which allows for added sensitivity on the call and a more strategic approach to CSII's agent's negotiation strategy.

Account Scoring Strategy

- Combines Credit Based Scoring & External Demographics with CSII's Internal Data Analytics
- Accurately predicts propensity to pay impacting account assignment & collection strategies
- Data analytics are continually monitored for re-scoring & re-analyzing accounts for probability to pay
- Enables CSII to obtain the best possible ROI on every account

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Why an Analytical Approach to Collections?



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Account Deployment into CSII's System



CSII routes accounts to Collection Specialist Teams most suited for specific account types. Our strategic assignment of accounts is based upon account type (i.e. utility, municipality, damage claims, code enforcement, commercial, healthcare, etc.), propensity to pay (score), communication type (cell phone, emails, landline) along with additional controls programmed by the Management Team which overall translates into increased revenue. This model also supports our customer service approach by utilizing highly skilled and knowledgeable representatives to communicate with consumers regarding certain business types which in turn, promotes a positive consumer experience and is exceptionally effective for liquidations.

CSII's Skip Tracing Resources: CSII shared on our locate and skip services in our response to the SOW questions.

CSII's skip efforts start at placement and remain part of our collection process for the entire account life-cycle as needed based upon the account status.



CSII's Model Validation Notice/Collection Notices/Letters

All initial collection notices must be the CFPB's approved Model Validation Notice (MVN) and are processed and mailed to consumers within the first 24-48 hours of processing the City of Denton's placement file. Notices contain the origination of the debt, City of Denton's account number, and the amount owed. A variety of subsequent notices are utilized at different intervals based upon the account's history and at the discretion of the Collection Specialist. Please see the below sample of CSII's initial MVN below:

Written Communications to Customers

- Compliance
 - Model Validation Notice
 - Follows Reg F Requirements
 - CFPB Safe Harbor
- Camera monitored -
one notice per envelope
- Postal tracking to
local post office & delivery
- First letter sent within 24 hours
- www.paycsitoday.com



Credit Systems International, Inc.
PO Box 1088
Arlington, TX 76008

[INSERT BAR CODE]

To: Guarantor Name
Guarantor Address 1
Guarantor Address 2
City, State Zip



Monday to Friday • 8am to 5pm CST
(800) 316-8064 • www.creditsystemsintl.com

Reference: [Master #]

Credit Systems International, Inc. is a debt collector. We are trying to collect a debt that you owe to [Client Name]. We will use any information you give us to help collect the debt.

Our information shows:

You had an account with [Client Name] with account number [Client Account #].

As of [Itemization Date], you owed:	\$ 2,234.56
Between [Itemization Date] and today:	
You were charged this amount in interest:	+ \$ 0.00
You were charged this amount in fees:	+ \$ 0.00
You paid or were credited this amount toward the debt:	- \$ 50.00
Total amount of the debt now:	\$ 2,184.56

How can you dispute the debt?

- Call or write to us by [Validation Date], to dispute all or part of the debt. If you do not, we will assume that our information is correct.
- If you write to us by [Validation Date], we must stop collection on any amount you dispute until we send you information that shows you owe the debt. You may use the form below or write to us without the form. You may also include supporting documents.

What else can you do?

- Write to ask for the name and address of the original creditor, if different from the current creditor. If you write by [Validation Date], we must stop collection until we send you that information. You may use the form below or write to us without the form.
- Go to www.cfpb.gov/debt-collection to learn more about your rights under federal law. For instance, you have the right to stop or limit how we contact you.
- Contact us about your payment options.

(Trigger as needed) - Optional disclosures

How do you want to respond?

Check all that apply:

- ☐ I want to dispute the debt because I think:
- ☐ This is not my debt.
 - ☐ The amount is wrong.
 - ☐ Other (please describe on reverse or attach additional information).
- ☐ I want you to send me the name and address of the original creditor.
- ☐ I enclosed this amount: \$

Make your check payable to Credit Systems International, Inc. and include the reference number [Master#]. For additional payment options: [QR CODE].

Person A
2323 Park Street
Apartment 342
Bethesda, MD 20815

Mail this form to:

[INSERT BAR CODE]
Credit Systems International, Inc.
PO Box 1088
Arlington, TX 76008

CSi's Call Center Technology:

TCN: Predictive Dialer/IVR/Voice Messaging System/Digital Voice Recording System - Recognizes the time-of-day, deploys accounts to various call streams, ensures outbound calls vary by time and day, recognizes the daily work patterns of the consumer based upon historical answer times, offers flexible programming for efficient management of customer call campaigns, enables management to control outbound/inbound call volume, manages laws governing the use of an auto-dialer, cell phone verification resource, etc. The end result is increased opportunities to contact customers.

Call Center In/Outbound Call Stream



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CSII's Dialing Technology

Predictive Dialing Systems/Auto-Messaging/IVR/HCI



CSII's dialing technology provides streamlined telephone and SMS communications with strategic tools to mitigate risk for compliance.

- Legal Calling Hours-Checks both area codes & zip codes for time zones
- TCPA risk mitigation with HCI – Human Call Initiator – Predictive dialing performance with no TCPA risk
- Manages state specific laws governing the use of automatic dialers
- Stores & maintains a 'Do Not Call List'
- PDAS – Phone Dialing Attempt Supervisor – Automates compliance with Regulation F calling limitations

Digital Communications Launched!

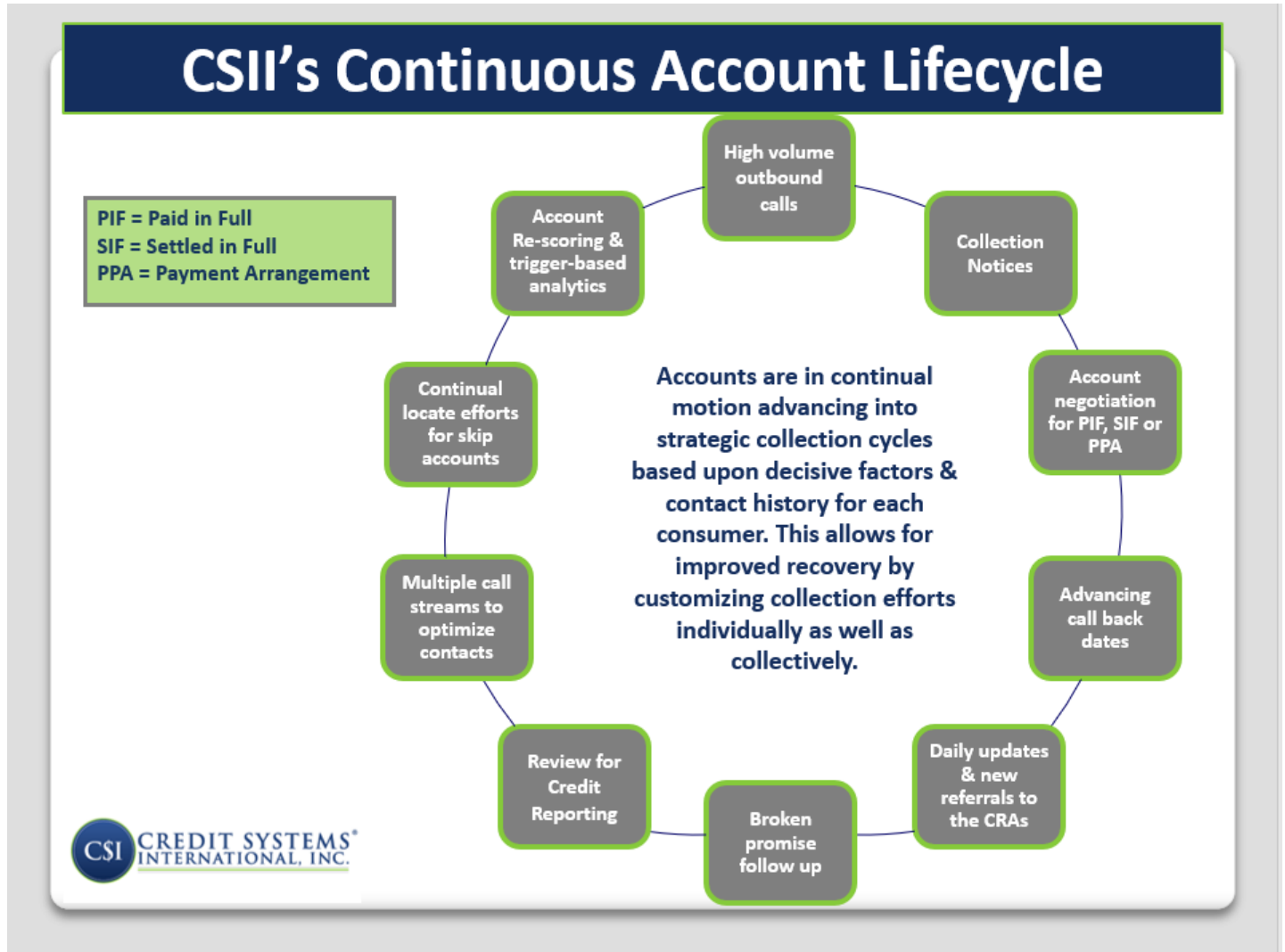
- Omni-channel dialers, texting, email, and messaging services that interface with our collection software system
- CSII is currently emailing MVNs to all consumers that we are provided an email address
- CSII currently utilizes SMS/text messaging to communicate payment reminders, receipts, NSF's, and credit card declines to consumers who provide express consent.
- CSII continues to store consumer's email addresses and has a **proprietary scrub that corrects typos ie: @gmail & client passes #gmali**
- Cell phone numbers are stored in specific fields based upon consumers providing express consent



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Account Life-Cycle with CSII

As depicted in below, CSII offers a continuous account life-cycle for the full 7 years allowed for credit reporting which includes constant bankruptcy scrubs and continual utilization of CSII's proprietary TX Driver's License database. CSII also offers inventory warehousing for accounts more than 7 years in age from the date of service termination.



Vendor Partner for Monitoring Disaster Affected Areas

CSII partners with a cloud-based software that provides data on areas where outbound collection calls should be halted because of widespread disasters such as extreme weather conditions. They provide us, in part:

- Prompt notification of areas where outbound calls are not recommended
- Status updates
- Suggested resumption of outbound calls

The data is captured from private and public authorities such as National Weather Service, FEMA, NOAA, etc. A few key monitoring components include hurricane watches and warnings, flood watches and warnings, power outages, civil unrest, school closings, as well as suspension of deliveries from the USPS, UPS and FedEx.

This tool has enhanced CSII's ability to protect our clients' public images and ensure a positive customer experience for consumers nationwide.



Speech Analytics for Call Quality Assurance

CSII uses Speech Analytics to assist with Call Quality Assurance.

Speech Analytics

Our speech analytics suite:

- Scans all recorded calls for elements that should/should-not be present in dialogue
- Reports are generated & all calls flagged are reviewed by a Compliance Analyst
- If the call has a 'non-conformity', it is logged in our Compliance Management System (CMS) which notifies the Agent's supervisor
- The non-conformity item will remain open until the supervisor initiates corrective action with the agent and logs the corrective measures in our CMS.
- Executive Dir of OPS reviews all non-conformities





CSII's Processes for Credit Reporting Agencies (CRAs):

Forwarding debts to credit reporting agencies is still the most effective tool that empowers our financial eco-system, economy, businesses, and consumers with trustworthy information to enrich the well-being of all entities involved. CSII reports to the top three national Credit Reporting Agencies (Experian, TransUnion, and Equifax [CSC]) in accordance with all federal regulations, including Regulation F/FDCA, the Fair Credit Reporting Act, as well as specifications required by our clients. CSII provided further information about medical and utility credit reporting within our responses to the SOW questions.

This concludes CSII's BEST VALUE proposal to the City of Denton for Part C of RFP # 8746 for Third Party Collection Agency services. CSII has been extremely honored to have had the opportunity to serve the City of Denton over the last 20 years, and our hope is to continue serving as the City's collection agency partner in the future.

CSII has a proven track record in assisting municipalities with innovative collection methodologies resulting in successful account recovery strategies while also navigating the fine line between collecting from constituents and protecting the City's public image. The City of Denton has been able to experience this first-hand with CSII over the years.

In light of all the regulatory and credit reporting changes that have tremendously affected liquidations nationwide over the last 5 years, CSII's newly proposed rates are still reduced from the last contract term despite increases in operational expenses, employee pay raises for cost-of-living increases, and overall lower liquidations due to the state of the economy and current regulatory environment.

CSII remains committed to providing excellent collection services, at highly competitive rates, with compliance and data security at the forefront of all processes.



CSII is SOC 2, Type II Certified with HITRUST Framework Auditing Criteria.



Exhibit G

CONFLICT OF INTEREST QUESTIONNAIRE

CONFLICT OF INTEREST QUESTIONNAIRE -**FORM CIQ****For vendor or other person doing business with local governmental entity****This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.**

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 Name of vendor who has a business relationship with local governmental entity.**Credit Systems International, 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***Laura Beam*

Signature of vendor doing business with the governmental entity

02/10/2025

Date

Certificate Of Completion

Envelope Id: 38B14A37-C06F-4117-ADB3-47ACCD9F9801

Status: Sent

Subject: Please DocuSign: City Council Contract 8746 Third Party Collection Agency

Source Envelope:

Document Pages: 68

Signatures: 3

Envelope Originator:

Certificate Pages: 6

Initials: 1

Christina Dormady

AutoNav: Enabled

901B Texas Street

Envelopeld Stamping: Enabled

Denton, TX 76209

Time Zone: (UTC-06:00) Central Time (US & Canada)

christina.dormady@cityofdenton.com

IP Address: 198.49.140.104

Record Tracking

Status: Original

Holder: Christina Dormady

Location: DocuSign

3/17/2025 3:04:11 PM

christina.dormady@cityofdenton.com

Signer Events

Signature

Timestamp

Christina Dormady

Completed

Sent: 3/17/2025 3:10:03 PM

christina.dormady@cityofdenton.com

Viewed: 3/17/2025 3:10:18 PM

Buyer

Signed: 3/17/2025 3:11:18 PM

City of Denton

Using IP Address: 198.49.140.104

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Lori Hewell

Sent: 3/17/2025 3:11:21 PM

lori.hewell@cityofdenton.com

Viewed: 3/17/2025 3:44:44 PM

Purchasing Manager

Signed: 3/17/2025 3:45:47 PM

City of Denton

Security Level: Email, Account Authentication
(None)

Signature Adoption: Pre-selected Style

Using IP Address: 198.49.140.10

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Marcella Lunn

DocuSigned by:
Marcella Lunn
4B070831B4AA438...

Sent: 3/17/2025 3:45:49 PM

marcella.lunn@cityofdenton.com

Viewed: 3/17/2025 4:12:52 PM

Senior Deputy City Attorney

Signed: 3/17/2025 4:14:55 PM

City of Denton

Security Level: Email, Account Authentication
(None)

Signature Adoption: Pre-selected Style

Using IP Address: 198.49.140.10

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Laura Emmons-Beam

DocuSigned by:
Laura Emmons-Beam
67C95ED250B24AF...

Sent: 3/17/2025 4:15:00 PM

LBeam@CreditSystemsIntl.com

Resent: 3/31/2025 4:18:43 PM

Account Executive\Dir of Business Development

Viewed: 3/31/2025 4:36:35 PM

Laura Emmons-Beam

Signed: 3/31/2025 4:38:47 PM

Security Level: Email, Account Authentication
(None)

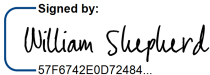
Signature Adoption: Pre-selected Style

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Electronic Record and Signature Disclosure:

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ID: e3ec1cb3-29b7-41b9-853e-4eb572a96e88

Signer Events	Signature	Timestamp
William Shepherd william.shepherd@cityofdenton.com Executive Manager Business Services Security Level: Email, Account Authentication (None)	<div>Signed by:  57F6742E0D72484...</div> Signature Adoption: Pre-selected Style Using IP Address: 174.238.11.220 Signed using mobile	Sent: 3/31/2025 4:38:52 PM Viewed: 3/31/2025 4:47:08 PM Signed: 3/31/2025 4:53:33 PM

Electronic Record and Signature Disclosure:
Accepted: 3/31/2025 4:47:08 PM
ID: f1cacac3-22bd-4d85-b228-4482f25f0242

Cheyenne Defee
cheyenne.defee@cityofdenton.com
Procurement Administration Supervisor
City of Denton

Sent: 3/31/2025 4:53:40 PM

Security Level: Email, Account Authentication (None)

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

Lauren Thoden
lauren.thoden@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: 3/17/2025 3:11:22 PM

Gretna Jones
gretna.jones@cityofdenton.com
Legal Secretary
City of Denton
Security Level: Email, Account Authentication (None)

COPIED

Sent: 3/31/2025 4:53:38 PM
Viewed: 4/1/2025 4:00:21 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 Autumn Perkins Autumn.perkins@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	3/17/2025 3:10:04 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:

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Browsers (for SENDERS):	Internet Explorer 6.0? or above
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City of Denton

City Hall
215 E. McKinney St.
Denton, Texas 76201
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Legislation Text

File #: PUB25-062, **Version:** 1

AGENDA CAPTION

Consider approval of the April 14, 2025, minutes.

CITY OF DENTON PUBLIC UTILITIES BOARD MINUTES
April 14, 2025

After determining that a quorum was present of the Public Utilities Board of the City of Denton, convened in a Regular Meeting on Monday, April 14, 2025, at 9:00 a.m. in the Council Work Session Room at City Hall, 215 E. McKinney Street, Denton, Texas.

PRESENT: Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, Susan Parker, and Aaron Newquist

Also present: General Manager Antonio Puente, Jr. and Deputy City Attorney Marcella Lunn

Absent:

REGULAR MEETING

1. PRESENTATIONS FROM MEMBERS OF THE PUBLIC

There were no presentations from the public.

Vice Chair Devin Taylor arrived during this item.

2. CONSENT AGENDA

The Consent Agenda consisted of Items 2 A-E.

Board members pulled Items 2B & 2D.

Board Member Riback moved to recommend adoption of agenda items 2 A, C, E. Motion seconded by Board Member Taylor; motion carried.

YES (7): Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, Susan Parker, and Aaron Newquist

NO (0):

- A. PUB25-047** Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a fourth amendment to a Professional Services Agreement between the City of Denton and Halff Associates, Inc., amending the contract approved by City Council on November 15, 2022, in the not-to-exceed amount of \$1,144,280.00; amended by Amendments 1-3 approved by the City Council and Purchasing; said fourth amendment to provide for the design, bidding, construction engineering services and FEMA application fees for a Conditional Letter of Map Revision (CLOMR) and a Letter of Map Revision (LOMR) in relation to the Westgate Drive Reconstruction Project for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7599-011 - providing for an additional fourth amendment expenditure amount not-to-exceed \$81,690.00, with the total contract amount not-to-exceed \$1,287,970.00).

- C. PUB25-050** Consider recommending 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 Carollo Engineers, Inc., for engineering services at the Lake Lewisville Water Treatment Plant for the Water Utilities Department as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8213-004 - Professional Services Agreement for engineering services awarded to Carollo Engineers, Inc., in the not-to-exceed amount of \$958,760.00).
- E. PUB25-053** Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Altec Industries, Inc., for Altec branded equipment inspections, maintenance, and repairs for the Fleet Services Department, which is the sole provider of this service, in accordance with Texas Local Government Code 252.022, which provides that procurement of commodities and services that are available from one source are exempt from competitive bidding, and if over \$50,000, shall be awarded by the governing body; providing for the expenditure of funds therefor; and providing an effective date (File 8757 - awarded to Altec Industries, 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 \$780,000.00).
- B. PUB25-049** Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute Change Order No. 3 to the contract between the City of Denton and Sundt Construction, Inc., for the Bonnie Brae Phase 3 Widening and Reconstruction Project for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (CSP 8094-1 - Change Order No. 3 in the not-to-exceed amount of \$2,388,362.16, for a total contract award aggregated to \$42,707,207.63).

Seth Garcia delivered a presentation, during which board members asked questions that Seth addressed.

Board Member Parker moved to recommend adoption of agenda items 2B. Motion seconded by Board Member Riback; motion carried.

YES (6): Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, Susan Parker, and Aaron Newquist

NO (1): Chair Billy Cheek

- D. PUB25-051** Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute Change Order No. 1 to the contract between the City of Denton and Texas Materials Group, Inc., for the construction of the Robinwood Reconstruction Project for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (CSP 8586 - Change Order No. 1 in the not-to-exceed amount of \$301,421.50, for a total contract award aggregated to \$3,097,446.88).

Sheldon Gatewood delivered a presentation, during which board members asked questions that he answered. Board member Taylor inquired about linear feet, and Sheldon stated that he would follow up with PUB members.

Board Member Taylor moved to recommend adoption of agenda items 2D. Motion seconded by Board Member Riback; motion carried.

YES (7): Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, Susan Parker, and Aaron Newquist

NO (0):

3. ITEMS FOR INDIVIDUAL CONSIDERATION

A. PUB25-058 Consider approval of March 24, 2025, minutes.

Board Member Parker moved to recommend adoption of agenda items 3A. Motion seconded by Board Member Newquist; motion carried.

YES (7): Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, Susan Parker, and Aaron Newquist

NO (0):

B. PUB25-046 Consider recommending approval of a resolution of the City Council of the City of Denton, Texas approving the sale of certain transmission system assets by the Texas Municipal Power Agency (“TMPA”); and providing an effective date.

Tony Puente delivered a presentation, and Billy Cheek spoke to this item, providing additional information. Board members asked questions, which Tony answered.

Board Member Taylor moved to recommend adoption of agenda items 3B. Motion seconded by Board Member Rayner; motion carried.

YES (7): Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, Susan Parker, and Aaron Newquist

NO (0):

C. PUB25-048 Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Mountain Cascade of Texas, LLC, for the construction and movement of public water/wastewater utilities in support of TxDOT’s IH-35 and FM 1173 widening from US 288 to Ganzer Road for the Capital Projects Department; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7968-005 - awarded to Mountain Cascade of Texas, LLC, in the not-to-exceed amount of \$16,029,149.85).

Shawn Messick delivered a presentation, during which Board member Taylor asked a series of questions that Shawn addressed.

Board Member Taylor moved to recommend adoption of agenda items 3C. Motion seconded by Board Member Riback; motion carried.

YES (7): Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, Susan Parker, and Aaron Newquist

NO (0):

D. PUB25-052 Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Kirby-Smith Machinery, Inc., through the Buy Board Cooperative Purchasing Network Contract Nos. 685-22, 687-22, and 740-24, for the purchase, repairs, and rental of construction equipment for the Fleet Services Department; providing for the expenditure of funds therefor; and providing an effective date (File 8786 - awarded to Kirby-Smith Machinery, 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 \$7,749,000.00).

Tom Gramer delivered a presentation, during which the board members asked questions that he answered.

Board Member Newquist moved to recommend adoption of agenda items 2 A, C-E. Motion seconded by Board Member Plock; motion carried.

YES (7): Chair Billy Cheek, Devin Taylor, Thomas Plock, Robert Rayner, Lee Riback, Susan Parker, and Aaron Newquist

NO (0):

E. PUB25-056 Management Reports

1. Southeast Denton Package B Change Order Inquiry
 - a. Board member Riback requested further clarification regarding the change order. Scott Fettig responded to the board members' inquiries and mentioned he would provide the additional information.
2. Future Agenda Items
3. New Business Action Items
 - a. Contamination Map from Solid Waste will be provided at the next PUB Meeting on April 28, 2025.

5. CONCLUDING ITEMS

Susan Parker stated she will be unavailable throughout May and will return in June. Lee Riback indicated he will be out in June.

With no further business, the meeting was adjourned at 9:40 AM.

BILLY CHEEK
CHAIR
CITY OF DENTON, TEXAS

CASSIE BLACKBURN
ADMIN MANAGER
CITY OF DENTON, TEXAS

Minutes approved on: 4/28/2025



City of Denton

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Legislation Text

File #: PUB25-061, **Version:** 1

AGENDA CAPTION

Management Reports

1. February Recycling Contamination Rate
2. Robinwood Reconstruction Inquiry
3. Future Agenda Items
4. New Business Action Items



MEMORANDUM

DATE: April 10, 2025
TO: Public Utility Board
FROM: Solid Waste and Recycling, Brenda Haney
SUBJECT: February Recycling Contamination Rate

This memorandum serves as a follow-up to the Solid Waste and Recycling (SWR) presentation delivered to the Public Utilities Board (PUB) on March 24, 2025, regarding Solid Waste and Recycling Overview and Updates (PUB 24-268).

During the presentation, Mr. Brian Boerner provided an update on recycling contamination rates, noting a February 2025 rate of 8%. In response to a request from Board Member Susan Parker, SWR committed to providing a map illustrating the residential recycling contamination rate.

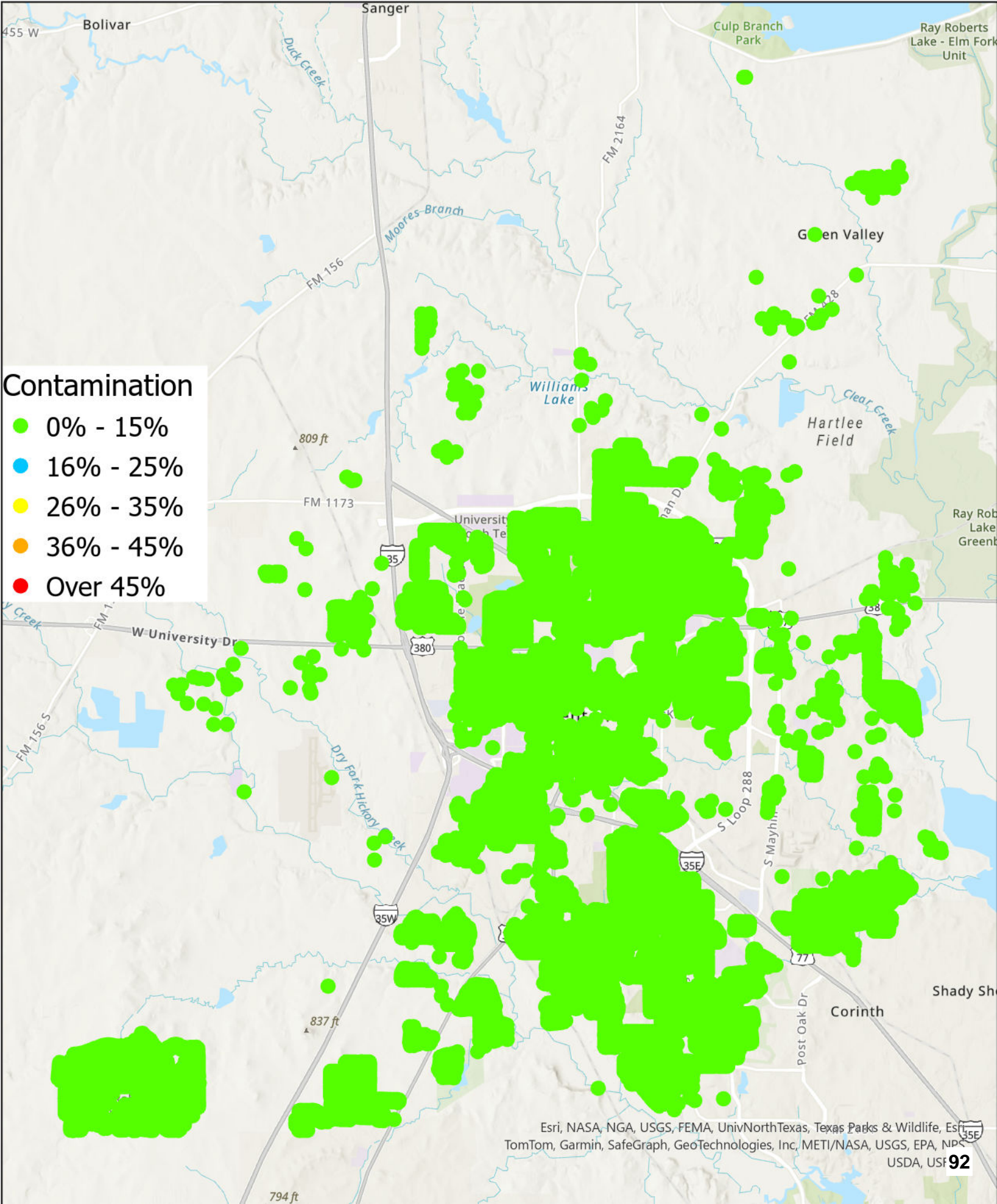
Attached to this memorandum is the requested contamination map for residential recycling for February 2025. As Mr. Boerner indicated during the presentation, this low contamination rate of 8% signifies a high level of material placed at the curb for recycling that is indeed recyclable, reflecting positively on the program's effectiveness.

SWR would like to acknowledge and thank the residents of Denton, the City Council and the Public Utility Board for their ongoing support, as well as the dedicated solid waste staff and our partners at Pratt Industries, for their collective efforts in achieving this significant milestone.

OUR CORE VALUES

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

February 2025





MEMORANDUM

DATE: May 24, 2025
TO: City of Denton Public Utilities Board
FROM: Sheldon Gatewood, Construction Projects Manager
SUBJECT: Robinwood Reconstruction PUB Question

1. Question 1: What is the total Linear feet of the street sections?
 - a. The total LF of Robinwood Lane from Emerson to Kaywood is 1,978 linear feet, Kayewood Dr is 191 linear feet, Mistywood Dr. is 459 linear feet, Shadywood St. is 286 linear feet, Clover Ln. is 641 linear feet, and Live Oak St. is 170 linear feet.
2. Is lime stabilization used commonly in the expansive clay soil types?
 - a. Yes, lime stabilization is used in expansive clay types to reduce swelling and to improve the subgrade's strength and stability by altering the chemical structure of the clay, reducing its ability to absorb water.

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Future Public Utilities Board Agenda Items

Note: This is a working draft of pending PUB items and is subject to change without notice.

Meeting Date	Item	Dept
April 28, 2025		
May 5, 2025		
May 19, 2025	Denton Renewable Resource Plan Update	DME
June 9, 2025		
June 23, 2025	Financial Update	Finance
July 14, 2025	Budget Workshop	Finance
July 28, 2025	PUB to Consider recommending Utility Rates & Budget to Council	Finance
August 11, 2025		
August 25, 2025		
September 15, 2025		
September 29, 2025		
October 13, 2025		
October 27, 2025		
November 17, 2025		

December 15, 2025

Codes: Work Session WS, Consent Agenda CA, Individual Consideration IC

PUBLIC UTILITIES BOARD - NEW BUSINESS ACTION ITEMS

	DATE REQUESTED	REQUESTOR	ITEM	DEPT	STATUS
1.	3/24/25	Parker	Recycling Cart Auditing Program - February 2025 Contamination Map	Solid Waste	4/28/25
2.	4/14/25	Taylor	Robinwood Reconstruction Inquiry	Capital Projects	4/28/25