

## EXHIBIT 1

### PROFESSIONAL SERVICES AGREEMENT FOR ARCHITECT OR ENGINEER (File No. 5306)

THIS AGREEMENT is made and entered into as of the 6<sup>th</sup> day of August, 2013, by and between the City of Denton, Texas, a Texas municipal corporation, with its principal office at 215 East McKinney Street, Denton, Denton County, Texas 76201, hereinafter called "Owner" and Teague Nall and Perkins, with its corporate office at 1517 Centre Place Drive, Suite 320, Denton, Texas 76205 hereinafter called "Design Professional," acting herein, by and through their duly authorized representatives.

In consideration of the covenants and agreements herein contained, the parties hereto do mutually agree as follows:

#### SECTION 1 EMPLOYMENT OF DESIGN PROFESSIONAL

The Owner hereby contracts with the Design Professional, a licensed Texas architect or engineer, as an independent contractor. The Design Professional hereby agrees to perform the services as described herein and in the Proposal, the General Conditions, and other attachments to this Agreement that are referenced in Section 3, in connection with the Project. The Project shall include, without limitation,

**Professional Engineering and Surveying Services for the  
Denton Municipal Electric Capital Improvement Plan  
Engineering and Surveying Support  
(includes Attachments A thru C)**

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## **SECTION 2** **COMPENSATION**

The Owner shall compensate the Design Professional as follows:

### **2.1 BASIC SERVICES**

**2.1.1** For Basic Services the Estimated Fee compensation shall be \$ 4,120,000.

**2.1.2** Progress payments for Basic Services shall be paid monthly based upon the actual time charges of the Design Professional's staff for the work effort that has been performed during the preceding month.

**2.4 REIMBURSABLE EXPENSES** Reimbursable Expenses shall be a multiple of 1.10 times the expenses incurred by the Design Professional, the Design Professional's employees and consultants in the interest of the Project as defined in the General Conditions and in Attachment B, but not to exceed a total of \$ 40,000 without the prior written approval of the Owner.

**2.5 TOTAL CONTRACT AMOUNT**

**\$ 4,160,000**

**SECTION 3**  
**ENTIRE AGREEMENT**

1. City of Denton General Conditions to Agreement for Architectural or Engineering Services.
2. Attachment A thru C .

CITY OF DENTON

BY: GEORGE C. CAMPBELL  
CITY MANAGER

BY: **Signature on File**

BY: **Signature on File**

BY: Gary L. Vickery, P.E.  
Principal

BY: **Signature on File**

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## CITY OF DENTON GENERAL CONDITIONS TO AGREEMENT FOR ARCHITECTURAL OR ENGINEERING SERVICES

### ARTICLE 1. ARCHITECT OR ENGINEER'S RESPONSIBILITIES

1.1 The Architect or Engineer's services consist of those services for the Project (as defined in the agreement (the "Agreement") and proposal (the "Proposal") to which these General Conditions are attached) performed by the Architect or Engineer (hereinafter called the "Design Professional") or Design Professional's employees and consultants as enumerated in Articles 2 and 3 of these General Conditions as modified by the Agreement and Proposal (the "Services").

1.2 The Design Professional will perform all Services as an independent contractor to the prevailing professional standards consistent with the level of care and skill ordinarily exercised by members of the same profession currently practicing in the same locality under similar conditions, including reasonable, informed judgments and prompt timely actions (the "Degree of Care"). The Services shall be performed as expeditiously as is consistent with the Degree of Care necessary for the orderly progress of the Project. Upon request of the Owner, the Design Professional shall submit for the Owner's approval a schedule for the performance of the Services which may be adjusted as the Project proceeds, and shall include allowances for periods of time required for the Owner's review and for approval of submissions by authorities having jurisdiction over the Project. Time limits established by this schedule and approved by the Owner shall not, except for reasonable cause, be exceeded by the Design Professional or Owner, and any adjustments to this schedule shall be mutually acceptable to both parties.

### ARTICLE 2 SCOPE OF BASIC SERVICES

2.1 **BASIC SERVICES DEFINED** The Design Professional's Basic Services consist of those described in Sections 2.2 through 2.6 of these General Conditions and include without limitation normal structural, civil, mechanical and electrical engineering services and any other engineering services necessary to produce a complete and accurate set of Construction Documents, as described by and required in Section 2.4. The Basic Services may be modified by the Agreement.

#### 2.2 SCHEMATIC DESIGN PHASE (See attachments for detailed scope information)

2.2.1 The Design Professional, in consultation with the Owner, shall develop a written program for the Project to ascertain Owner's needs and to establish the requirements for the Project.

2.2.2 The Design Professional shall provide a preliminary evaluation of the Owner's program, construction schedule and construction budget requirements, each in terms of the other, subject to the limitations set forth in Subsection 5.2.1.

2.2.3 The Design Professional shall review with the Owner alternative approaches to design and construction of the Project.

2.2.4 Based on the mutually agreed-upon program, schedule and construction budget requirements, the Design Professional shall prepare, for approval by the Owner, Schematic Design Documents consisting of drawings and other documents illustrating the scale and relationship of Project components. The Schematic Design shall contemplate compliance with all applicable laws, statutes, ordinances, codes and regulations.

2.2.5 The Design Professional shall submit to the Owner a preliminary detailed estimate of Construction Cost based on current area, volume or other unit costs and which indicates the cost of each category of work involved in constructing the Project and establishes an elapsed time factor for the period of time from the commencement to the completion of construction.

#### 2.3 DESIGN DEVELOPMENT PHASE (See attachments for detailed scope information)

2.3.1 Based on the approved Schematic Design Documents and any adjustments authorized by the Owner in the program, schedule or construction budget, the Design Professional shall prepare for approval by the Owner, Design Development Documents consisting of drawings and other documents to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, materials and such other elements as may be appropriate, which shall comply with all applicable laws, statutes, ordinances, codes and regulations. Notwithstanding Owner's approval of the documents, Design Professional warrants that the Documents and specifications will be sufficient and adequate to fulfill the purposes of the Project.

2.3.2 The Design Professional shall advise the Owner of any adjustments to the preliminary estimate of Construction Cost in a further Detailed Statement as described in Section 2.2.5.

#### 2.4 CONSTRUCTION DOCUMENTS PHASE (See attachments for detailed scope information)

2.4.1 Based on the approved Design Development Documents and any further adjustments in the scope or quality of the Project or in the construction budget authorized by the Owner, the Design Professional shall prepare, for approval by the Owner, Construction Documents consisting of Drawings and Specifications setting forth in detail requirements for the construction of the Project, which shall comply with all applicable laws, statutes, ordinances, codes and regulations.

2.4.2 The Design Professional shall assist the Owner in the preparation of the necessary bidding or procurement information, bidding or procurement forms, the Conditions of the contract, and the form of Agreement between the Owner and contractor.

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**2.4.3** The Design Professional shall advise the Owner of any adjustments to previous preliminary estimates of Construction Cost indicated by changes in requirements or general market conditions.

**2.4.4** The Design Professional shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

### **2.5 CONSTRUCTION CONTRACT PROCUREMENT (See attachments for detailed scope information)**

**2.5.1** The Design Professional, following the Owner's approval of the Construction Documents and of the latest preliminary detailed estimate of Construction Cost, shall assist the Owner in procuring a construction contract for the Project through any procurement method that is legally applicable to the Project including without limitation, the competitive sealed bidding process. Although the Owner will consider the advice of the Design Professional, the award of the construction contract is in the sole discretion of the Owner.

**2.5.2** If the construction contract amount for the Project exceeds the total construction cost of the Project as set forth in the approved Detailed Statement of Probable Construction Costs of the Project submitted by the Design Professional, then the Design Professional, at its sole cost and expense, will revise the Construction Documents as may be required by the Owner to reduce or modify the quantity or quality of the work so that the total construction cost of the Project will not exceed the total construction cost set forth in the approved Detailed Statement of Probable Construction Costs.

### **2.6 CONSTRUCTION PHASE - ADMINISTRATION OF THE CONSTRUCTION CONTRACT (See attachments for detailed scope information)**

**2.6.1** The Design Professional's responsibility to provide Basic Services for the Construction Phase under this Agreement commences with the award of the Contract for Construction and terminates at the issuance to the Owner of the final Certificate for Payment, unless extended under the terms of Subsection 8.3.2.

**2.6.2** The Design Professional shall provide detailed administration of the Contract for Construction as set forth below. For design professionals the administration shall also be in accordance with AIA document A201, General Conditions of the Contract for Construction, current as of the date of the Agreement, unless otherwise provided in the Agreement. For engineers the administration shall also be in accordance with the Standard Specifications for Public Works Construction by the North Central Texas Council of Governments, current as of the date of the Agreement, unless otherwise provided in the Agreement.

**2.6.3** Construction Phase duties, responsibilities and limitations of authority of the Design Professional shall not be restricted, modified or extended without written agreement of the Owner and Design Professional.

**2.6.4** The Design Professional shall be a representative of and shall advise and consult with the Owner (1) during construction, and (2) at the Owner's direction from time to time during the correction, or warranty period described in the Contract for Construction. The Design Professional shall have authority to act on behalf of the Owner only to the extent provided in the Agreement and these General Conditions, unless otherwise modified by written instrument.

**2.6.5** The Design Professional shall inspect the construction site at least two times a week, regardless of whether construction is in progress, to become familiar with the progress and quality of the work completed and to determine if the work is being performed in a manner indicating that the work when completed will be in accordance with the Contract Documents. Design Professional shall provide Owner a written report subsequent to each on-site visit. On the basis of on-site observations the Design Professional shall keep the Owner informed of the progress and quality of the work, and shall exercise the Degree of Care and diligence in discovering and promptly reporting to the Owner any defects or deficiencies in the work of Contractor or any subcontractors. The Design Professional represents that he will follow Degree of Care in performing all Services under the Agreement. The Design Professional shall promptly correct any defective designs or specifications furnished by the Design Professional at no cost to the Owner. The Owner's approval, acceptance, use of or payment for all or any part of the Design Professional's Services hereunder or of the Project itself shall in no way alter the Design Professional's obligations or the Owner's rights hereunder.

**2.6.6** The Design Professional shall not have control over or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the work. The Design Professional shall not be responsible for the Contractor's schedules or failure to carry out the work in accordance with the Contract Documents except insofar as such failure may result from Design Professional's negligent acts or omissions. The Design Professional shall not have control over or charge of acts or omissions of the Contractor, Subcontractors, or their agents or employees, or of any other persons performing portions of the work.

**2.6.7** The Design Professional shall at all times have access to the work wherever it is in preparation or progress.

**2.6.8** Except as may otherwise be provided in the Contract Documents or when direct communications have been specially authorized, the Owner and Contractor shall communicate through the Design Professional. Communications by and with the Design Professional's consultants shall be through the Design Professional.

**2.6.9** Based on the Design Professional's observations at the site of the work and evaluations of the Contractor's Applications for Payment, the Design Professional shall review and certify the amounts due the Contractor.

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**2.6.10** The Design Professional's certification for payment shall constitute a representation to the Owner, based on the Design Professional's observations at the site as provided in Subsection 2.6.5 and on the data comprising the Contractor's Application for Payment, that the work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to minor deviations from the Contract Documents correctable prior to completion and to specific qualifications expressed by the Design Professional. The issuance of a Certificate for Payment shall further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment shall not be a representation that the Design Professional has (1) reviewed construction means, methods, techniques, sequences or procedures, or (2) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

**2.6.11** The Design Professional shall have the responsibility and authority to reject work which does not conform to the Contract Documents. Whenever the Design Professional considers it necessary or advisable for implementation of the intent of the Contract Documents, the Design Professional will have authority to require additional inspection or testing of the work in accordance with the provisions of the Contract Documents, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Design Professional nor a decision made in good faith either to exercise or not exercise such authority shall give rise to a duty or responsibility of the Design Professional to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees or other persons performing portions of the work.

**2.6.12** The Design Professional shall review and approve or take other appropriate action upon Contractor's submittals such as Shop Drawings, Product Data and Samples for the purpose of (1) determining compliance with applicable laws, statutes, ordinances and codes; and (2) determining whether or not the work, when completed, will be in compliance with the requirements of the Contract Documents. The Design Professional shall act with such reasonable promptness to cause no delay in the work or in the construction of the Owner or of separate contractors, while allowing sufficient time in the Design Professional's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities or for substantiating instructions for installation or performance of equipment or systems designed by the Contractor, all of which remain the responsibility of the Contractor to the extent required by the Contract Documents. The Design Professional's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Design Professional, of construction means, methods, techniques, sequences or procedures. The Design Professional's approval of a specific item shall not indicate approval of an assembly of which the item is a component. When professional certification of performance characteristics of materials, systems or equipment is required by the Contract Documents, the Design Professional shall be entitled to rely upon such certification to establish that the materials, systems or equipment will meet the performance criteria required by the Contract Documents.

**2.6.13** The Design Professional shall prepare Change Orders and Construction Change Directives, with supporting documentation and data if deemed necessary by the Design Professional as provided in Subsections 3.1.1 and 3.3.3, for the Owner's approval and execution in accordance with the Contract Documents, and may authorize minor changes in the work not involving an adjustment in the Contract Sum or an extension of the Contract Time which are not inconsistent with the intent of the Contract Documents.

**2.6.14** On behalf of the Owner, the Design Professional shall conduct inspections to determine the dates of Substantial Completion and Final Completion, and if requested by the Owner shall issue Certificates of Substantial and Final Completion. The Design Professional will receive and review written guarantees and related documents required by the Contract for Construction to be assembled by the Contractor and shall issue a final certificate for Payment upon compliance with the requirements of the Contract Documents.

**2.6.15** The Design Professional shall interpret and provide recommendations on matters concerning performance of the Owner and Contractor under the requirements of the Contract Documents on written request of either the Owner or Contractor. The Design Professional's response to such requests shall be made with reasonable promptness and within any time limits agreed upon.

**2.6.16** Interpretations and decisions of the Design Professional shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and initial decisions, the Design Professional shall endeavor to secure faithful performance by both Owner and Contractor, and shall not be liable for results or interpretations or decisions so rendered in good faith in accordance with all the provisions of this Agreement and in the absence of negligence.

**2.6.17** The Design Professional shall render written decisions within a reasonable time on all claims, disputes or other matters in question between the Owner and Contractor relating to the execution or progress of the work as provided in the Contract Documents.

**2.6.18** The Design Professional (1) shall render services under the Agreement in accordance with the Degree of Care; (2) will reimburse the Owner for all damages caused by the defective designs the Design Professional prepares; and (3) by acknowledging payment by the Owner of any fees due, shall not be released from any rights the Owner may have under the Agreement or diminish any of the Design Professional's obligations thereunder.

**2.6.19** The Design Professional shall provide the Owner with a digital copy and one set of reproducible prints showing all significant changes to the Construction Documents during the Construction Phase. The reproducible prints will be based on information provided to the Design Professional by others.

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## ARTICLE 3 ADDITIONAL SERVICES

### 3.1 GENERAL

**3.1.1** The services described in this Article 3 are not included in Basic Services unless so identified in the Agreement or Proposal, and they shall be paid for by the Owner as provided in the Agreement, in addition to the compensation for Basic Services. The services described under Sections 3.2 and 3.4 shall only be provided if authorized or confirmed in writing by the Owner. If services described under Contingent Additional Services in Section 3.3 are required due to circumstances beyond the Design Professional's control, the Design Professional shall notify the Owner in writing and shall not commence such additional services until it receives written approval from the Owner to proceed. If the Owner indicates in writing that all or part of such Contingent Additional Services are not required, the Design Professional shall have no obligation to provide those services. Owner will be responsible for compensating the Design Professional for Contingent Additional Services only if they are not required due to the negligence or fault of Design Professional.

### 3.2 PROJECT REPRESENTATION BEYOND BASIC SERVICES

**3.2.1** If more extensive representation at the site than is described in Subsection 2.6.5 is required, the Design Professional shall provide one or more Project Representatives to assist in carrying out such additional on-site responsibilities.

**3.2.2** Project Representatives shall be selected, employed and directed by the Design Professional, and the Design Professional shall be compensated therefore as agreed by the Owner and Design Professional.

### 3.3 CONTINGENT ADDITIONAL SERVICES

**3.3.1** Making material revisions in Drawings, Specifications or other documents when such revisions are:

1. inconsistent with approvals or instructions previously given by the Owner, including revisions made necessary by adjustments in the Owner's program or Project budget;
2. required by the enactment or revision of codes, laws or regulations subsequent to the preparation of such documents, or
3. due to changes required as a result of the Owner's failure to render decision in a timely manner.

**3.3.2** Providing services required because of significant changes in the Project including, but not limited to, size, quality, complexity, or the Owner's schedule, except for services required under Subsection 2.5.2.

**3.3.3** Preparing Drawings, Specifications and other documentation and supporting data, and providing other services in connection with Change Orders and Construction Change Directives.

**3.3.4** Providing consultation concerning replacement of work damaged by fire or other cause during construction, and furnishing services required in connection with the replacement of such work.

**3.3.5** Providing services made necessary by the default of the Contractor, by major defects or deficiencies in the work of the Contractor, or by failure of performance of either the Owner or Contractor under the Contract for Construction.

**3.3.6** Providing services in evaluating an extensive number of claims submitted by the Contractor or others in connection with the work.

**3.3.7** Providing services in connection with a public hearing, arbitration proceeding or legal proceeding except where the Design Professional is party thereto.

**3.3.8** Providing services in addition to those required by Article 2 for preparing documents for alternate, separate or sequential bids or providing services in connection with bidding or construction prior to the completion of the Construction Documents Phase.

**3.3.9** Notwithstanding anything contained in the Agreement, Proposal or these General Conditions to the contrary, all services described in this Article 3 that are caused or necessitated in whole or in part due to the negligent act or omission of the Design Professional shall be performed by the Design Professional as a part of the Basic Services under the Agreement with no additional compensation above and beyond the compensation due the Design Professional for the Basic Services. The intervening or concurrent negligence of the Owner shall not limit the Design Professional's obligations under this Subsection 3.3.9.

### 3.4 OPTIONAL ADDITIONAL SERVICES

**3.4.1** Providing financial feasibility or other special studies.

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- 3.4.2 Providing planning surveys, site evaluations or comparative studies of prospective sites.
- 3.4.3 Providing special surveys, environmental studies and submissions required for approvals of governmental authorities or others having jurisdiction over the Project.
- 3.4.4 Providing services relative to future facilities, systems and equipment.
- 3.4.5 Providing services to investigate existing conditions or facilities or to make measured drawings thereof.
- 3.4.6 Providing services to verify the accuracy of drawings or other information furnished by the Owner.
- 3.4.7 Providing coordination of construction performed by separate contractors or by the Owner's own forces and coordination of services required in connection with construction performed and equipment supplied by the Owner.
- 3.4.8 Providing detailed quantity surveys or inventories of material, equipment and labor.
- 3.4.9 Providing analyses of operating and maintenance costs.
- 3.4.10 Making investigations, inventories of materials or equipment, or valuations and detailed appraisals of existing facilities.
- 3.4.12 Providing assistance in the utilization of equipment or systems such as testing, adjusting and balancing, preparation of operation and maintenance manuals, training personnel for operation and maintenance and consultation during operation.
- 3.4.13 Providing interior design and similar services required for or in connection with the selection, procurement or installation of furniture, furnishings and related equipment.
- 3.4.14 Providing services other than as provided in Section 2.6.4, after issuance to the Owner of the final Certificate for Payment and expiration of the Warranty period of the Contract for Construction.
- 3.4.15 Providing services of consultants for other than architectural, civil, structural, mechanical and electrical engineering portions of the Project provided as a part of Basic Services.
- 3.4.16 Providing any other services not otherwise included in this Agreement or not customarily furnished in accordance with generally accepted architectural practice.
- 3.4.17 Preparing a set of reproducible record drawings in addition to those required by Subsection 2.6.19, showing significant changes in the work made during construction based on marked-up prints, drawings and other data furnished by the Contractor to the Design Professional.
- 3.4.18 Notwithstanding anything contained in the Agreement, Proposal or these General Conditions to the contrary, all services described in this Article 3 that are caused or necessitated in whole or in part due to the negligent act or omission of the Design Professional shall be performed by the Design Professional as a part of the Basic Services under the Agreement with no additional compensation above and beyond the compensation due the Design Professional for the Basic Services. The intervening or concurrent negligence of the Owner shall not limit the Design Professional's obligations under this Subsection 3.4.18.

### ARTICLE 4 OWNER'S RESPONSIBILITIES

- 4.1 The Owner shall consult with the Design Professional regarding requirements for the Project, including (1) the Owner's objectives, (2) schedule and design constraints and criteria, including space requirements and relationships, flexibility, expendability, special equipment, systems and site requirements, as more specifically described in Subsection 2.2.1.
- 4.2 The Owner shall establish and update an overall budget for the Project, including the Construction Cost, the Owner's other costs and reasonable contingencies related to all of these costs.
- 4.3 If requested by the Design Professional, the Owner shall furnish evidence that financial arrangements have been made to fulfill the Owner's obligations under this Agreement.
- 4.4 The Owner shall designate a representative authorized to act on the Owner's behalf with respect to the Project. The Owner or such authorized representative shall render decisions in a timely manner pertaining to documents submitted by the Design Professional in order to avoid unreasonable delay in the orderly and sequential progress of the Design Professional's services.
- 4.5 Where applicable, the Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data pertaining to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a project benchmark.



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4.6 Where applicable, the Owner shall furnish the services of geotechnical engineers when such services are requested by the Design Professional. Such services may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion and resistivity tests, including necessary operations for anticipating sub-soil conditions, with reports and appropriate professional recommendations.

4.6.1 The Owner shall furnish the services of other consultants when such services are reasonably required by the scope of the Project and are requested by the Design Professional and are not retained by the Design Professional as part of its Basic Services or Additional Services.

4.7 When not a part of the Additional Services, the Owner shall furnish structural, mechanical, chemical, air and water pollution tests, tests of hazardous materials, and other laboratory and environmental tests, inspections and reports required by law or the Contract Documents.

4.8 The Owner shall furnish all legal, accounting and insurance counseling services as may be necessary at any time for the Project, including auditing services the Owner may require to verify the Contractor's Applications for Payment or to ascertain how or for what purposes the Contractor has used the money paid by or on behalf of the Owner.

4.9 The services, information, surveys and reports required by Owner under Sections 4.5 through 4.8 shall be furnished at the Owner's expense, and the Design Professional shall be entitled to rely upon the accuracy and completeness thereof in the absence of any negligence on the part of the Design Professional.

4.10 The Owner shall give prompt written notice to the Design Professional if the Owner becomes aware of any fault or defect in the Project or nonconformance with the Contract Documents.

4.11 Design Professional shall propose language for certificates or certifications to be requested of the Design Professional or Design Professional's consultants and shall submit such to the Owner for review and approval at least fourteen (14) days prior to execution. The Owner agrees not to request certifications that would require knowledge or services beyond the scope of the Agreement.

### ARTICLE 5 CONSTRUCTION COST

#### 5.1 CONSTRUCTION COST DEFINED

5.1.1 The Construction Cost shall be the total cost or estimated cost to the Owner of all elements of the Project designed or specified by the Design Professional.

5.1.2 The Construction Cost shall include the cost at current market rates of labor and materials furnished by the Owner and equipment designed, specified, selected or specially provided for by the Design Professional, plus a reasonable allowance for the Contractor's overhead and profit. In addition, a reasonable allowance for contingencies shall be included for market conditions at the time of bidding and for changes in the work during construction.

5.1.3 Construction Cost does not include the compensation of the Design Professional and Design Professional's consultants, the costs of the land, rights-of-way, financing or other costs which are the responsibility of the Owner as provided in Article 4.

#### 5.2 RESPONSIBILITY FOR CONSTRUCTION COST

5.2.1 Evaluations of the Owner's Project budget, preliminary estimates of Construction Cost and detailed estimates of Construction Cost prepared by the Design Professional represent the Design Professional's best judgment as a design professional familiar with the construction industry. It is recognized, however, that neither the Design Professional nor the Owner has control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding or market conditions. Accordingly, the Design Professional cannot and does not warrant or represent that bids or cost proposals will not vary from the Owner's Project budget or from any estimate of Construction Cost or evaluation prepared or agreed to by the Design Professional.

5.2.2 No fixed limit of Construction Cost shall be established as a condition of the Agreement by the furnishing, proposal or establishment of a Project budget, unless such fixed limit has been agreed upon in writing and signed by the parties thereto. If such a fixed limit has been established, the Design Professional shall be permitted to include contingencies for design, bidding and price escalation, to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents, to make reasonable adjustments in the scope of the Project and to include in the Contract Documents alternate bids to adjust the Construction Cost to the fixed limit. Fixed limits, if any, shall be increased in the amount of an increase in the Contract Sum occurring after execution of the Contract for Construction.

5.2.3 If the Procurement Phase has not commenced within 90 days after the Design Professional submits the Construction Documents to the Owner, any Project budget or fixed limit of Construction Cost shall be adjusted to reflect changes in the general level of prices in the construction industry between the date of submission of the Construction Documents to the Owner and the date on which proposals are sought.

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## ARTICLE 6 OWNERSHIP AND USE OF DOCUMENTS

**6.1** The Drawings, Specifications and other documents prepared by the Design Professional for this Project are instruments of the Design Professional's service and shall become the property of the Owner upon termination or completion of the Agreement. The Design Professional is entitled to retain copies of all such documents. Such documents are intended only be applicable to this Project, and Owner's use of such documents in other projects shall be at Owner's sole risk and expense. In the event the Owner uses any of the information or materials developed pursuant to the Agreement in another project or for other purposes than are specified in the Agreement, the Design Professional is released from any and all liability relating to their use in that project.

**6.2** Submission or distribution of documents to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the Design Professional's reserved rights.

## ARTICLE 7 TERMINATION, SUSPENSION OR ABANDONMENT

**7.1** The Design Professional may terminate the Agreement upon not less than thirty days written notice should the Owner fail substantially to perform in accordance with the terms of the Agreement through no fault of the Design Professional. Owner may terminate the Agreement or any phase thereof with or without cause upon thirty (30) days prior written notice to the Design Professional. All work and labor being performed under the Agreement shall cease immediately upon Design Professional's receipt of such notice. Before the end of the thirty (30) day period, Design Professional shall invoice the Owner for all work it satisfactorily performed prior to the receipt of such notice. No amount shall be due for lost or anticipated profits. All plans, field surveys, and other data related to the Project shall become property of the Owner upon termination of the Agreement and shall be promptly delivered to the Owner in a reasonably organized form. Should Owner subsequently contract with a new Design Professional for continuation of services on the Project, Design Professional shall cooperate in providing information.

**7.2** If the Project is suspended by the Owner for more than 30 consecutive days, the Design Professional shall be compensated for services satisfactorily performed prior to notice of such suspension. When the Project is resumed, the Design Professional's compensation shall be equitably adjusted to provide for expenses incurred in the interruption and resumption of the Design Professional's services.

**7.3** The Agreement may be terminated by the Owner upon not less than seven days written notice to the Design Professional in the event that the Project is permanently abandoned. If the Project is abandoned by the Owner for more than 90 consecutive days, the Design Professional or the Owner may terminate the Agreement by giving written notice.

**7.4** Failure of the Owner to make payments to the Design Professional for work satisfactorily completed in accordance with the Agreement shall be considered substantial nonperformance and cause for termination.

**7.5** If the Owner fails to make payment to Design Professional within thirty (30) days of receipt of a statement for services properly and satisfactorily performed, the Design Professional may, upon seven days written notice to the Owner, suspend performance of services under the Agreement.

**7.6** In the event of termination not the fault of the Design Professional, the Design Professional shall be compensated for services properly and satisfactorily performed prior to termination.

## ARTICLE 8 PAYMENTS TO THE DESIGN PROFESSIONAL

### 8.1 DIRECT PERSONNEL EXPENSE

**8.1.1** Direct Personnel Expense is defined as the direct salaries of the Design Professional's personnel engaged on the Project and the portion of the cost of their mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, pensions and similar contributions and benefits.

### 8.2 REIMBURSABLE EXPENSES

**8.2.1** Reimbursable Expenses are in addition to compensation for Basic and Additional Services and include expenses incurred by the Design Professional and Design Professional's employees and consultants in the interest of the Project, as identified in the following Clauses.

**8.2.1.1** Expense of transportation in connection with the Project; expenses in connection with authorized out-of-town travel; long-distance communications; and fees paid for securing approval of authorities having jurisdiction over the Project.

**8.2.1.2** Expense of reproductions (except the reproduction of the sets of documents referenced in Subsection 2.6.19), postage and handling of Drawings, Specifications and other documents.

**8.2.1.3** If authorized in advance by the Owner, expense of overtime work requiring higher than regular rates.

**8.2.1.4** Expense of renderings, models and mock-ups requested by the Owner.

**8.2.1.5** Expense of computer-aided design and drafting equipment time when used in connection with the Project.

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**8.2.1.6** Other expenses that are approved in advance in writing by the Owner.

### **8.3 PAYMENTS ON ACCOUNT OF BASIC SERVICES**

**8.3.1** Payments for Basic Services shall be made monthly and, where applicable, shall be in proportion to services performed within each phase of service, on the basis set forth in Section 2 of the Agreement and the schedule of work.

**8.3.2** If and to the extent that the time initially established in the Agreement is exceeded or extended through no fault of the Design Professional, compensation for any services rendered during the additional period of time shall be computed in the manner set forth in Section 2 of the Agreement.

**8.3.3** When compensation is based on a percentage of Construction Cost and any portions of the Project are deleted or otherwise not constructed, compensation for those portions of the Project shall be payable to the extent services are performed on those portions, in accordance with the schedule set forth in Section 2 of the Agreement based on (1) the lowest bona fide bid or (2) if no such bid or proposal is received, the most recent preliminary estimate of Construction Cost or detailed estimate of Construction Cost for such portions of the Project.

### **8.4 PAYMENTS ON ACCOUNT OF ADDITIONAL SERVICES**

**8.4.1** Payments on account of the Design Professional's Additional Services and for Reimbursable Expenses shall be made monthly within 30 days after the presentation to the Owner of the Design Professional's statement of services rendered or expenses incurred.

**8.5 PAYMENTS WITHHELD** No deductions shall be made from the Design Professional's compensation on account of penalty, liquidated damages or other sums withheld from payments to contractors, or on account of the cost of changes in the work other than those for which the Design Professional is responsible.

**8.6 DESIGN PROFESSIONAL'S ACCOUNTING RECORDS** Design Professional shall make available to Owner or Owner's authorized representative records of Reimbursable Expenses and expenses pertaining to Additional Services and services performed on the basis of a multiple of Direct Personnel Expense for inspection and copying during regular business hours for three years after the date of the final Certificate of Payment, or until any litigation related to the Project is final, whichever date is later.

## **ARTICLE 9 INDEMNITY**

**9.1** The Design Professional shall indemnify and save and hold harmless the Owner and its officers, agents, and employees from and against any and all liability, claims, demands, damages, losses, and expenses, including, but not limited to court costs and reasonable attorney fees incurred by the Owner, and including, without limitation, damages for bodily and personal injury, death and property damage, resulting from the negligent acts or omissions of the Design Professional or its officers, shareholders, agents, or employees in the execution, operation, or performance of the Agreement.

**9.2** Nothing herein shall be construed to create a liability to any person who is not a party to the Agreement, and nothing herein shall waive any of the parties' defenses, both at law or equity, to any claim, cause of action, or litigation filed by anyone not a party to the Agreement, including the defense of governmental immunity, which defenses are hereby expressly reserved.

## **ARTICLE 10 INSURANCE**

During the performance of the Services under the Agreement, Design Professional shall maintain the following insurance with an insurance company licensed to do business in the State of Texas by the State Insurance Commission or any successor agency that has a rating with Best Rate Carriers of at least an A- or above:

**10.1** Comprehensive General Liability Insurance with bodily injury limits of not less than \$1,000,000 for each occurrence and not less than \$1,000,000 in the aggregate, and with property damage limits of not less than \$100,000 for each occurrence and not less than \$100,000 in the aggregate.

**10.2** Automobile Liability Insurance with bodily injury limits of not less than \$500,000 for each person and not less than \$500,000 for each accident, and with property damage limits of not less than \$100,000 for each accident.

**10.3** Worker's Compensation Insurance in accordance with statutory requirements, and Employers' Liability Insurance with limits of not less than \$100,000 for each accident including occupational disease.

**10.4** Professional Liability Insurance with limits of not less than \$1,000,000 annual aggregate.

**10.5** The Design Professional shall furnish insurance certificates or insurance policies to the Owner evidencing insurance in compliance with this Article 10 at the time of the execution of the Agreement. The General Liability and Automobile Liability insurance policies shall name the Owner as an additional insured, the Workers' Compensation policy shall contain a waiver of subrogation in favor of the Owner, and each policy shall contain a provision that such insurance shall not be canceled or modified without thirty (30) days' prior written notice to Owner and Design Professional. In such event, the

# EXHIBIT 1

Design Professional shall, prior to the effective date of the change or cancellation, furnish Owner with substitute certificates of insurance meeting the requirements of this Article 10.

## ARTICLE 11 MISCELLANEOUS PROVISIONS

**11.1** The Agreement shall be governed by the laws of the State of Texas. Venue of any suit or cause of action under the Agreement shall lie exclusively in Denton County, Texas.

**11.2** The Owner and Design Professional, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. The Design Professional shall not assign its interests in the Agreement without the written consent of the Owner.

**11.3** The term Agreement as used herein includes the executed Agreement, the Proposal, these General Conditions and other attachments referenced in Section 3 of the Agreement which together represent the entire and integrated agreement between the Owner and Design Professional and supersedes all prior negotiations, representations or agreements, either written or oral. The Agreement may be amended only by written instrument signed by both Owner and Design Professional. When interpreting the Agreement the executed Agreement, Proposal, these General Conditions and the other attachments referenced in Section 3 of the Agreement shall to the extent that is reasonably possible be read so as to harmonize the provisions. However, should the provisions of these documents be in conflict so that they can not be reasonably harmonized, such documents shall be given priority in the following order:

1. The executed Agreement
2. Attachments referenced in Section 3 of the Agreement other than the Proposal
3. These General Provisions

**11.4** Nothing contained in the Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Design Professional.

**11.5** Upon receipt of prior written approval of Owner, the Design Professional shall have the right to include representations of the design of the Project, including photographs of the exterior and interior, among the Design Professional's promotional and professional materials. The Design Professional's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Design Professional in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Design Professional on the construction sign and in the promotional materials for the Project.

**11.6** Approval by the Owner shall not constitute, nor be deemed a release of the responsibility and liability of the Design Professional, its employees, associates, agents, subcontractors, and subconsultants for the accuracy and competency of their designs or other work; nor shall such approval be deemed to be an assumption of such responsibility by the Owner for any defect in the design or other work prepared by the Design Professional, its employees, subcontractors, agents, and consultants.

**11.7** All notices, communications, and reports required or permitted under the Agreement shall be personally delivered or mailed to the respective parties by depositing same in the United States mail to the address shown below signature block on the Agreement, certified mail, return receipt requested, unless otherwise specified herein. All notices shall be deemed effective upon receipt by the party to whom such notice is given, or within three (3) days after mailing.

**11.8** If any provision of the Agreement is found or deemed by a court of competent jurisdiction to be invalid or unenforceable, it shall be considered severable from the remainder of the Agreement and shall not cause the remainder to be invalid or unenforceable. In such event, the parties shall reform the Agreement to replace such stricken provision with a valid and enforceable provision which comes as close as possible to expressing the intention of the stricken provision.

**11.9** The Design Professional shall comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the work covered hereunder as they may now read or hereinafter be amended.

**11.10** In performing the Services required hereunder, the Design Professional shall not discriminate against any person on the basis of race, color, religion, sex, national origin or ancestry, age, or physical handicap.

**11.11** The captions of the Agreement are for informational purposes only, and shall not in any way affect the substantive terms or conditions of the Agreement.

# **EXHIBIT 1**

## **ATTACHMENT 'A' ITEMIZED SCOPE OF SERVICES**

### **Denton Municipal Electric (DME) Capital Improvement Plan (CIP) Engineering and Surveying Support**

## **BASIC SERVICES**

### **Project Description**

The scope set forth herein defines the work that is expected to be performed by the DESIGN PROFESSIONAL in completing the project. In general, the work will consist of providing surveying, platting, permitting and civil engineering support as needed for implementation of the transmission lines and substations that are part of the DME CIP. It is understood by both the City of Denton (Denton Municipal Electric or DME) and the DESIGN PROFESSIONAL that the specific details of the effort required by DME cannot be fully determined at this time. Attachment B sets forth the specific substations and transmission lines that are contemplated, and illustrates the assumptions made in establishing the budget figures indicated herein. The intent of this agreement is to summarize the anticipated support services needed without excluding services that are not foreseen at this time.

### **Work to be Performed**

More specifically, the work will include, but not be limited to, the following:

#### **Land Surveying**

Deed sketches, boundary surveys, plats, design surveys, topographic surveys, preparation of easement exhibits, alignment staking, as-built surveys, Level B Subsurface Utility Engineering (S.U.E.), construction verification surveys of concrete placement and other improvements, placement of monuments, and other surveying services as necessary.

#### **Engineering**

Feasibility studies for site selections, alignment evaluations and route planning, coordination with other governmental agencies (including TxDOT, City of Denton, Denton County, etc.), site plans, grading plans, drainage studies, design of support infrastructure (such as streets, drainage, water and sanitary sewer facilities), coordination and consultation with geotechnical engineers, preparation of specifications and Requests for Proposals, construction oversight and/or inspection, and other design services as necessary.

#### **Permitting**

Permit processing, including coordination with the City of Denton Planning Department, and preparation of submittal packages for permits such as Specific Use Permits, variances, plats, Environmentally Sensitive Areas, TxDOT permits, floodplain studies, Clearing & Grading permits, building permits and other permits as may be required. The DESIGN PROFESSIONAL will represent DME at public meetings and official meetings with City staff as requested. Project management, planning, scheduling and tracking necessary to direct the work will also be a part of this effort.

## EXHIBIT 1

### Assumptions and Clarifications

The following assumptions were used by the DESIGN PROFESSIONAL for the preparation of this scope of Basic Services:

1. The estimated fees indicated for the services identified above are based on information provided by DME with regard to the substations and transmission lines that are part of the CIP and listed in Attachment B. That information indicates the following anticipated efforts:
  - a. Completion of support services on four substations currently underway.
  - b. Surveying, engineering and permitting support on an additional fourteen substations, switch stations or interchanges. An effort has been made to identify the effort required by determining the type of permits, plats and public improvements expected for each specific site. One additional, unidentified substation has been included to account for the possibility of a change in the CIP.
  - c. Surveying, alignment evaluation and easement preparation for five transmission line segments, along with completing easement preparation for one transmission line segment currently underway.
2. Services to be provided will be as requested by DME staff. As each assignment is made, specific details and scope of work will be identified for that assignment.
3. Engineering design will be in accordance with City of Denton (or other applicable agencies) design standards, and generally accepted engineering practices.
4. All services will be performed at TNP standard hourly rates effective at the time the work is performed. The estimated fees shown herein take into account the fact that the support services required will extend over a period of at least four years.
5. Easement documents prepared will consist of an Exhibit A (property description) and Exhibit B (parcel map), and will be sealed by a Registered Professional Land Surveyor.
6. Horizontal and vertical control shall be established by TNP survey crews at strategic locations along the project route and will consist of 5/8 inch rebar with caps stamped "TNP" set flush with existing ground. Temporary benchmarks will be established at appropriate intervals along the project route for utilization during design and construction phases. All bearings of lines provided by TNP will be referenced to Grid North of the Texas Coordinate System of 1983 {North Central Zone No. 4202; NAD83 (CORS96) Epoch 2002.00} as derived locally from Western Data Systems Continuously Operating Reference Stations (CORS) via Real Time Kinematic (RTK) survey methods. All distances and coordinate data provided by TNP will reflect surface values. An average Combination Factor will be utilized and reported for scaling grid coordinates and distances to surface values. All elevations provided by TNP will be referenced to NAVD88, as derived from RTK observations. Orthometric heights will be calculated by applying the Geoid09 model to ellipsoid heights.

## EXHIBIT 1

### Compensation

For work performed by the DESIGN PROFESSIONAL within the scope identified above, the DESIGN PROFESSIONAL will be reimbursed as described below:

The OWNER agrees to pay the DESIGN PROFESSIONAL for services requested at standard hourly rates based on the attached rate schedule (Attachment C). The rate schedule may be modified at the beginning of each calendar year. Services performed by each staff member will be billed at rates that fall within the ranges shown on the rate schedule in effect at the time the work is performed, and are based on a multiplier of the actual salary cost. That actual salary cost, and the hourly billing rate, may be adjusted from time to time, but will always fall within the range indicated on the rate sheet effective at the time. Work that requires the use of a subconsultant will be reimbursed at DESIGN PROFESSIONAL's cost plus 10% for non-labor, subcontract or mileage items.

Direct, or actual out-of-pocket expenses that are incurred during the progress of the work will be reimbursed at DESIGN PROFESSIONAL's cost plus 10%. The actual out-of-pocket expenses include: air fare, automobile rental if required, mileage charges (outside a 100 mile radius of Denton, Texas), parking, tolls, taxi, meals, lodging, telephone, printing and reproduction costs for work outsourced, materials such as survey monuments, and reproduction or mounting of exhibits, or delivery/courier services, and other miscellaneous costs incurred specifically for this project. Printing, copies, plots and reproduction work done in-house shall be compensated per the DESIGN PROFESSIONAL's most current rate schedule for such work (Attachment 'C').

OWNER shall be billed monthly for services rendered and pay promptly upon receipt of invoice. Delays of payment in excess of 30 days from invoice date may result in cessation of services until payment is received.

### Budget Summary

The following estimated budgets represent anticipated fees and costs, based on the assumptions enumerated herein, that shall be paid to the DESIGN PROFESSIONAL for labor and expenses involved in the various items of work within the scope of Basic Services identified above. These figures are only estimates based on the assumptions shown on Attachment B, and do not necessarily represent maximum costs.

Substation Support	\$ 2,715,000
Transmission Line Support	\$ 1,405,000
Direct Expenses	<u>\$ 40,000</u>
<b>Estimated Total</b>	<b>\$ 4,160,000</b>

# EXHIBIT 1

## ATTACHMENT B

Substation and Transmission Line Projects DME Capital Improvement Plan  
TNP Estimated Effort, actual costs may vary

7/11/2013

Substations/Switches	Comments	2013	2014	2015	2016	Total
1 Cooper Creek Substation (PARTIALLY COMPLETE)	SUP, Pre Plat, Final Plat, ESA, Public, TxDOT	53,000	-	-	-	\$ 53,000
2 Teasley Substation	No effort anticipated	-	-	-	-	\$ -
3 Kings Row Substation	SUP, Minor Plat, ESA	102,000	-	-	-	\$ 102,000
4 Pockrus Substation	SUP, Minor Plat, Public	91,000	-	-	-	\$ 91,000
5 McKinney Substation	SUP, Pre Plat, Final Plat, Public, TxDOT	143,000	-	-	-	\$ 143,000
6 New North Substation	SUP, Pre Plat, Final Plat, ESA, Public	130,000	-	-	-	\$ 130,000
7 North Lakes Substation	SUP, Pre Plat, Final Plat, Public	-	135,000	-	-	\$ 135,000
8 New West Substation	SUP, Minor Plat, Public, TxDOT	-	106,000	-	-	\$ 106,000
9 Locust Substation	SUP, Pre Plat, Final Plat, Public	129,000	-	-	-	\$ 129,000
10 Denton North Interchange	SUP, Pre Plat, Final Plat, Public, TxDOT	-	-	146,000	-	\$ 146,000
11 Tampa Arco Switch/DME Arco Substation	SUP, Pre Plat, Final Plat, Public	-	-	131,000	-	\$ 131,000
12 Hickory Substation	SUP, Pre Plat, Final Plat	-	-	120,000	-	\$ 120,000
13 New Substation in the Area of UNT	SUP, Pre Plat, Final Plat	-	135,000	-	-	\$ 135,000
14 Tampa Spencer Interchange	SUP	-	-	66,000	-	\$ 66,000
15 Fort Worth Substation	No effort anticipated	-	-	36,000	-	\$ 36,000
16 RD Wells Interchange	No effort anticipated	-	-	-	-	\$ -
17 Spencer Switch	No effort anticipated	-	-	-	-	\$ -
18 Woodrow Substation	No effort anticipated	-	-	-	-	\$ -
19 Bonnie Brae Substation	No effort anticipated	-	-	-	-	\$ -
20 New Northwest 138kV Switch Station	SUP, Pre Plat, Final Plat, ESA, Public	-	-	144,000	-	\$ 144,000
21 New Substation in the Area between Pockrus and Arco	SUP, Pre Plat, Final Plat, ESA, Public	-	137,000	-	-	\$ 137,000
22 New Substation in the Area Northwest of Loop 288 and Spencer	SUP, Pre Plat, Final Plat, Public, TxDOT	-	139,000	-	-	\$ 139,000
23 New Substation in the Area of Northwest of Denton North Interchange on the Brazos Transmission Line	SUP, Pre Plat, Final Plat, Public	-	-	-	149,000	\$ 149,000
24 New Substation Northeast of the Spencer Water Treatment Plant	SUP, Pre Plat, Final Plat, Public	-	-	142,000	-	\$ 142,000
25 Jim Christal Substation	No effort anticipated	-	-	-	-	\$ -
26 Denton West Interchange	No effort anticipated	-	-	-	-	\$ -
27 Industrial Substation	No effort anticipated	-	-	-	-	\$ -
28 New West Switch Station	SUP, Pre Plat, Final Plat, ESA, Public, TxDOT	-	-	-	155,000	\$ 155,000
Unidentified Additional Station	SUP, Pre Plat, Final Plat, ESA, Public, TxDOT	-	-	148,000	-	\$ 148,000
7% contingency for changes and unforeseen requirements		45,000	46,000	65,000	21,000	\$ 177,000
<b>Total</b>		\$ 693,000	\$ 698,000	\$ 998,000	\$ 325,000	\$ 2,714,000
		<b>Recommended Budget \$ 2,715,000</b>				



# EXHIBIT 1

Substation and Transmission Line Projects DME Capital Improvement Plan  
TNP Estimated Effort, actual costs may vary

7/11/2013

Transmission Lines		Length	Parcels	2013	2014	2015	2016	
29	Woodrow - Kings Row 69kV Transmission Line (PARTIALLY COMPLETE) (Purple Line)	17,330	37	23,000				\$ 23,000
30	Kings Row - Denton North 69kV Transmission Line (PARTIALLY COMPLETE) (Yellow Line)	11,300	9	45,000				\$ 45,000
31	North Lakes - Bonnie Brae 69kV Transmission Line	8,031	12	108,000				\$ 108,000
32	TMPA Line Upgrades							\$ -
33	Spencer - Pockrus 138kV Transmission Line	17,434	23		225,000			\$ 225,000
34	Spencer Switch - Locust 69kV Transmission Line	10,121	39		286,000			\$ 286,000
35	Denton North - North Lakes	10,700	17			152,000		\$ 152,000
36	Hickory - Locust 69kV Transmission Line	8,384	88		272,000			\$ 272,000
37	Pockrus - Arco 138kV Transmission Line	No effort anticipated						\$ -
38	Spencer Interchange - Spencer Switch	No effort anticipated						\$ -
39	New Transmission Line from West 138kV Source	No effort anticipated						\$ -
40	Construct and Reroute Transmission In the Area North of Spencer Interchange	No effort anticipated						\$ -
41	New Transmission Line from New West Switch Station to RD Wells	No effort anticipated						\$ -
42	Pacar Transmission Line Reroute	5,800	4			63,000		\$ 63,000
	Bonnie Brae - Hickory Survey			71,000				\$ 71,000
	Subsurface Utility Engineering			25,000	40,000			\$ 65,000
	7% contingency for changes and unforeseen requirements			19,000	58,000	15,000	-	\$ 92,000
Total				\$ 291,000	\$ 881,000	\$ 230,000	\$ -	\$ 1,402,000
				Recommended Budget \$ 1,405,000				

**EXHIBIT 1**  
**Attachment C**

**TEAGUE NALL AND PERKINS, INC.**

Standard Rate Schedule for Time and Expense Contracts  
Effective January 1, 2013 to December 31, 2013\*

<b>Engineering / Technical</b>	<b>From</b>	<b>-</b>	<b>To</b>	
Principal	\$170	-	\$240	Per Hour
Project Manager	\$120	-	\$220	Per Hour
Senior Engineer	\$110	-	\$220	Per Hour
Engineer	\$ 85	-	\$150	Per Hour
Landscape Architect / Planner	\$110	-	\$180	Per Hour
Landscape Designer	\$ 70	-	\$120	Per Hour
Designer	\$ 85	-	\$130	Per Hour
Senior Designer	\$100	-	\$160	Per Hour
CAD Technician	\$ 60	-	\$100	Per Hour
Senior CAD Technician	\$ 75	-	\$110	Per Hour
IT Consultant	\$120	-	\$150	Per Hour
IT Technician	\$ 85	-	\$120	Per Hour
Clerical	\$ 50	-	\$ 80	Per Hour
Resident Project Representative	\$ 70	-	\$120	Per Hour

**Surveying**

Survey Manager	\$130	-	\$190	Per Hour
Registered Professional Land Surveyor	\$120	-	\$150	Per Hour
S.I.T. / Senior Survey Technician	\$85	-	\$110	Per Hour
Survey Technician	\$70	-	\$100	Per Hour
1-Person Field Crew w/Equipment**	\$120			Per Hour
2-Person Field Crew w/Equipment**	\$145			Per Hour
3-Person Field Crew w/Equipment**	\$165			Per Hour
4-Person Field Crew w/Equipment**	\$190			Per Hour
Flagger	\$40			Per Hour
Abstractor (Property Deed Research)	\$85			Per Hour

**Subsurface Utility Engineering**

**Hourly Rate**

SUE Engineer	\$160	
Sr. Utility Location Specialist	\$ 95	
Utility Location Technician	\$ 75	
1-Person Designator Crew w/Equipment	\$115	
2-Person Designator Crew w/Equipment	\$135	
2-Person Vacuum Excavator Crew w/Equipment	\$250	(Travel and Stand-by)
SUE QL-A Test Hole (0 ≤ 4 ft)***	\$900	per hole
SUE QL-A Test Hole (>4 ≤ 6 ft)***	\$1,100	per hole
SUE QL-A Test Hole (>6 ≤ 8 ft)***	\$1,310	per hole
SUE QL-A Test Hole (>8 ≤ 10ft)***	\$1,530	per hole
SUE QL-A Test Hole (>10 ≤ 12ft)***	\$1,770	per hole
SUE QL-A Test Hole (>12 ≤ 14ft)***	\$2,000	per hole

**Direct Cost Reimbursables**

Photocopies:	\$0.154/sf	letter, legal and 11" x 17" size bond paper, B&W
	\$0.7701/sf	letter, legal and 11" x 17" bond paper, color
Prints:	\$0.154/sf	letter, legal and 11" x 17" bond paper, B&W & color
Plots:	\$0.154/sf	11" x 17" size bond paper, B&W & color
	\$0.50/sf	22" x 34" and larger bond paper or vellum, B&W & color
	\$1.00/sf	22" x 34" and larger mylar or acetate, B&W
Mileage	\$0.565/mile	

All Subcontracted and outsourced services shall be billed at rates comparable to TNP's billing rates shown above.

\* Rates shown are for calendar year 2013 and are subject to change in subsequent years.

\*\* Equipment includes Truck, ATV, Robotic Total Station, GPS Units and Digital Level.

\*\*\* Pricing includes 2-Person crew, designing for excavation, vehicle costs, and field supplies.