



**Tuesday, September 6, 2022
City Council Meeting**

**Council Chambers
3815 Sachse Road, Building B
6:30 p.m.**

The City of Sachse reserves the right to reconvene, recess or realign the meeting, called Executive Session, or order of business at any time prior to adjournment.

As authorized by Section 551.071(2) of the Texas Government Code, these meetings may be convened into closed Executive Session at any time during the City Council workshop or regular meeting for the purpose of seeking confidential legal advice from the City Attorney on any workshop or regular meeting agenda item listed herein.

A. 6:30 PM REGULAR MEETING

1. Call to Order: The City Council of the City of Sachse will hold a Regular Meeting on Tuesday, September 6, 2022, at 6:30 p.m. to consider the following items of business:
2. Invocation and Pledges of Allegiance.

B. Special Announcements

1. Mayor and City Council announcements regarding special events, current activities, and local achievements.
2. Present a proclamation to the North Texas Food Bank recognizing September as Hunger Action Month and the City's participation in the Peanut Butter Drive.
3. Present a proclamation to the Sachse Public Library recognizing September as Library Card Sign-Up Month in the City of Sachse.

C. Public Comment

1. Public Comment: The public is invited at this time to address the Council. Please come to the microphone and state your name and address for the record. However, if your remarks pertain to a specific agenda item, please hold them until that item, at which time the Mayor will solicit your comments. The time limit is 3 minutes per speaker. The City Council is prohibited by state law from discussing any item not posted on the agenda according to the Texas Open Meetings Act, but may take comments under advisement. Issues raised may be referred to City staff for research and possible future action.

D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.

1. Approve the August 10, 2022, special meeting minutes.
2. Approve the August 15, 2022, meeting minutes.
3. Accept the monthly revenue and expenditure report for the period ending July 31, 2022.
4. Accept the Quarterly Budget and Investment Reports for the quarter ending June 30, 2022.

5. Approve an ordinance amending Chapter 1, Section 1-8 (a) by setting a new start time for City Council meetings from 7:30 p.m. to 6:30 p.m.
6. Approve a renewal of the Household Hazardous Waste Interlocal Agreement with Dallas County.
7. Approve a resolution authorizing the City Manager to execute an Interlocal Cooperation Agreement between the City of Sachse and City of Hurst, Texas, for the purpose of Roadway Improvements, Preservation and Maintenance.
8. Approve the Consent Agenda Items as presented.

E. Regular Agenda Items

1. Conduct a public hearing and consider approving an ordinance for a Special Use Permit request for the Virtual Reality Experience, a commercial amusement use, located at 4275 Miles Road, Suite 103, within Sachse city limits.
2. Conduct a public hearing and consider an ordinance for a rezoning request for Oxford Glen Memory Care from C-2, General Commercial to PD, Planned Development District, to allow for an Assisted Living and Memory Care use, located at 4546 Bunker Hill Road, within Sachse city limits.
3. Conduct a public hearing on the proposed 2022-2023 fiscal year budget.
4. Consider an ordinance approving and adopting the budget for the fiscal year beginning October 1, 2022, and ending September 30, 2023.
5. Discuss amending the Master Fee Schedule by amending services and rates and providing an effective date.
6. Consider ratifying the property tax increase in the budget for Fiscal Year 2022-2023.
7. Consider an ordinance levying ad valorem taxes for year 2022 (Fiscal Year 2022-2023) at a rate of \$0.650416 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Sachse as of January 1, 2022.
8. Consider authorizing the City Manager to negotiate and enter into a contract in an amount not to exceed Three Hundred Fifteen Thousand and No/100 Dollars (\$315,000.00) with Holbrook Asphalt Co. for the purpose of Roadway Improvements, Preservation, and Maintenance.
9. Consider authorizing the City Manager to execute a Construction Manager at Risk (CMAR) contract with Steele & Freeman Inc. for the new Animal Shelter project.

G. Regular Agenda Items/Meeting Closing

1. Adjournment.

I, the undersigned authority, do hereby certify that this notice of meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall.



Leah K Granger, City Secretary

Posted: 09/02/2022 1 p.m. Removed: _____

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Amanda Chi, ADA Coordinator, via phone at 975.429.4770, via email at achi@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	B. Special Announcements
Subject	2. Present a proclamation to the North Texas Food Bank recognizing September as Hunger Action Month and the City's participation in the Peanut Butter Drive.
Access	Public
Type	Recognition

Public Content

BACKGROUND

Hunger Action Month was established in 2008 by Feeding America® and works to promote ways for individuals, organizations, and communities everywhere to get involved and help fight the hunger crisis. The nationwide campaign strives to mobilize the public into acting on the issue of hunger and help the more than 12 million children and their families who are food insecure. Locally, one in seven people or 14.2% of Dallas County residents, and 1 in 10 people or 10.9% of Collin County residents struggle with food insecurity.

OVERVIEW

Sachse is joining together with all of North Texas to promote and participate in the North Texas Food Bank's Annual Peanut Butter Drive, either virtually or in-person, with the goal of raising 500,000 pounds of peanut butter.

RECOMMENDATION

Present a proclamation to the North Texas Food Bank recognizing September as Hunger Action Month and the City's participation in the Peanut Butter Drive.

John Jenkins with the North Texas Food Bank will be present to receive the proclamation.

[Hunger Action Month.pdf \(108 KB\)](#)

Proclamation

WHEREAS, Hunger Action Month was established in 2008 by Feeding America® and works to promote ways for individuals, organizations, and communities everywhere to get involved and help fight the hunger crisis; and

WHEREAS, the nationwide campaign strives to mobilize the public into acting on the issue of hunger and help the more than 12 million children and their families who are food insecure. Locally, one in seven people or 14.2% of Dallas County residents, and 1 in 10 people or 10.9% of Collin County residents struggle with food insecurity; and

WHEREAS, in an effort to raise awareness and curb this trend, Sachse is joining together with all of North Texas to promote and participate in the North Texas Food Bank's Annual Peanut Butter Drive, either virtually or in-person, with the goal of raising 500,000 pounds of peanut butter; and

WHEREAS, the residents and patrons within the City of Sachse have always given generously and with a tremendous amount of love toward efforts taking care of those in need, and the Sachse City Council calls Sachse into action to get involved in events like the Peanut Butter Drive and more; and

NOW, THEREFORE, I, Jeff Bickerstaff, Mayor of the City of Sachse, do hereby proclaim the month of September as

Hunger Action Month

in Sachse, and encourage all residents to join the Sachse City Council and the North Texas Food Bank to help eradicate hunger in our city, counties, state, and nation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas to be affixed on this 6th day of September, 2022.

Gold
Seal



Jeff Bickerstaff, Mayor



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	B. Special Announcements
Subject	3. Present a proclamation to the Sachse Public Library recognizing September as Library Card Sign-Up Month in the City of Sachse.
Access	Public
Type	Recognition

Public Content

OVERVIEW

Library Card Sign-Up Month is recognized during the month of September by libraries across the country. The mission of the Sachse Public Library is to "link people to the world by enriching lives, creating community, and inspiring curiosity." During Library Card Sign-Up Month, residents are encouraged to register for a library card and explore the vast collection of resources available at the Sachse Public Library.

RECOMMENDATION

Present a proclamation to the Sachse Public Library recognizing September as Library Card Sign-Up Month in the City of Sachse.

Library Manager Daniel Laney will accept the proclamation.

[Library Card Sign-Up Month.pdf \(103 KB\)](#)

Proclamation

WHEREAS, the mission of the Sachse Public Library is to link people to the world by enriching lives, creating community, and inspiring curiosity; and

WHEREAS, libraries are welcoming and inclusive spaces for people of all backgrounds to learn together and engage with one another; and

WHEREAS, libraries provide a variety of books and resources intended to serve everyone in the community, making knowledge and ideas available so that residents have the freedom to choose what to read; and

WHEREAS, libraries are constantly transforming to deliver new services that connect closely with community needs; and

WHEREAS, a library card empowers all people to pursue their dreams, explore new passions and interests, and find their voice;

NOW, THEREFORE, I, Jeff Bickerstaff, Mayor of the City of Sachse, do hereby proclaim the month of September as

Library Card Sign-Up Month

in Sachse and encourage all residents to register for a library card and explore the vast collection of resources available at the Sachse Public Library.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas to be affixed on this 6th day of September, 2022.

Gold
Seal



Jeff Bickerstaff, Mayor



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	1. Approve the August 10, 2022, special meeting minutes.
Access	Public
Type	Action (Consent), Minutes
Recommended Action	Approve the August 10, 2022, special meeting minutes.
Minutes	View Minutes for Aug 10, 2022 - City Council Special Meeting

Public Content

BACKGROUND

Minutes from the August 10, 2022, special Council meeting.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve the August 10, 2022, special meeting minutes.

[08.10.22 City Council Minutes - Special.pdf \(132 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

**CITY COUNCIL OF THE CITY OF SACHSE
SPECIAL MEETING MINUTES
AUGUST 10, 2022**

The City Council of the City of Sachse held a Special Council meeting on Wednesday, August 10, 2022, at 6:30 p.m. at Sachse City Hall, 3815-B Sachse Road. Those present were Mayor Jeff Bickerstaff; Mayor Pro Tem Brett Franks; Councilmembers Michelle Howarth, Frank Millsap, Chance Lindsey, Lindsay Buhler, and Matt Prestenberg; City Attorney, Pete Smith; City Manager, Gina Nash; City Secretary, Leah Granger; Assistant City Manager, Lauren Rose; Assistant to the City Manager, Amanda Chi; and Police Lieutenant Steven Doerr.

Mayor Bickerstaff called the special meeting to order at 6:30 p.m.

INVOCATION AND PLEDGES OF ALLEGIANCE TO THE U.S. AND TEXAS FLAGS:

Councilmember Michelle Howarth lead the invocation and Councilmember Buhler led the pledges.

REGULAR AGENDA ITEMS:

Discuss and consider the recommendation from the Charter Review Commission.

Mayor Bickerstaff thanked the Commission members for their hard work reviewing the Sachse Home Rule Charter. He then asked for any public comments.

Jeanie Marten, 4908 Maple Shade Avenue, spoke regarding the Open Meetings Act and that the public should be allowed to speak at any point before a decision is made.

There was a power outage and technical difficulties occurred. The Mayor called a short recess at 6:34 p.m. until it was resolved. The meeting resumed at 6:40 p.m.

City Attorney Pete Smith stated that under the Open Meetings Act, the public is allowed to speak on items that are listed on the agenda for action. If the item is not listed for action, such as a discussion item, staff report, or other item that does not require action, then the Council may choose not to allow citizens to speak on that item. Under the statute, Council is only required to allow public comment on items before action is taken. The Mayor has the discretion to require the public to sign up, they could be asked to speak before the item comes up, or they could be asked to wait until the item comes up on the agenda. If an opportunity is provided for public to speak, the Mayor is not required to allow additional comments later.

Ms. Marten continued her comments saying that Council should push forward the petition that had been circulated for term limits. 660 residents of Sachse signed the petition and she asked Council to represent those 660 residents and adopt the petition's language for term limits.

Butch Kemper, 7107 Longmeadow Drive, encouraged the Council to work hard and get the proposed Charter amendments on the ballot in November. However, he would prefer it be on the

ballot correctly in May than rushed and not considered thoroughly. Take the time needed to do it right.

Jackie Eichelberger, 7121 Bailey Road, said she attended the Charter Review Commission meetings and does not recall anything that was urgent or that had to go on a November election. She reminded Council as they considered the recommendations of the Commission, that they represent 27,000 Sachse citizens, not just those that sat on the committee, signed a petition, or are active in civic activities, or that are not involved, the Council represents all of them. She commended the Commission and gave a great report of recommendations, not directions. Be careful and critical in deciding what should be presented to the public for vote and when.

Kirk Wood, 6322 Falcon Crest Lane, noted that the Commission was asked to complete the review in a hurry. The group spent a lot of hours on the job. He expressed his distaste for the suggestion that amendments did not need to go on the November election.

Scott McMurdie, 7510 Taylor Lane, agreed that the review and consideration need to be done correctly. He asked Council to consider that the charter is a legal document and important to correct grammar where needed. In relation to term limits, he differs with Ms. Marten, and asks that Council consider the version of term limits that the Commission presented.

Tricia Lindsey, 3718 Rock House Road, asked what the point of forming the Commission before the election if Council was going to wait until May to bring forward an election.

Mayor Bickerstaff asked Council which sections of the charter recommendations they would like to discuss. Councilmember Millsap suggested that they start at the front and discuss each one.

Section 2.02 proposal was acceptable to Mr. Millsap. Councilmember Howarth made a motion to accept the recommendation for Section 2.02 as presented. Councilmember Buhler seconded the motion and it carried unanimously.

Councilmember Howarth made a motion to accept the recommendation for Section 3.01 as presented. Councilmember Franks seconded the motion and it carried unanimously.

Councilmember Millsap suggested multiple alternative options for length of term limits be listed on the ballot for voters to decide. Mr. Smith interjected that the ballots are not set up to ask follow up questions, and Council will need to decide which term limit they want to present to the voters or none at all. Mayor Pro Tem Franks has no problem with the Commission's recommendation of 18 years. Councilmember Buhler thanked the public for coming out to give their input. She commented that she has lived in Sachse for 10 years and five of the seven council seats have overturned, six if counting Mayor Bickerstaff moving from Council to Mayor. Councilmember Buhler thinks that implementing term limits takes the decision away from the voter in determining who may sit in the Council seats. Limiting terms will turn away willing volunteers from serving their city. She explained that if it is too hard to run against an incumbent, then the time needed to give the position will also probably be too hard. Council's job is to represent the community and personal feelings have no place in the charter, including making term limits retroactive to remove opposition. She supports term limits to be on the ballot to give residents the opportunity to weigh in on the topic and leans toward the 24-year or 18-year options. Councilmember Buhler pointed

out that the results of a term limit will not take effect until May 2023, Council should be good stewards of City funds, and questioned why this needs to be on the November ballot.

Councilmember Lindsey is disappointed that the recommendation did not have the 12-year plan, and the option that 660 residents supported should be considered. He noted that the Council does not represent the demographics of the community and does not think the seats will turn over even though there has been a lot of turn over recently. He noted that many neighboring cities have term limits, and refreshing councilmembers would help watch over staff to ensure right actions. Councilmember Lindsey explained that it is easy to become complacent after joining Council, using Bailey Road as an example. He felt that the prospective language of the recommendation came out of left-field and thinks the voters would expect to see that it becomes active after they vote on it. He is in favor of a 12-year retroactive plan.

Councilmember Howarth is torn on the idea of term limits. She commented that the right of the voter is paramount in any election. If that right is going to be impinged upon, there should be a horrible problem that is trying to be fixed; she does not see this in Sachse. Councilmember Howarth pointed out that she beat an incumbent that only served two terms, Councilmember Millsap beat an incumbent that served two terms, she has only been on council for one term and one year and has been here longer than four current councilmembers. She thinks there is a good argument to be made for term limits at the federal level. At the municipal level, if one is willing to do the footwork, they can win an election. The issue seems to be one in search of a problem. That being said, she is in favor of putting it to the voters to decide. However, the United States does not make ex post facto laws as a general understanding. She is open to discussion on 18 or 24 years being the option on the ballot.

Councilmember Prestenberg spoke about term limits in relation to regional commissions and specifically asked the Council their experience relative to regional boards and commissions and tenure. Mayor Bickerstaff confirmed that his experience has shown that tenure helps with those or organizations. Councilmember Prestenberg said he was agreeable to putting the recommendation of the Commission on the ballot with 18 years. He does not see retroactivity as an option. Elections serve a purpose and the residents can decide. Councilmember Howarth agreed that relationships matter in government and term limits will make building those relationships harder. Councilmember Lindsey disagreed that relationships have helped Sachse.

Mayor Bickerstaff said that he is not in favor of term limits. Councilmembers are volunteers and play an important role in making policy. He does not believe removing an option from the voters is the right thing to do; however, he is not opposed to the recommendation of the commission for posing the proposition with the 18-year plan to the voters so they can decide. He does not agree with the retroactive consideration.

Councilmember Millsap asked again about putting follow up propositions on the ballot. Mr. Smith clarified that the state statute does not support this type of ballot. Councilmember Millsap made a motion to not include Section 3.02 for term limits on the ballot. The motion dies for lack of a second.

Mayor Pro Tem Franks made a motion to accept recommendation to add Section 3.02 with 18-year term, prospective term limits as presented by the Charter Review Commission.

Councilmember Howarth seconded the motion. Councilmember Lindsey asked for clarity regarding what language made the section prospective. The motion passed 6-1 with Councilmember Millsap voting against the measure.

Mayor Pro Tem Franks made a motion to accept recommendation for 3.04 as presented by the commission. Councilmember Prestenberg seconded the motion for discussion. He learned that Sachse is one of the very few councils in Texas that do not receive any compensation or stipend. After some discussion, he suggested future consideration of \$200 per month for Councilmembers and \$400 per month for the Mayor. The motion carried unanimously.

Mayor Pro Tem Franks made a motion to accept recommendation for 3.06 (4) as presented by the commission. Councilmember Howarth seconded the motion and it carried unanimously.

Mayor Pro Tem Franks made a motion to accept recommendation for 3.07 (i) as presented by the commission. Councilmember Prestenberg seconded the motion and it carried unanimously.

Mayor Pro Tem Franks made a motion to accept recommendation for 3.09 (1) as presented by the commission. Councilmember Howarth seconded the motion and it carried unanimously.

Councilmember Millsap did not like removing Robert's Rules of Order or the City Council determining the rules of order. He would prefer rewording the section. Mr. Smith clarified that the Council currently has the option to set a rule of order by City ordinance. Councilmember Howarth made a motion to accept recommendation for 3.13 as presented by the commission. Councilmember Buhler seconded the motion and it carried 6-1 with Councilmember Millsap voting against the motion.

Councilmember Millsap asked for clarification on the recommendation. Mr. Smith commented that the recommendation would allow Council to follow any updates from the state, should it be passed. Mayor Pro Tem Franks made a motion to accept recommendation for 3.14 (3) as presented by the commission. Councilmember Lindsey seconded the motion and it carried 6-1 with Councilmember Millsap voting no.

Councilmember Millsap thinks all employees that handle money should be bonded. Mayor Pro Tem Franks made a motion to accept recommendation for 3.18 as presented by the commission. Councilmember Howarth seconded the motion. Councilmember Prestenberg thinks employees handling money should be bonded but perhaps the amount of bond may be driving the change. Councilmember Howarth clarified that the current wording of the section does not indicate the amount of money an employee would handle to require bonding. Adding "may" to the item allows Council to determine when bonding is appropriate. The motion carried 6-1 with Councilmember Millsap voting against the motion.

Councilmember Millsap made a motion to accept recommendation for 5.02 (c) as presented by the commission. Mayor Pro Tem Franks seconded the motion and it carried unanimously.

Councilmember Millsap made a motion to accept recommendation for 6.04 as presented by the commission. Councilmember Lindsey seconded the motion and it carried unanimously.

After some discussion, Councilmember Lindsey made a motion to approve the recommendation with 90 days but withdrew his motion. Mayor Pro Tem Franks made a motion to accept recommendation for 6.05 as presented by the commission for 60 days. Councilmember Howarth seconded the motion and it carried 4-3 with Councilmembers Howarth, Millsap, and Prestenberg voting against the measure.

Mayor Pro Tem Franks made a motion to accept recommendation for 7.04 and 7.10 as presented by the commission. Councilmember Howarth seconded the motion and it carried unanimously.

Councilmember Millsap did not want to create an in-house tax collection department and did not like the recommendation. Councilmember Howarth specified that the recommendation was actually making the change to reflect the current practice. Councilmember Buhler made a motion to accept recommendation for 7.20 as presented by the commission. Councilmember Howarth seconded the motion and it carried 6-1 with Councilmember Millsap voting against the motion.

Mayor Pro Tem Franks made a motion to accept recommendation for 9.01 (2) as presented by the commission. Councilmember Howarth seconded the motion and it carried 6-1 with Councilmember Millsap voting no.

Councilmember Millsap does not see a difference between insure and ensure and would prefer to reword the section all together. Councilmember Lindsey made a motion to accept recommendation for 11.07 (1.b) as presented by the commission. Mayor Pro Tem Franks seconded the motion for discussion and it carried 6-1 with Councilmember Millsap voting against the measure.

Councilmember Howarth made a motion to accept recommendation for 11.07 (2) as presented by the commission. Mayor Pro Tem Franks seconded the motion and it carried unanimously.

Councilmember Howarth made a motion to accept recommendation for Article XIII as presented by the commission. Mayor Pro Tem Franks seconded the motion and it carried unanimously.

Chairperson McMurdie indicated that one recommendation was inadvertently left off of the summary, but the item was in the redline provided in the packet. Councilmember Howarth made a motion to accept recommendation for 3.16 (4) as presented by the commission. Councilmember Buhler seconded the motion and it carried unanimously.

Councilmember Lindsey asked for 3.07 (g) to have consideration for individual members of Council to have the power to inquire into the conduct of any office. Mayor Pro Tem Franks did not want this change added. He does not want to micromanage staff and Council should go through the City Manager, who is the Council's employee, to address any issues. Councilmember Lindsey likened Council to a CEO to be able to speak with staff. Mayor Pro Tem Franks commented that the Council would be more like a board of directors and would not address staff. The City Manager would be likened to the CEO and already has that power to address issues with staff.

Council discussed the merits of calling the election for November or May. Though the cost is considerable, the consensus was to move forward with a November election. Councilmember

Howarth made a motion to direct the City Attorney to prepare an ordinance to call an election in November 2022. Councilmember Lindsey seconded the motion and it carried unanimously.

Mayor Bickerstaff adjourned the meeting at 8:48 p.m.

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, City Secretary



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	2. Approve the August 15, 2022, meeting minutes.
Access	Public
Type	Action (Consent), Minutes
Recommended Action	Approve the August 15, 2022, meeting minutes.
Minutes	View Minutes for Aug 15, 2022 - City Council Meeting

Public Content

BACKGROUND

Minutes from the August 15, 2022, Council meeting.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve the August 15, 2022, meeting minutes.

[08.15.22 City Council Minutes.pdf \(139 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

**CITY COUNCIL OF THE CITY OF SACHSE
MEETING MINUTES
AUGUST 15, 2022**

The City Council of the City of Sachse held an executive session and regular meeting on Monday, August 15, 2022, at 6:30 p.m. at Sachse City Hall, 3815-B Sachse Road. Those present were Mayor Jeff Bickerstaff; Councilmembers Michelle Howarth, Frank Millsap, Chance Lindsey, Lindsay Buhler, and Matt Prestenberg; City Manager, Gina Nash; City Secretary, Leah Granger; Assistant City Manager, Lauren Rose; IT Manager, Mike Pastor; Finance Director, David Baldwin; Assistant Finance Director Ryan Bredehoeft; Director of CIP and Public Works, Corey Nesbit; Leisure Services Director, Lance Whitworth; Fire Chief, Marty Wade; Assistant Fire Chief, Lee Richardson; Human Resources Director, Kristi Wong; Assistant Police Chief, Steven Baxter; Assistant to the City Manager, Amanda Chi; and Economic Development Manager, Jerod Potts.

Members absent: Mayor Pro Tem Brett Franks

REGULAR MEETING:

Mayor Bickerstaff called the meeting to order at 6:30 p.m.

INVOCATION AND PLEDGES OF ALLEGIANCE TO THE U.S. AND TEXAS FLAGS:

Councilmember Prestenberg lead the invocation and Councilmember Buhler led the pledges.

MAYOR AND CITY COUNCIL ANNOUNCEMENTS:

Mayor and City Council announcements regarding special events, current activities, and local achievements.

Councilmember Prestenberg, liaison to the Garland ISD, attended a back to school event in Rowlett. In 2019, Garland ISD had 11 “A” rated schools and that has increased to 16 schools. He thanked educators for all their hard work and dedication.

Councilmember Millsap noted that Sachse Library has just finished the Summer Reading Program and there were a record number of books checked out. He encouraged people to attend the events at the Library.

Announcements from Mayor Bickerstaff:

- The Library would be closed on August 19 for staff development.
- The Sachse Police Department will present a free class on Civilian Response to an Active Shooter on Saturday, September 3. The event will start at 9 a.m. at the Public Safety Building. Participants will learn strategies to prepare and respond to an active attack or other life-threatening incidents. No registration is needed.
- City offices will be closed on Monday, September 5, in observance of Labor Day. For those of you that may not know, Labor Day is the celebration of the many contributions workers have

made to America's strength, prosperity, and well-being. CWD services will also shift over one day.

- The next X-treme Green event, hosted by CWD, is from 8 a.m. to 1 p.m. on Saturday, September 10. This is an opportunity to easily get rid of your electronic waste, hazardous waste, appliances, and much more. Cart washing and drug take-back will be available. This event is for Sachse residents only, and you will be asked to show proof of residency. Check the website for details.

Staff announcements from Ms. Nash:

- New employee, Katelyn Ellis joins the City as the Senior Accountant. She comes to Sachse with a wealth of municipal account experience and she is excited to have Katelyn here.
- Former Wylie ISD librarian, Shelley Salcido, will be the new Senior Librarian at the Sachse Public Library. She will be a great addition to the staff.
- Police Officer Joshua Flaum joins Sachse after a stint with Collin College and the City of Dallas. Ms. Nash is thrilled Officer Flaum decided to join the Sachse Police Department.
- Lauren Rose was recently selected to participate in the Local Government 2030: A Convening of Practitioners program at the University of Nebraska. The convening will bring together 50 practitioners under the age of 40 from cities, counties, and regional councils around the United States. Only five delegates nationwide were selected under the Administration category and will be tasked with breaking silos and developing ideas on how local government delivers services to ensure current and future needs of communities are met. The convening will model the famous Minnowbrook conferences in 1968 that laid the foundation for modern local government. This is a year-long process in which delegates will tackle the biggest issues facing local governments across the United States. Staff is very proud of Ms. Rose for being selected.
- The discussion regarding a buydown plan for the City of Sachse's unreserved fund balance will be moved to a future meeting due to timing issues. Staff anticipates that this conversation will occur in September.

Recognize American Heart Association (AHA) Heartsaver Hero Award recipients for actions taken on January 10, 2022.

Mayor Bickerstaff commended members of the Fire Department: Fire Driver/Engineer Scott Potter, Fire Driver/Engineer Austin Fullen, and Firefighter/Paramedic Colton Haynes for their actions contributing to saving a life.

Recognize American Heart Association (AHA) Heartsaver Hero Award recipients for actions taken on March 31, 2022.

Mayor Bickerstaff recognized CERT Member Nancy Priddy, Lieutenant Ken Messick, Driver/Engineer Cory Cave, Firefighter/Paramedic Stephen Dacus, Driver/Engineer John Morris, Firefighter/Paramedic Brad Hood, Firefighter/Paramedic Garrett Metzger, Murphy Fire Department Medic Virgil Cross, and Murphy Fire Department Medic Garrett Paynton for their heroic efforts to save a life.

Proclamation recognizing the City of Sachse Finance Department's efforts for achieving the Distinguished Budget Presentation Award from the Government Finance Officers Association.

A proclamation was presented to David Baldwin, Finance Director, for achieving the Distinguished Budget Presentation Award from the Government Finance Officers Association for the tenth consecutive year. This is a significant reflection of the commitment of the governing body and staff to meet the highest principles of governmental budgeting.

PUBLIC COMMENT:

- Jeanie Marten, 4908 Maple Shade Avenue, requested that the Council liaison duties be discussed at a future meeting, taking into consideration the suggestions made by the Charter Review Commission.
- Matthew Holboke, 5511 Oak Ridge Circle, is curious what the rules are for public to speak to the Council. He suggested that Colleyville should not be used as a measuring stick but rather Quinlan and east Texas might be more appropriate.

CONSENT AGENDA: All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a councilmember or citizen so requests.

1. **Approve the August 1, 2022, meeting minutes.**
2. **Accept the 2022 certified tax rolls as approved by the Dallas and Collin Appraisal Districts.**
3. **Approve an Interlocal Agreement renewing the Food Establishment Inspection and Environmental Health Services between Dallas County, on behalf of Dallas County Health and Human Services, and the City of Sachse.**
4. **Approve a resolution authorizing the City Manager to enter into an interlocal agreement between Collin County and the City of Sachse concerning traffic signal improvements within city limits in an amount not to exceed One Hundred Fifty-Four Thousand, Six Hundred Five and No/100 Dollars (\$154,605.00).**
5. **Approve scheduling a public hearing on the FY 2022-2023 Proposed Budget at the September 6, 2022, Council meeting.**
6. **Accept submission of the 2022 no-new-revenue tax rate of \$0.650416 per \$100 taxable value and the voter-approval tax rate of \$0.780381 per \$100 taxable value.**
7. **Approve an ordinance ordering a Special Election to be held on November 8, 2022, for amendments to the Sachse Home Rule Charter.**
8. **Approve the Consent Agenda Items as presented.**

Councilmember Howarth made a motion to approve the consent agenda as presented. Councilmember Prestenberg seconded the motion and it carried 5-1 with Councilmember Millsap voting against the agenda items.

REGULAR AGENDA ITEMS:

Consider receipt of the City Manager's Proposed Budget for programs and services for the 2022-2023 fiscal year.

Ms. Nash noted that the presentation would be an abridged version of the budget presentation from the previous regular meeting, and this would be an opportunity for Council and the public to ask any questions. Mr. Baldwin explained that the property tax rate information was received from the Counties. The No-New-Revenue tax rate was passed in the consent agenda and is \$0.05 (7.2%) lower than last year. This lower property tax rate will generate an additional \$356,740 to the General Fund over what was previously anticipated on August 1. Mr. Baldwin noted that the new proposed budget includes additional costs to live-stream all board and commission meetings as well as the Council meetings. A surplus of \$362,849 is currently budgeted when revenue and expenditures are compared, and \$6.7 million is anticipated to be available in the General Fund at the end of 2023. Mr. Baldwin stated that Capital Projects were not included in the previous presentation and will be discussed in more detail in October, but there should be \$33,375,750 worth of projects proposed. He eluded to a public hearing potentially on September 6.

Councilmember Millsap was concerned with the amount of money noted in the Utility Fund. Ms. Nash clarified that the amount shown was what is proposed to be spent, not the fund balance. Councilmember Buhler asked how more than 100% of taxes were collected each year. Mr. Baldwin explained that delinquent fees and collections are accounted for in the year received and account for the overage. She asked additional questions to clarify items and plans.

Matthew Holboke, 5511 Oak Ridge Circle, did not like the additional costs associated with compensation for staff. He would prefer a cut in taxes than to light the water tower and suggested giving some of the ARPA funds back to the residents.

Councilmember Lindsey made a motion to approve the item as presented. Councilmember Buhler seconded the motion and it passed 6-1 with Councilmember Millsap voting no.

Consider placing a proposal to adopt a tax rate of \$0.650416 per \$100 of assessed property values for the 2022-2023 fiscal year as an action item on the September 6, 2022, City Council meeting agenda.

Ms. Nash explained that approving this item would allow Council to place a public hearing on the September 6 agenda. The tax rate would be no higher than \$0.650416, but this item is not to approve the rate. Councilmember Millsap asked if the rate could go lower than the proposed amount. Ms. Nash stated that she is required to propose a rate that is associated with the proposed budget and any other recommendations could not be higher than what is proposed tonight. Council could propose a lower rate if they desired.

Councilmember Howarth made a motion to approve the item as presented. Councilmember Prestenberg seconded the motion and it passed unanimously.

Receive an update on the American Rescue Plan Act funding for Sachse.

Ms. Rose gave an overview of the American Rescue Plan Act (ARPA). She explained that the funds must be obligated to projects by December 31, 2024, and projects must be completed by December 31, 2026. She also clarified that federal ARPA funds could not be returned to the taxpayers. Allowable expenses include supporting health expenditures; addressing negative economic impacts caused by the public health emergency; replace lost public sector revenue; providing premium pay for essential workers; and investing in water, sewer, and broadband infrastructure. The first of two tranches was received in August 2021, however, federal legislation started to gain traction to allow roadway infrastructure expenses. Many cities were reluctant to spend the funds until legislation was clearer. As Sachse did not see significant revenue loss as result of the pandemic, the City is limited to the previously stated expenditures and not roadway infrastructure or other broad spending categories. Staff is proposing to spend the ARPA funds on the Maxwell Creek Pump Station Project. This would free up utility funds to be spent on other projects that may not fall under the ARPA umbrella. Other projects will be proposed in the future to use the remaining ARPA funds.

Ms. Nash noted that the City plans to recommend water and sewer projects that are related to roadway improvements as this would be a clear use of the ARPA funds. Councilmember Millsap would like to see the funds spent on the screening walls on Miles Road. Ms. Rose responded that the screening wall project is not eligible for ARPA funds but a plan to cover that project is forthcoming.

Consider authorizing the City Manager to execute and award the bid for the construction of the Maxwell Creek Pump Station Improvements Project (W-14-01) to Red River Construction Company in an amount not to exceed Five Million, One Hundred One Thousand, Seven Hundred and No/Dollars (\$5,101,700.00).

Mr. Nesbit gave an overview of the Maxwell Creek Pump Station Improvement project. The project will take roughly two years and will replace the current station installed in the 1980s. The new pumps will replace several pumps that have failed and deteriorated. He explained that the project design was budgeted in FY 2021-2022 from the Utility Fund. The ARPA funds will allow previously budgeted funds to be allocated to other needed projects.

Councilmember Buhler asked about the timing and stress on other facilities. Mr. Nesbit replied that construction should be during months with lower usage; there should not be disruption of service. After some discussion, Councilmember Lindsey made a motion to approve the item as presented. Councilmember Prestenberg seconded the motion and it passed unanimously.

Mayor Bickerstaff adjourned the meeting at 8:01 p.m.

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, City Secretary



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	3. Accept the monthly revenue and expenditure report for the period ending July 31, 2022.
Access	Public
Type	Action (Consent)
Fiscal Impact	No
Recommended Action	Accept the monthly revenue and expenditure report for the period ending July 31, 2022.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

The Finance Department prepares a report each month to update the City Council regarding revenues and expenditures for the City. Included in the report are unaudited summaries for the General Fund, Utility Fund, Debt Service Fund, Sachse Economic Development Corporation, and the Sachse Municipal Development District, as well as a report of the year-to-date sales tax revenue.

POLICY CONSIDERATIONS

The City Charter requires the City Manager to submit a monthly report covering revenues and expenditure of the City in such form as requested by the City Council.

RECOMMENDATION

Accept the monthly revenue and expenditure report for the period ending July 31, 2022.

[All Funds July 2022.pdf \(116 KB\)](#)

[Sales Tax Report August 2022.pdf \(85 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

City of Sachse

Monthly Revenue and Expenditure Report

July 31, 2022

(Unaudited)

GENERAL FUND

83% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference
Revenue Summary					
Property Tax	\$ 13,516,200	\$ 28,092	\$ 13,733,724	101.6%	A
Sales Tax	1,980,000	235,311	2,200,677	111.1%	B
Franchise Fees	1,876,250	224,059	1,727,338	92.1%	C
Licenses and Permits	904,500	77,465	1,475,468	163.1%	D
Service Fees	1,063,500	109,657	1,344,236	126.4%	E
Fines	250,000	14,777	195,768	78.3%	
Interest Income	50,000	10,676	50,809	101.6%	F
Miscellaneous Income	401,718	31,191	318,877	79.4%	
Intergovernmental Revenue	1,408,831	117,403	1,174,028	83.3%	
Total Revenue	\$ 21,450,999	\$ 848,630	\$ 22,220,924	103.6%	
Expenditure Summary					
Animal Services	\$ 241,131	\$ 18,409	\$ 194,395	80.6%	
City Manager	531,986	64,239	418,569	78.7%	
City Secretary	240,862	11,137	135,945	56.4%	
Combined Services	430,805	15,482	351,085	81.5%	
Development Services	838,674	261,198	932,613	111.2%	G
Engineering	436,933	25,706	302,749	69.3%	
Facilities Maintenance	681,201	42,986	502,040	73.7%	
Finance	760,828	38,619	581,953	76.5%	
Fire	5,105,049	369,084	4,201,639	82.3%	
Human Resources	499,675	37,098	340,282	68.1%	
Information Technology	789,859	40,077	671,546	85.0%	
Library	566,496	36,299	424,487	74.9%	
Municipal Court	248,682	20,029	179,370	72.1%	
Neighborhood Services	380,111	35,529	321,611	84.6%	
Parks	1,071,570	96,714	788,827	73.6%	
Police	5,735,348	439,172	4,661,029	81.3%	
Recreation	399,390	36,726	345,987	86.6%	
Senior Activity Center	147,367	9,864	104,676	71.0%	
Streets	2,397,856	95,723	1,605,101	66.9%	
Total Expenditures	\$ 21,503,823	\$ 1,694,091	\$ 17,063,904	79.4%	
Total Revenue Over/(Under) Expenses	\$ (52,824)	\$ (845,461)	\$ 5,157,020		H

Explanation of Major Variances:

- A Receipts exceed calculated budget
- B Sales Tax collections exceed conservative budget projection
- C Gas Franchise Fees leading strong collections (\$299K collected against \$206K budget)
- D Building Permits are performing in excess of budget. See corresponding note F
- E Plan Review, Developer, and Ambulance Service Fee conservative budgeting are primary reason for excess collections
- F Interest income exceeds conservative budget projection
- G Inspection fee expenses exceed budget but are offset by associated fee revenue (note D)
- H Current Month Actual Revenue Over/(Under) Expenses variance due to timing of revenue collections and expenses

City of Sachse

Monthly Revenue and Expenditure Report

July 31, 2022

(Unaudited)

UTILITY FUND

83% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference
Revenue Summary					
Water Revenue	\$ 7,921,000	\$ 1,582,511	\$ 7,224,725	91.2%	
Sewer Revenue	5,705,000	526,802	5,055,817	88.6%	
Drainage Revenue	215,000	18,563	183,419	85.3%	
Fees	151,000	16,778	170,200	112.7%	A
Interest Income	60,000	12,657	69,992	116.7%	B
Total Revenue	\$ 14,052,000	\$ 2,157,311	\$ 12,704,153	90.4%	
Expenditure Summary					
Utility Administration	\$ 491,941	\$ 53,086	\$ 381,273	77.5%	
Water Operations	6,614,493	911,028	5,518,828	83.4%	
Sewer Operations	4,417,149	290,345	3,446,770	78.0%	
Stormwater Projects	150,000	10,814	87,318	58.2%	C
Total Expenditures	\$ 11,673,583	\$ 1,265,273	\$ 9,434,188	80.8%	
Total Revenue Over/(Under) Expenses	\$ 2,378,417	\$ 892,038	\$ 3,269,966		

Explanation of Major Variances:

- A** Penalties and reconnection charges exceed prior year collections and budget
- B** Interest income exceeds conservative budget projection
- C** Projects are anticipated to be substantially spent by fiscal year end

City of Sachse

Monthly Revenue and Expenditure Report

July 31, 2022

(Unaudited)

SACHSE ECONOMIC DEVELOPMENT CORPORATION

83% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference
Revenue Summary					
Sales Tax	\$ 975,000	\$ 113,796	\$ 1,083,399	111.1%	A
Other Income	10,000	-	10,000	100.0%	B
Interest Income	5,000	2,160	8,487	169.7%	C
Total Revenue	\$ 990,000	\$ 115,956	\$ 1,101,886	111.3%	
Expenditure Summary					
Expenditures	\$ 626,424	\$ 45,932	\$ 509,943	81.4%	D
Total Expenditures	\$ 626,424	\$ 45,932	\$ 509,943	81.4%	
Total Revenue Over/(Under) Expenses	\$ 363,576	\$ 70,025	\$ 591,943		

Explanation of Major Variances:

- A Sales Tax collections exceed conservative budget projection
- B Garland ISD grant received in December
- C Interest income exceeds conservative budget projection
- D Includes asbestos abatement and demolition (\$156K)

City of Sachse
Monthly Revenue and Expenditure Report
July 31, 2022
(Unaudited)

DEBT SERVICE FUND

83% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference
Revenue Summary					
Property Tax	\$ 5,311,399	\$ 10,652	\$ 5,389,057	101.5%	A
Interest Income	4,000	1,126	5,685	142.1%	B
Total Revenue	\$ 5,315,399	\$ 11,779	\$ 5,394,742	101.5%	
Expenditure Summary					
Fees	\$ 3,000	\$ 400	\$ 1,350	45.0%	C
Principal	4,100,000	-	4,096,768	99.9%	
Interest	1,239,319	-	632,255	51.0%	
Total Expenditures	\$ 5,342,319	\$ 400	\$ 4,730,373	88.5%	
Total Revenue Over/(Under) Expenses	\$ (26,920)	\$ 11,379	\$ 664,369		

Explanation of Major Variances:

- A** Receipts exceed calculated budget
- B** Interest income exceeds conservative budget projection
- C** Principal payments are primarily due in February and interest payments in February and August

City of Sachse
Monthly Revenue and Expenditure Report
July 31, 2022
(Unaudited)

MUNICIPAL DEVELOPMENT DISTRICT

83% of Year Completed

	Annual Budget	Current Month Actual	Actual YTD	YTD Actual as a Percent of Budget	Note Reference
Revenue Summary					
Sales Tax	\$ 450,000	\$ 55,441	\$ 518,963	115.3%	A
Interest Income	1,000	512	2,749	274.9%	B
Total Revenue	\$ 451,000	\$ 55,954	\$ 521,713	115.7%	
Expenditure Summary					
Expenditures	\$ 1,449,000	\$ 7,681	\$ 726,853	50.2%	C
Total Expenditures	\$ 1,449,000	\$ 7,681	\$ 726,853	50.2%	
Total Revenue Over/(Under) Expenses	\$ (998,000)	\$ 48,273	\$ (205,140)		

Explanation of Major Variances:

- A** Sales Tax collections exceed conservative budget projection
- B** Interest income exceeds conservative budget projection
- C** J.K. Sachse Park construction project is underway

CITY OF SACHSE

2021/2022 SALES TAX REPORT

	Total	General Fund	General Fund	YTD Percent		Total	General Fund	General Fund	YTD Percent	GF YTD Growth
FY 2021	Sales tax ¹	Sales Tax	Year-To-Date	of Budget	FY 2022	Sales tax ¹	Sales Tax	Year-To-Date	of Budget	Over Prior Yr
October	\$264,016	\$150,859	\$150,859	9%	October	\$308,288	\$176,156	\$176,156	9%	17%
November	374,502	213,991	364,850	22%	November	409,774	234,145	410,301	21%	12%
December	286,729	163,837	528,687	32%	December	342,831	195,894	606,194	31%	15%
January	323,637	184,926	713,613	43%	January	362,244	206,986	813,181	42%	14%
February	435,095	248,614	962,226	57%	February	512,916	293,095	1,106,275	57%	15%
March	279,789	159,871	1,122,098	67%	March	333,651	190,657	1,296,933	67%	16%
April	247,713	141,543	1,263,641	75%	April	303,762	173,578	1,470,511	75%	16%
May	387,674	221,517	1,485,158	89%	May	453,075	258,900	1,729,411	89%	16%
June	301,551	172,306	1,657,464	99%	June	367,141	209,795	1,939,206	99%	17%
July	311,326	177,892	1,835,356	110%	July	398,288	227,593	2,166,799	111%	18%
August	411,760	235,280	2,070,636	124%	August	488,396	279,084	2,445,882	125%	18%
September	333,489	190,556	2,261,191	135%	September					
TOTAL	\$3,957,282	\$2,261,191			TOTAL	\$4,280,365	\$2,445,882			
BUDGET		\$1,675,000			BUDGET		\$1,950,000			

Notes

- ¹- Includes General Fund, Economic Development and Street Maintenance
- Sales tax displayed as cash-basis, reflecting month revenue was received
- Excludes mixed beverage sales tax



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	4. Accept the Quarterly Budget and Investment Reports for the quarter ending June 30, 2022.
Access	Public
Type	Action (Consent)
Fiscal Impact	No
Budgeted	No
Recommended Action	Accept the Quarterly Budget and Investment Reports for the quarter ending June 30, 2022.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

The Finance Department releases a quarterly report on the City's finances. The report is comprised of two sections: budget and investments. The budget section includes revenues and expenditures for the General and Utility Funds, Debt Service, Impact Fee, Special Revenue, Street Maintenance Tax, Health Insurance, and Municipal Development District, as well as a summary of capital project expenditures. The investment section provides an overview of investment activity details for the Money Market, Investment Pool, and Certificate of Deposit accounts.

It is the City's strategy to maintain a high percentage of idle funds invested in safe, secure, and liquid investment securities and pooled investment types. This strategy is in accordance with the Public Funds Investment Act (PFIA) and City policy.

Cash on-hand available for investing on June 30, 2022, was \$74,071,342 in all funds. The average interest/yield on all investments was 0.83%, and investment earnings totaled \$73,627.

OVERVIEW

Quarterly Budget and Investment Reports for the quarter ending June 30, 2022.

POLICY CONSIDERATIONS

The PFIA requires that the Investment Officers prepare and submit a quarterly written report of investment transactions for all funds covered by the Investment Policy.

RECOMMENDATION

Accept the Quarterly Budget and Investment Reports for the quarter ending June 30, 2022.

[Quarterly Investment Report Q3.pdf \(1,887 KB\)](#)

[Quarterly Budget Report Q3.pdf \(980 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.



The City of
SACHSE

Finance Department Memo

To: Gina Nash, City Manager

From: David Baldwin, Director of Finance

Ryan Bredehoeft, Assistant Director of Finance

CC: Mayor and City Council

Date: September 6, 2022

Re: Investment Report for the quarter ending June 30, 2022

Attached is the Quarterly Investment Report for the quarter ending June 30, 2022. This report complies with the requirements of the City's Investment Policy and the Public Funds Investment Act as amended. For this period, the City's portfolio consisted of the following investments:

Portfolio at Quarter Close	Rate at 6/30/22	Total Investment	% of Total
Money Market Account - ANB	0.31%	\$ 29,453,939	39.76%
Money Market Account - ANB (EDC)	0.31%	2,127,257	2.87%
Money Market Account 2017 CO - NexBank	1.60%	1,947,683	2.63%
Money Market Account 2017A CO - NexBank	1.60%	3,286,024	4.44%
Money Market Account - NexBank	1.60%	10,034,675	13.55%
Money Market Account - NexBank (EDC)	1.60%	1,053,654	1.42%
Investment Pool - TexPool	0.99%	2,068,199	2.79%
Citizens Bank CD5763	0.65%	1,009,599	1.36%
Citizens Bank CD5773	0.65%	1,009,644	1.36%
Citizens Bank CD5783	0.65%	1,009,599	1.36%
Prosperity Bank CD0141	0.20%	1,008,864	1.36%
Prosperity Bank CD0142	0.20%	1,008,864	1.36%
Citizens Bank CD5723	0.65%	1,009,644	1.36%
Citizens Bank CD5733	0.65%	1,009,599	1.36%
Citizens Bank CD5743	0.65%	1,009,644	1.36%
East West Bank CD 0174	0.48%	2,004,239	2.71%
East West Bank CD 0553	0.48%	2,004,239	2.71%
East West Bank CD 6002	0.48%	2,004,239	2.71%
East West Bank CD 6607	0.48%	2,004,239	2.71%
Origin Bank CD 1735	0.25%	1,002,500	1.35%
Origin Bank CD 9857	0.25%	1,002,500	1.35%
Origin Bank CD 7978	0.25%	1,002,500	1.35%
East West Bank CD 8172	2.87%	5,000,000	6.75%
Total Invested City Funds		\$ 74,071,342	100.00%



Finance Department Memo **Page 2**

The City does not carry any security instrument (investment type) on its books that is traded on the open market; therefore, all investments are listed at 100% of market value. Interest earnings on all certificate of deposit accounts are accreted quarterly or at maturity. All Funds on deposit are fully secured and safeguarded. **Total investment interest earned for the quarter was \$73,627.**

Citywide cash and investments for the quarter were \$74,071,342. Of this amount, \$3,180,910 is for the Sachse EDC. It is the strategy of the Finance Department to maintain a high percentage of its idle funds invested in safe and secure investment securities and pooled investment types in accordance with the Public Funds Investment Act.

78% of the City's current portfolio has liquidity of 30 days or less, which is more than adequate for daily operations. The City's investments are liquid and have same day access. The City's investment and cash management strategy is to maintain operational and capital needs in money market accounts and liquid asset pools. The City's funds are swept into the above accounts and withdrawn as needed for operational cash flow requirements.

The average interest rate/yield on the City's investments for the quarter was 0.83%, with a weighted average maturity of 71 days. The TexPool interest rate was 0.99% at the end of the quarter. The rolling three-month Treasury yield was 1.13% with the rolling six-month Treasury yield at 1.15%.



The City of
SACHSE

QUARTERLY INVESTMENT REPORT

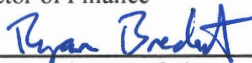
For the Quarter Ended

June 30, 2022

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City is in compliance with the Public Funds Investment Act and the Investment Policy and strategies.



Director of Finance

Assistant Director of Finance

Disclaimer: These reports were compiled using information provided by the City of Sachse. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	March 31, 2022		June 30, 2022		
	Book Value	Market Value	Book Value	Market Value	Ave. Yield
Bank/Pool	\$ 50,351,345	\$ 50,351,345	\$ 49,971,431	\$ 49,971,431	0.76%
CDs/Securities	23,135,607	23,135,607	24,099,911	24,099,911	0.97%
Totals	\$ 73,486,952	\$ 73,486,952	\$ 74,071,342	\$ 74,071,342	0.83%

Current Quarter Average Yield (1)

Total Portfolio 0.83%

Fiscal Year-to-Date Average Yield (2)

Total Portfolio 0.53%

Weighted Average Maturity 71 days

Rolling Three Month Treasury 1.13%
 Rolling Six Month Treasury 1.15%
 TexPool 1.00%

Rolling Three Month Treasury 0.50%
 Rolling Six Month Treasury 0.53%
 TexPool 0.40%

Interest Earnings (Approximate)

	City	EDC
Interest Earnings QTR	\$ 71,066	\$ 2,561
Interest Earnings YTD	\$ 173,865	\$ 6,327

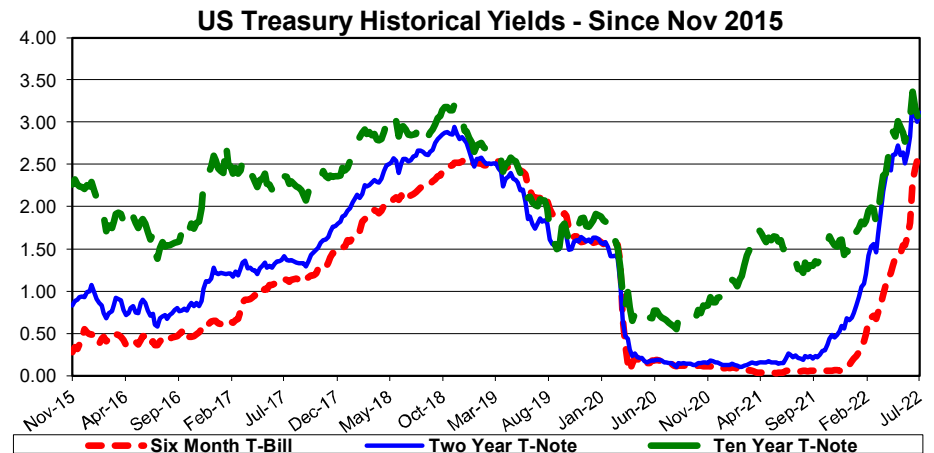
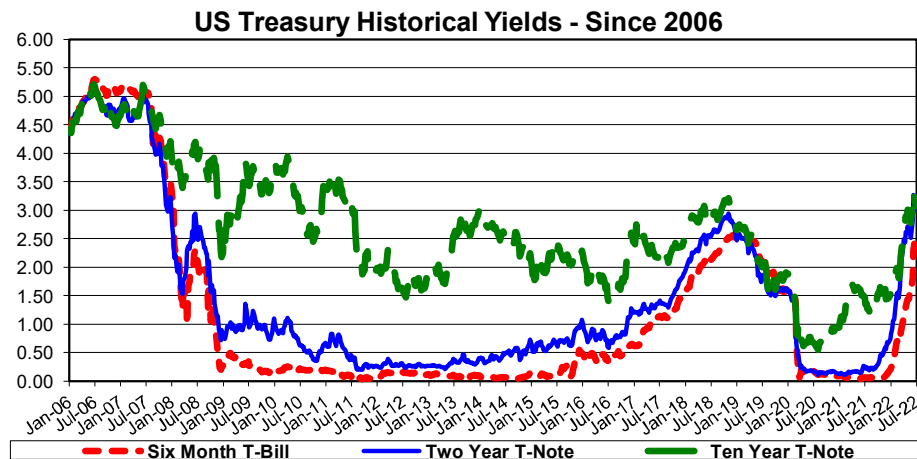
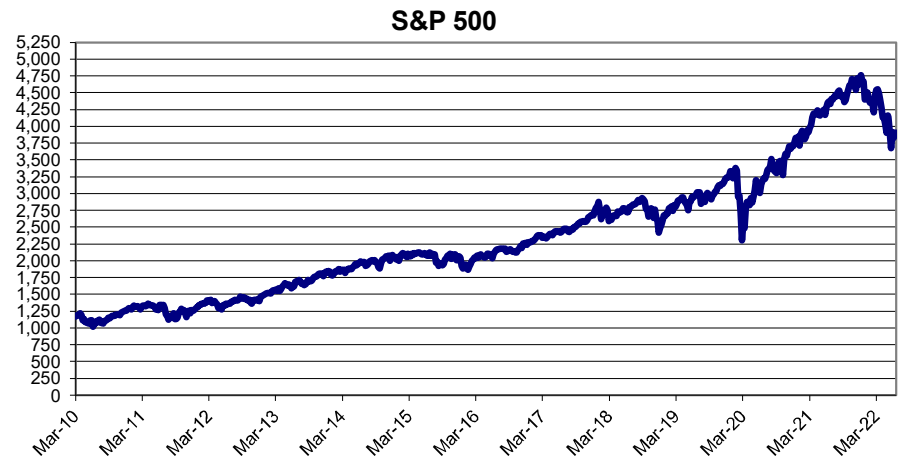
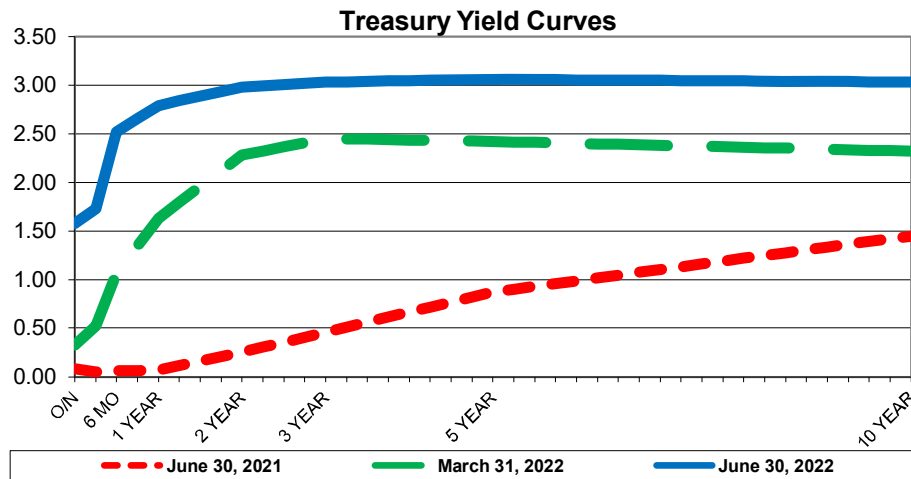
(1) Current Quarter Weighted Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.

(2) Fiscal Year-to-Date Weighted Average Yields - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Economic Overview

6/30/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.75% to 1.50% - 1.75% June 15th (Effective Fed Funds are trading +/-1.60%). The FOMC begin actively reducing their balance sheet June 1. An additional 0.75% increase is anticipated July 27. First Quarter GDP (final) was -1.6%. June Non-Farm Payroll added 372k net new jobs while the Three Month Average NFP declined to 375k. Crude oil settled in at +/- \$105 per barrel. The Stock Markets continued sliding lower, but may be stabilizing. More domestic and international economic indicators softened, including housing data. A recession in the next 12 to 18 months is being openly discussed. Inflation remained well over the FOMC 2% target (Core PCE +/-4.7% and CPI exceeding 8%).



Investment Holdings

June 30, 2022

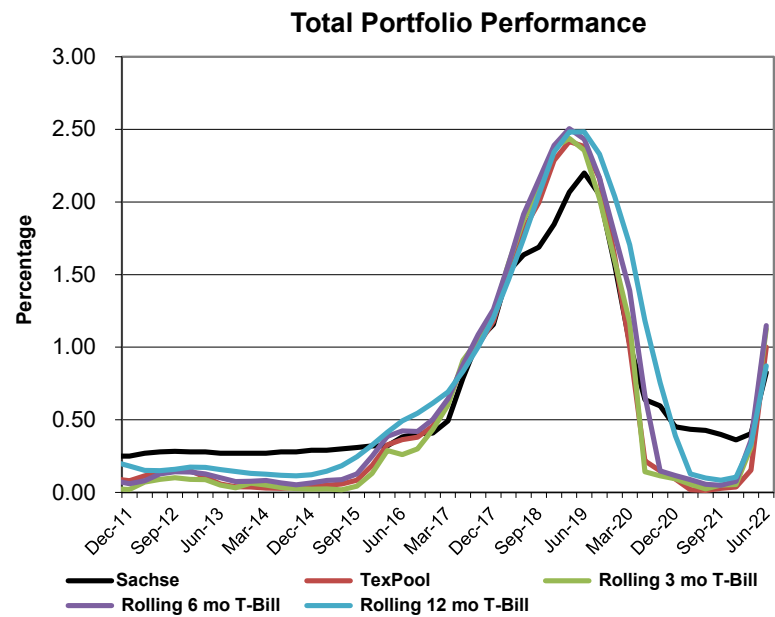
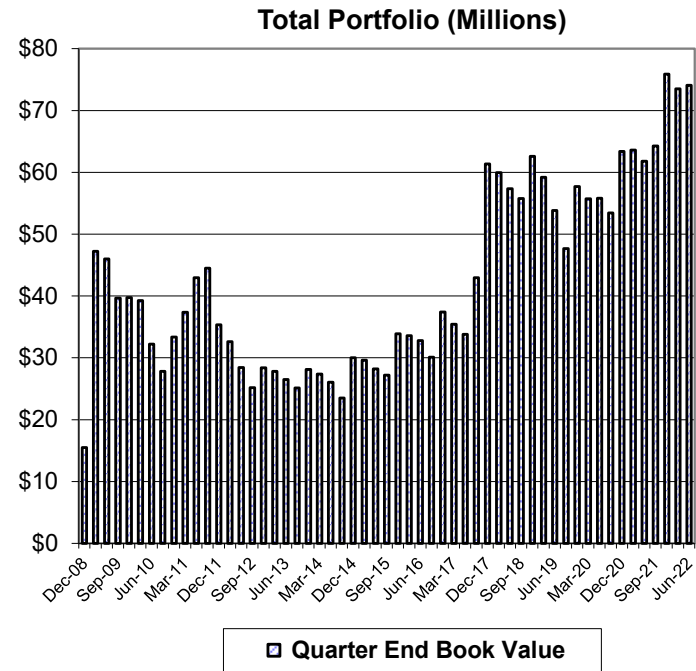
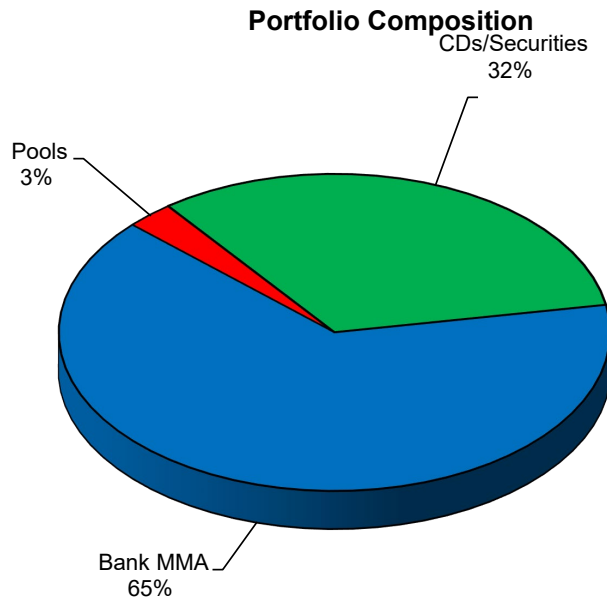
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
ANB MMA		0.31%	07/01/22	06/30/22	\$ 31,581,196	\$ 31,581,196	1.00	\$ 31,581,196	1	0.31%
NexBank IntraFi MMA		1.60%	07/01/22	06/30/22	16,322,036	16,322,036	1.00	16,322,036	1	1.60%
TexPool	AAAm	1.00%	07/01/22	06/30/22	2,068,199	2,068,199	1.00	2,068,199	1	1.00%
Citizens Bank CD5763		0.65%	07/07/22	01/07/21	1,009,599	1,009,599	100.00	1,009,599	7	0.65%
Citizens Bank CD5773		0.65%	07/07/22	01/07/21	1,009,644	1,009,644	100.00	1,009,644	7	0.65%
Citizens Bank CD5783		0.65%	07/07/22	01/07/21	1,009,599	1,009,599	100.00	1,009,599	7	0.65%
Prosperity Bank CD0141		0.20%	07/25/22	07/23/21	1,008,864	1,008,864	100.00	1,008,864	25	0.20%
Prosperity Bank CD0142		0.20%	07/25/22	07/23/21	1,008,864	1,008,864	100.00	1,008,864	25	0.20%
Citizens Bank CD5723		0.65%	01/07/23	01/07/22	1,009,644	1,009,644	100.00	1,009,644	191	0.65%
Citizens Bank CD5733		0.65%	01/07/23	01/07/22	1,009,599	1,009,599	100.00	1,009,599	191	0.65%
Citizens Bank CD5743		0.65%	01/07/23	01/07/22	1,009,644	1,009,644	100.00	1,009,644	191	0.65%
East West Bank CD0174		0.48%	01/23/23	01/23/22	2,004,239	2,004,239	100.00	2,004,239	207	0.48%
East West Bank CD0553		0.48%	01/23/23	01/23/22	2,004,239	2,004,239	100.00	2,004,239	207	0.48%
East West Bank CD6002		0.48%	01/23/23	01/23/22	2,004,239	2,004,239	100.00	2,004,239	207	0.48%
East West Bank CD6607		0.48%	01/23/23	01/23/22	2,004,239	2,004,239	100.00	2,004,239	207	0.48%
Origin Bank CD1735		0.25%	06/30/23	06/30/21	1,002,500	1,002,500	100.00	1,002,500	365	0.25%
Origin Bank CD9857		0.25%	06/30/23	06/30/21	1,002,500	1,002,500	100.00	1,002,500	365	0.25%
Origin Bank CD7978		0.25%	06/30/23	06/30/21	1,002,500	1,002,500	100.00	1,002,500	365	0.25%
East West Bank CD8172		2.87%	06/30/23	06/30/22	5,000,000	5,000,000	100.00	5,000,000	365	2.87%
					\$ 74,071,342	\$ 74,071,342		\$ 74,071,342	71	0.83%
									(1)	(2)

(1) **Weighted average life** - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

(2) **Weighted average yield to maturity** - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered.

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 03/31/22	Increases	Decreases	Book Value 06/30/22	Market Value 03/31/22	Change in Market Value	Market Value 06/30/22
ANB MMA	0.31%	07/01/22	\$ 35,048,771	\$ —	\$ (3,467,576)	\$ 31,581,196	\$ 35,048,771	\$ (3,467,576)	\$ 31,581,196
NexBank IntraFi MMA	1.60%	07/01/22	13,237,685	3,084,352	—	16,322,036	13,237,685	3,084,352	16,322,036
TexPool	1.00%	07/01/22	2,064,890	3,309	—	2,068,199	2,064,890	3,309	2,068,199
Texas Security Bank CD2530	0.95%	04/06/22	1,018,037	—	(1,018,037)	—	1,018,037	(1,018,037)	—
Texas Security Bank CD2529	0.95%	04/06/22	1,018,037	—	(1,018,037)	—	1,018,037	(1,018,037)	—
Prosperity Bank CD 0135	0.20%	06/30/22	1,010,931	—	(1,010,931)	—	1,010,931	(1,010,931)	—
Prosperity Bank CD 0136	0.20%	06/30/22	1,010,931	—	(1,010,931)	—	1,010,931	(1,010,931)	—
Citizens Bank CD5763	0.65%	07/07/22	1,007,978	1,621	—	1,009,599	1,007,978	1,621	1,009,599
Citizens Bank CD5773	0.65%	07/07/22	1,007,978	1,666	—	1,009,644	1,007,978	1,666	1,009,644
Citizens Bank CD5783	0.65%	07/07/22	1,007,978	1,621	—	1,009,599	1,007,978	1,621	1,009,599
Prosperity Bank CD0141	0.20%	07/25/22	1,008,356	508	—	1,008,864	1,008,356	508	1,008,864
Prosperity Bank CD0142	0.20%	07/25/22	1,008,356	508	—	1,008,864	1,008,356	508	1,008,864
Citizens Bank CD5723	0.65%	01/07/23	1,008,009	1,634	—	1,009,644	1,008,009	1,634	1,009,644
Citizens Bank CD5733	0.65%	01/07/23	1,008,009	1,589	—	1,009,599	1,008,009	1,589	1,009,599
Citizens Bank CD5743	0.65%	01/07/23	1,008,009	1,634	—	1,009,644	1,008,009	1,634	1,009,644
East West Bank CD0174	0.48%	01/23/23	2,001,842	2,397	—	2,004,239	2,001,842	2,397	2,004,239
East West Bank CD0553	0.48%	01/23/23	2,001,842	2,397	—	2,004,239	2,001,842	2,397	2,004,239
East West Bank CD6002	0.48%	01/23/23	2,001,842	2,397	—	2,004,239	2,001,842	2,397	2,004,239
East West Bank CD6607	0.48%	01/23/23	2,001,842	2,397	—	2,004,239	2,001,842	2,397	2,004,239
Origin Bank CD1735	0.25%	06/30/23	1,001,877	623	—	1,002,500	1,001,877	623	1,002,500
Origin Bank CD9857	0.25%	06/30/23	1,001,877	623	—	1,002,500	1,001,877	623	1,002,500
Origin Bank CD7978	0.25%	06/30/23	1,001,877	623	—	1,002,500	1,001,877	623	1,002,500
East West Bank CD8172	2.87%	06/30/23	—	5,000,000	—	5,000,000	—	5,000,000	5,000,000
TOTAL / AVERAGE	0.83%		\$ 73,486,952	\$ 8,109,901	\$ (7,525,512)	\$ 74,071,342	\$ 73,486,952	\$ 584,389	\$ 74,071,342



Allocation

June 30, 2022

Book & Market Value	Total	TIRZ #1 PGBT	TIRZ #2 Station	Debt Service	General Fund	W/S Operations
ANB MMA	\$ 31,581,196	\$ 132,722	\$ 97,654	\$ 1,105,811	\$ 6,596,061	\$ 8,526,427
NexBank IntraFi MMA	16,322,036	66,519	48,943	554,219	3,305,863	3,297,184
TexPool	2,068,199	10,553	7,765	87,928	524,484	523,107
07/07/22—Citizens Bank CD5763	1,009,599	—	—	—	—	1,009,599
07/07/22—Citizens Bank CD5773	1,009,644	—	—	—	1,009,644	—
07/07/22—Citizens Bank CD5783	1,009,599	—	—	—	—	—
07/25/22—Prosperity Bank CD0141	1,008,864	—	—	—	—	—
07/25/22—Prosperity Bank CD0142	1,008,864	—	—	—	1,008,864	—
01/07/23—Citizens Bank CD5723	1,009,644	—	—	—	1,009,644	—
01/07/23—Citizens Bank CD5733	1,009,599	—	—	—	—	1,009,599
01/07/23—Citizens Bank CD5743	1,009,644	—	—	—	—	—
01/23/23—East West Bank CD0174	2,004,239	—	—	—	2,004,239	—
01/23/23—East West Bank CD0553	2,004,239	—	—	—	2,004,239	—
01/23/23—East West Bank CD6002	2,004,239	—	—	—	—	2,004,239
01/23/23—East West Bank CD6607	2,004,239	—	—	—	—	2,004,239
06/30/23—Origin Bank CD1735	1,002,500	—	—	—	1,002,500	—
06/30/23—Origin Bank CD9857	1,002,500	—	—	—	—	1,002,500
06/30/23—Origin Bank CD7978	1,002,500	—	—	—	—	—
06/30/23—East West Bank CD8172	5,000,000	—	—	—	—	—
Totals	\$ 74,071,342	\$ 209,794	\$ 154,361	\$ 1,747,958	\$ 18,465,538	\$ 19,376,893

Allocation
June 30, 2022

(continued)

Book & Market Value	Capital Projects	Special Revenue	CARES Act Funds	Restricted Water Impact	Restricted Sewer Impact	Restricted Roadway	Street Maint.
ANB MMA	\$ 1,993,888	\$ 441,282	\$ 358,495	\$ 1,531,303	\$ 1,716,539	\$ 524,154	\$ 800,935
NexBank IntraFi MMA	4,285,336	218,391	—	767,470	860,308	262,699	401,419
TexPool	158,544	34,648	—	121,761	136,490	41,678	63,686
07/07/22—Citizens Bank CD5763	—	—	—	—	—	—	—
07/07/22—Citizens Bank CD5773	—	—	—	—	—	—	—
07/07/22—Citizens Bank CD5783	1,009,599	—	—	—	—	—	—
07/25/22—Prosperity Bank CD0141	1,008,864	—	—	—	—	—	—
07/25/22—Prosperity Bank CD0142	—	—	—	—	—	—	—
01/07/23—Citizens Bank CD5723	—	—	—	—	—	—	—
01/07/23—Citizens Bank CD5733	—	—	—	—	—	—	—
01/07/23—Citizens Bank CD5743	1,009,644	—	—	—	—	—	—
01/23/23—East West Bank CD0174	—	—	—	—	—	—	—
01/23/23—East West Bank CD0553	—	—	—	—	—	—	—
01/23/23—East West Bank CD6002	—	—	—	—	—	—	—
01/23/23—East West Bank CD6607	—	—	—	—	—	—	—
06/30/23—Origin Bank CD1735	—	—	—	—	—	—	—
06/30/23—Origin Bank CD9857	—	—	—	—	—	—	—
06/30/23—Origin Bank CD7978	—	—	—	406,981	456,212	139,307	—
06/30/23—East West Bank CD8172	5,000,000	—	—	—	—	—	—
Totals	\$ 14,465,874	\$ 694,321	\$ 358,495	\$ 2,827,515	\$ 3,169,549	\$ 967,838	\$ 1,266,040

Allocation
June 30, 2022

(continued)

Book & Market Value	VERF	MDD	Health Insurance	Station O&M PID	American Rescue Plan	Hotel Occupancy	EDC
ANB MMA	\$ 1,247,520	\$ 493,190	\$ 627,444	\$ 21,416	\$ 3,234,288	\$ 4,811	\$ 2,127,257
NexBank IntraFi MMA	625,241	247,180	314,467	10,733	—	2,411	1,053,654
TexPool	99,196	39,216	49,891	1,703	—	383	167,165
07/07/22—Citizens Bank CD5763	—	—	—	—	—	—	—
07/07/22—Citizens Bank CD5773	—	—	—	—	—	—	—
07/07/22—Citizens Bank CD5783	—	—	—	—	—	—	—
07/25/22—Prosperity Bank CD0141	—	—	—	—	—	—	—
07/25/22—Prosperity Bank CD0142	—	—	—	—	—	—	—
01/07/23—Citizens Bank CD5723	—	—	—	—	—	—	—
01/07/23—Citizens Bank CD5733	—	—	—	—	—	—	—
01/07/23—Citizens Bank CD5743	—	—	—	—	—	—	—
01/23/23—East West Bank CD0174	—	—	—	—	—	—	—
01/23/23—East West Bank CD0553	—	—	—	—	—	—	—
01/23/23—East West Bank CD6002	—	—	—	—	—	—	—
01/23/23—East West Bank CD6607	—	—	—	—	—	—	—
06/30/23—Origin Bank CD1735	—	—	—	—	—	—	—
06/30/23—Origin Bank CD9857	—	—	—	—	—	—	—
06/30/23—Origin Bank CD7978	—	—	—	—	—	—	—
06/30/23—East West Bank CD8172	—	—	—	—	—	—	—
Totals	\$ 1,971,957	\$ 779,586	\$ 991,802	\$ 33,852	\$ 3,234,288	\$ 7,605	\$ 3,348,075

Allocation
March 31, 2022

Book & Market Value	Total	TIRZ #2 Station	GO I&S	General Fund	W/S Restricted	W/S Operations	Capital Projects	2017 CO
ANB MMA	\$ 35,048,771	\$ 46,772	\$ 1,699,899	\$ 10,008,084	\$ 293,080	\$ 6,712,317	\$ 2,801,551	\$ -
NexBank IntraFi MMA	13,237,685	-	4,148	107,484	-	113,000	4,307,664	1,943,524
TexPool	2,064,890	-	-	-	-	5,110	429,258	-
04/06/22-Texas Security Bank CD2530	1,018,037	-	-	1,018,037	-	-	-	-
04/06/22-Texas Security Bank CD2529	1,018,037	-	-	-	-	1,018,037	-	-
06/30/22-Prosperity Bank CD 0135	1,010,931	-	-	1,010,931	-	-	-	-
06/30/22-Prosperity Bank CD 0136	1,010,931	-	-	-	-	1,010,931	-	-
06/30/22-Origin Bank CD1735	1,001,877	-	-	1,001,877	-	-	-	-
06/30/22-Origin Bank CD9857	1,001,877	-	-	-	-	1,001,877	-	-
06/30/22-Origin Bank CD7978	1,001,877	-	-	-	-	-	-	-
07/07/22-Citizens Bank CD5763	1,007,978	-	-	-	-	1,007,978	-	-
07/07/22-Citizens Bank CD5773	1,007,978	-	-	1,007,978	-	-	-	-
07/07/22-Citizens Bank CD5783	1,007,978	-	-	-	-	-	1,007,978	-
07/25/22-Prosperity Bank CD0141	1,008,356	-	-	-	-	-	1,008,356	-
07/25/22-Prosperity Bank CD0142	1,008,356	-	-	1,008,356	-	-	-	-
01/07/23-Citizens Bank CD5723	1,008,009	-	-	1,008,009	-	-	-	-
01/07/23-Citizens Bank CD5733	1,008,009	-	-	-	-	1,008,009	-	-
01/07/23-Citizens Bank CD5743	1,008,009	-	-	-	-	-	1,008,009	-
01/23/23-East West Bank CD0174	2,001,842	-	-	2,001,842	-	-	-	-
01/23/23-East West Bank CD0553	2,001,842	-	-	2,001,842	-	-	-	-
01/23/23-East West Bank CD6002	2,001,842	-	-	-	-	2,001,842	-	-
01/23/23-East West Bank CD6607	2,001,842	-	-	-	-	2,001,842	-	-
Totals	\$ 73,486,952	\$ 46,772	\$ 1,704,047	\$ 20,174,440	\$ 293,080	\$ 15,880,944	\$ 10,562,815	\$ 1,943,524

Allocation
March 31, 2022

(continued)

Book & Market Value	2017A CO	2019/2020 Tax Notes	Restricted Park Develop.	CARES Act Funds	Restricted General	Restricted Water Impact	Restricted Sewer Impact	Restricted Roadway
ANB MMA	\$ —	\$ —	\$ 312,000	\$ 358,218	\$ 225,931	\$ 1,196,357	\$ 1,341,076	\$ 409,504
NexBank IntraFi MMA	3,279,005	—	85,506	—	61,918	542,643	608,284	185,743
TexPool	—	1,602,391	—	—	—	11,420	12,801	3,909
04/06/22–Texas Security Bank CD2530	—	—	—	—	—	—	—	—
04/06/22–Texas Security Bank CD2529	—	—	—	—	—	—	—	—
06/30/22–Prosperity Bank CD 0135	—	—	—	—	—	—	—	—
06/30/22–Prosperity Bank CD 0136	—	—	—	—	—	—	—	—
06/30/22–Origin Bank CD1735	—	—	—	—	—	—	—	—
06/30/22–Origin Bank CD9857	—	—	—	—	—	—	—	—
06/30/22–Origin Bank CD7978	—	—	—	—	—	406,728	455,929	139,220
07/07/22–Citizens Bank CD5763	—	—	—	—	—	—	—	—
07/07/22–Citizens Bank CD5773	—	—	—	—	—	—	—	—
07/07/22–Citizens Bank CD5783	—	—	—	—	—	—	—	—
07/25/22–Prosperity Bank CD0141	—	—	—	—	—	—	—	—
07/25/22–Prosperity Bank CD0142	—	—	—	—	—	—	—	—
01/07/23–Citizens Bank CD5723	—	—	—	—	—	—	—	—
01/07/23–Citizens Bank CD5733	—	—	—	—	—	—	—	—
01/07/23–Citizens Bank CD5743	—	—	—	—	—	—	—	—
01/23/23–East West Bank CD0174	—	—	—	—	—	—	—	—
01/23/23–East West Bank CD0553	—	—	—	—	—	—	—	—
01/23/23–East West Bank CD6002	—	—	—	—	—	—	—	—
01/23/23–East West Bank CD6607	—	—	—	—	—	—	—	—
Totals	\$ 3,279,005	\$ 1,602,391	\$ 397,506	\$ 358,218	\$ 287,849	\$ 2,157,147	\$ 2,418,090	\$ 738,376

Allocation
March 31, 2022

(continued)

Book & Market Value	Street Maint.	VERF	MDD	Health Insurance	Station O&M PID	American Rescue Plan	Hotel Occupancy	EDC
ANB MMA	\$ 1,104,934	\$ 1,523,275	\$ 896,359	\$ 774,794	\$ 33,852	\$ 3,233,885	\$ 4,950	\$ 2,071,932
NexBank IntraFi MMA	—	427,914	338,436	185,502	—	—	—	1,046,915
TexPool	—	—	—	—	—	—	—	—
04/06/22–Texas Security Bank CD2530	—	—	—	—	—	—	—	—
04/06/22–Texas Security Bank CD2529	—	—	—	—	—	—	—	—
06/30/22–Prosperity Bank CD 0135	—	—	—	—	—	—	—	—
06/30/22–Prosperity Bank CD 0136	—	—	—	—	—	—	—	—
06/30/22–Origin Bank CD1735	—	—	—	—	—	—	—	—
06/30/22–Origin Bank CD9857	—	—	—	—	—	—	—	—
06/30/22–Origin Bank CD7978	—	—	—	—	—	—	—	—
07/07/22–Citizens Bank CD5763	—	—	—	—	—	—	—	—
07/07/22–Citizens Bank CD5773	—	—	—	—	—	—	—	—
07/07/22–Citizens Bank CD5783	—	—	—	—	—	—	—	—
07/25/22–Prosperity Bank CD0141	—	—	—	—	—	—	—	—
07/25/22–Prosperity Bank CD0142	—	—	—	—	—	—	—	—
01/07/23–Citizens Bank CD5723	—	—	—	—	—	—	—	—
01/07/23–Citizens Bank CD5733	—	—	—	—	—	—	—	—
01/07/23–Citizens Bank CD5743	—	—	—	—	—	—	—	—
01/23/23–East West Bank CD0174	—	—	—	—	—	—	—	—
01/23/23–East West Bank CD0553	—	—	—	—	—	—	—	—
01/23/23–East West Bank CD6002	—	—	—	—	—	—	—	—
01/23/23–East West Bank CD6607	—	—	—	—	—	—	—	—
Totals	\$ 1,104,934	\$ 1,951,189	\$ 1,234,795	\$ 960,297	\$ 33,852	\$ 3,233,885	\$ 4,950	\$ 3,118,846

Portfolio Summary
City of Sachse, TX
June 30, 2022

Investments by Type

	<i>Book Value</i>	<i>Percent</i>
<i>Money Market Account*</i>	\$ 47,903,232	64.7%
<i>Investment Pools</i>	2,068,199	2.8%
<i>CD's</i>	24,099,911	32.5%
<i>Total*</i>	<u>\$ 74,071,342</u>	100%

*(Includes Sachse EDC Money Market)

Investments by Maturity Date

<i>30 days and under</i>	\$ 58,025,455	78%
<i>31 - 90 days</i>	0	0%
<i>91 - 180 days</i>	0	0%
<i>181 - 365 days</i>	16,045,887	22%
<i>366 - 760 days</i>	0	0%
<i>Total Principal Invested</i>	<u>\$ 74,071,342</u>	100%

Portfolio Yield

<i>Portfolio</i>	<i>Fiscal YTD Interest</i>	<i>Int Earned this QTR</i>	<i>Fiscal YTD % of total</i>
<i>General Fund</i>	\$ 40,132	\$ 16,472	22.27%
<i>Utility Fund</i>	57,335	19,804	31.82%
<i>Debt Service Fund</i>	4,559	264	2.53%
<i>Capital Projects Fund</i>	48,981	26,646	27.18%
<i>Special Revenue Fund</i>	2,590	568	1.44%
<i>Impact Fee Fund</i>	11,831	4,377	6.57%
<i>Street Maintenance Fund</i>	1,547	538	0.86%
<i>Vehicle/Equipment Fund</i>	1,801	552	1.00%
<i>Health Insurance Fund</i>	1,783	600	0.99%
<i>Station O&M PID</i>	0	0	0.00%
<i>RESCUE Plan Fund</i>	967	403	0.54%
<i>Hotel Occupancy Tax Fund</i>	0	0	0.00%
<i>TIRZ#1 PGBT</i>	3	3	0.00%
<i>TIRZ#2 Station</i>	98	25	0.05%
<i>Sachse EDC</i>	6,327	2,561	3.51%
<i>Municipal Development District</i>	2,237	814	1.24%
<i>Total Portfolios</i>	<u>\$ 180,193</u>	<u>\$ 73,627</u>	100.00%

Portfolio Balance

	<i>Beginning Balances</i>	<i>Ending Book Balances</i>	<i>Change</i>
<i>Portfolio</i>			
<i>General Fund</i>	\$ 20,174,440	\$ 18,465,493	\$ (1,708,947)
<i>Utility Fund</i>	18,117,547	19,376,938	1,259,391
<i>Debt Service Fund</i>	1,704,047	1,747,958	43,911
<i>Capital Projects Fund</i>	15,444,211	14,465,874	(978,337)
<i>Special Revenue Fund</i>	1,043,573	1,052,816	9,243
<i>Impact Fee Fund</i>	5,313,613	6,964,902	1,651,289
<i>Street Maintenance Fund</i>	1,104,934	1,266,040	161,106
<i>Vehicle/Equipment Fund</i>	1,951,189	1,971,957	20,768
<i>Health Insurance Fund</i>	960,297	991,802	31,505
<i>Station O&M PID</i>	33,852	33,852	0
<i>RESCUE Plan</i>	3,233,885	3,234,288	403
<i>TIRZ#1 PGBT</i>	-	209,794	209,794
<i>TIRZ#2 Station</i>	46,772	154,361	107,589
<i>Hotel Occupancy</i>	4,950	7,605	2,655
<i>Sachse EDC</i>	3,118,846	3,348,075	229,229
<i>Municipal Development District</i>	1,234,795	779,586	(455,209)
<i>Total Portfolios</i>	<u>\$ 73,486,952</u>	<u>\$ 74,071,342</u>	<u>\$ 584,389</u>

Historical Interest Rates

April

May

June

Pooled Money Market Account

<i>2022</i>	<i>0.0310%</i>	<i>0.0310%</i>	<i>0.0310%</i>
<i>2021</i>	<i>0.3500%</i>	<i>0.3500%</i>	<i>0.3500%</i>
<i>2020</i>	<i>0.2000%</i>	<i>0.2000%</i>	<i>0.2000%</i>

Tex Pool

<i>2022</i>	<i>0.3005%</i>	<i>0.6366%</i>	<i>0.9921%</i>
<i>2021</i>	<i>0.1335%</i>	<i>0.0102%</i>	<i>0.0131%</i>
<i>2020</i>	<i>0.4522%</i>	<i>0.2669%</i>	<i>0.2165%</i>

City of Sachse, TX
Investment Portfolios
April 30, 2022

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value			
								Beginning of Month	Change ¹	End of Month	Beginning of Month	Change	End of Month
Debt Service													
Debt Service Fund	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	1,699,899	1,699,899	21,988	1,721,887	1,699,899	21,988	1,721,887
Debt Service Fund	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	4,148	4,148	1	4,150	4,148	1	4,150
Debt Service Fund	TexPool	1111-000	4/30/2022	5/1/2022	0.3005%	1	-	-	-	-	-	-	-
Total							1,704,047	1,704,047	21,989	1,726,036	1,704,047	21,989	1,726,036
General Fund													
General Fund	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	10,008,084	10,008,084	119,380	10,127,464	10,008,084	119,380	10,127,464
General Fund	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	107,484	107,484	35	107,520	107,484	35	107,520
General Fund	CD	Origin 1735	6/30/2021	6/30/2022	0.2500%	61	1,000,000	1,001,877	205	1,002,082	1,001,877	205	1,002,082
General Fund	CD	Prosperity 135	6/30/2021	6/30/2022	0.2000%	61	1,009,420	1,010,931	172	1,011,103	1,010,931	172	1,011,103
General Fund	CD	East West 0553	1/21/2022	1/23/2023	0.4800%	268	2,000,000	2,001,842	790	2,002,632	2,001,842	790	2,002,632
General Fund	CD	East West 0174	1/21/2022	1/23/2023	0.4800%	268	2,000,000	2,001,842	790	2,002,632	2,001,842	790	2,002,632
General Fund	CD	Citizens 5723	1/7/2022	1/7/2023	0.6500%	252	1,000,000	1,008,009	539	1,008,548	1,008,009	539	1,008,548
General Fund	CD	Citizens 5773	1/7/2022	7/7/2022	0.6500%	68	1,000,000	1,007,978	534	1,008,512	1,007,978	534	1,008,512
General Fund	CD	Prosperity 142	7/23/2021	7/25/2022	0.2000%	86	1,007,014	1,008,356	171	1,008,527	1,008,356	171	1,008,527
General Fund	CD	Texas Sec 530	4/6/2020	4/6/2022	0.9500%		1,000,000	1,018,037	(1,018,037)	-	1,018,037	(1,018,037)	-
Total							20,132,003	20,174,440	(895,421)	19,279,019	20,174,440	(895,421)	19,279,018
Utility Fund													
Utility Fund	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	7,005,397	7,005,397	1,112,815	8,118,212	7,005,397	1,112,815	8,118,212
Utility Fund	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	2,056,524	2,056,524	892	2,057,415	2,056,524	892	2,057,415
Utility Fund	TexPool	1111-000	4/30/2022	5/1/2022	0.3005%	1	5,110	5,110	1	5,112	5,110	1	5,112
Utility Fund	CD	East West 6607	1/21/2022	1/23/2023	0.4800%	268	2,000,000	2,001,842	790	2,002,632	2,001,842	790	2,002,632
Utility Fund	CD	East West 6002	1/21/2022	1/23/2023	0.4800%	268	2,000,000	2,001,842	790	2,002,632	2,001,842	790	2,002,632
Utility Fund	CD	Origin 9857	6/30/2021	6/30/2022	0.2500%	61	1,000,000	1,001,877	205	1,002,082	1,001,877	205	1,002,082
Utility Fund	CD	Citizens 5733	1/7/2022	1/7/2023	0.6500%	252	1,006,521	1,008,009	539	1,008,548	1,008,009	539	1,008,548
Utility Fund	CD	Citizens 5763	1/7/2022	7/7/2023	0.6500%	433	1,000,000	1,007,978	534	1,008,512	1,007,978	534	1,008,512
Utility Fund	CD	Prosperity 136	6/30/2021	6/30/2022	0.2000%	61	1,009,420	1,010,931	172	1,011,103	1,010,931	172	1,011,103
Utility Fund	CD	exas Sec 2529	4/6/2020	4/6/2022	0.9500%		1,000,000	1,018,037	(1,018,037)	-	1,018,037	(1,018,037)	-
Total							18,082,972	18,117,547	98,701	18,216,248	18,117,547	98,701	18,216,249
Capital Projects Fund													
Capital Projects Fund	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	2,801,551	2,801,551	(337,738)	2,463,813	2,801,551	(337,738)	2,463,813
Capital Project Funds	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	7,586,669	7,586,669	4,001	7,590,670	7,586,669	4,001	7,590,670
Capital Project Funds	TexPool	1111-000	4/30/2022	5/1/2022	0.3005%	1	2,031,649	2,031,649	508	2,032,157	2,031,649	508	2,032,157
Capital Projects Fund	CD	Prosperity 141	7/23/2021	7/25/2022	0.2000%	86	1,007,014	1,008,356	171	1,008,527	1,008,356	171	1,008,527
Capital Projects Fund	CD	Citizens 5743	1/7/2022	1/7/2023	0.6500%	252	1,006,521	1,008,009	539	1,008,548	1,008,009	539	1,008,548
Capital Projects Fund	CD	Citizens 5783	1/7/2021	7/7/2022	0.6500%	68	1,000,000	1,007,978	534	1,008,512	1,007,978	534	1,008,512
Total							15,433,403	15,444,211	(331,985)	15,112,227	15,444,211	(331,985)	15,112,226
Special Revenue Fund													
Special Revenue Fund	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	147,424	147,424	49	147,472	147,424	49	147,472
CARES ACT	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	358,218	358,218	94	358,313	358,218	94	358,313
Special Revenue Fund	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	537,931	537,931	1,433	539,364	537,931	1,433	539,364
Total							1,043,573	1,043,573	1,576	1,045,149	1,043,573	1,576	1,045,150

City of Sachse, TX
Investment Portfolios
April 30, 2022

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value			
								Beginning of Month	Change ¹	End of Month	Beginning of Month	Change	End of Month
TIRZ#1 PGBT													
TIRZ#1 PGBT	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	-	-	210,151	210,151	-	210,151	210,151
TIRZ#1 PGBT	TexPool	1111-000	4/30/2022	5/1/2022	0.3005%	1							
TIRZ#1 PGBT	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1							
Total							-	-	210,151	210,151	-	210,151	210,151
Impact Fee Fund													
Impact Fees	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	2,946,937	2,946,937	1,192,965	4,139,902	2,946,937	1,192,965	4,139,902
Impact Fees	CD	Origin 7978	4/30/2022	6/30/2022	0.2500%	61	1,000,000	1,001,877	205	1,002,082	1,001,877	205	1,002,082
Impact Fees	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	1,336,670	1,336,670	440	1,337,109	1,336,670	440	1,337,109
Impact Fees	TexPool	1111-000	4/30/2022	5/1/2022	0.3005%	1	28,130	28,130	7	28,137	28,130	7	28,137
Total							5,311,737	5,313,613	1,193,617	6,507,231	5,313,613	1,193,617	6,507,232
Street Maintenance Tax Fund													
Street Maintenance Tax Fund	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	1,104,934	1,104,934	43,672	1,148,606	1,104,934	43,672	1,148,606
Total							1,104,934	1,104,934	43,672	1,148,606	1,104,934	43,672	1,148,606
Health Insurance Fund													
Health Insurance Fund	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	774,794	774,794	15,383	790,177	774,794	15,383	790,177
Health Insurance Fund	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	185,502	185,502	61	185,563	185,502	61	185,563
Total							960,297	960,297	15,444	975,740	960,297	15,444	975,739
Economic Development Corporation (EDC) Fund													
Economic Development Corporation	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	2,071,932	2,071,932	54,577	2,126,508	2,071,932	54,577	2,126,508
Economic Development Corporation	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	1,046,915	1,046,915	344	1,047,259	1,046,915	344	1,047,259
Total							3,118,846	3,118,846	54,921	3,173,768	3,118,846	54,921	3,173,768
Vehicle/Equipment Replacement Fund (VERF)													
VERF	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	1,523,275	1,523,275	62,167	1,585,442	1,523,275	62,167	1,585,442
VERF	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	427,914	427,914	141	428,055	427,914	141	428,055
Total							1,951,189	1,951,189	62,308	2,013,497	1,951,189	62,308	2,013,497
Municipal Development District													
Municipal Development District	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	896,359	896,359	37,455	933,814	896,359	37,455	933,814
Municipal Development District	Money Market	NexBank	4/30/2022	5/1/2022	0.4000%	1	338,436	338,436	111	338,547	338,436	111	338,547
Total							1,234,795	1,234,795	37,566	1,272,361	1,234,795	37,566	1,272,361
TIRZ#2 Station													
TIRZ#2 Station	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	46,772	46,772	115,249	162,021	46,772	115,249	162,021
Total							46,772	46,772	115,249	162,021	46,772	115,249	162,021
Station O&M PID													
Station O&M PID	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	33,852	33,852	-	33,852	33,852	-	33,852
Total							33,852	33,852	-	33,852	33,852	-	33,852
American Rescue Plan													
American Rescue Plan	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	3,233,885	3,233,885	137	3,234,023	3,233,885	137	3,234,023
Total							3,233,885	3,233,885	137	3,234,023	3,233,885	137	3,234,023
Hotel Occupancy Tax Fund													
Hotel Occupancy Tax Fund	Money Market	114512	4/30/2022	5/1/2022	0.3100%	1	4,950	4,950	-	4,950	4,950	-	4,950
Total							4,950	4,950	-	4,950	4,950	-	4,950
							73,397,255	73,486,952	627,925	74,114,878	73,486,952	627,925	74,114,878

City of Sachse, TX
Investment Portfolios
April 30, 2022

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value		
								Beginning of Month	Change ¹	End of Month	Beginning of Month	Change

Summary of Portfolios by Security Type
04/30/22

Security Type	Percent of			Principal Invested	Book Value			Market Value		
	Total (Book Value)	Average # of days	Average Yield		Beginning of Month	Change	End of Month	Beginning of Month	Change	End of Month
Money Market Account	68.73%	1	0.3454%	48,286,456	48,286,456	2,655,802	50,942,258	48,286,456	2,655,802	50,942,258
TexPool	2.79%	1	0.3005%	2,064,890	2,064,890	516	2,065,406	2,064,890	516	2,065,406
CD's	28.48%	169	0.4879%	23,045,910	23,135,607	(2,028,393)	21,107,214	23,135,607	(2,028,393)	21,107,214
Total	100.00%			73,397,255	73,486,952	627,925	74,114,878	73,486,952	627,925	74,114,878

Change¹ = Investment activity includes earnings, deposits and withdrawals.

City of Sachse, TX
Investment Portfolios
May 31, 2022

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value			
								Beginning of Month	Change ¹	End of Month	Beginning of Month	Change	End of Month
Debt Service Fund													
Debt Service Fund	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	1,721,887	1,721,887	6,552	1,728,439	1,721,887	6,552	1,728,439
Debt Service Fund	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	4,150	4,150	2	4,152	4,150	2	4,152
Debt Service Fund	TexPool	1111-000	5/31/2022	6/1/2022	0.6366%	1	-	-	-	-	-	-	-
Total							1,726,036	1,726,036	6,554	1,732,590	1,726,036	6,554	1,732,590
General Fund													
General Fund	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	10,127,464	10,127,464	(145,201)	9,982,263	10,127,464	(145,201)	9,982,263
General Fund	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	107,520	107,520	54	107,574	107,520	54	107,574
General Fund	CD	Origin 1735	6/30/2021	6/30/2022	0.2500%	30	1,000,000	1,002,082	212	1,002,295	1,002,082	212	1,002,295
General Fund	CD	Prosperity 135	6/30/2021	6/30/2022	0.2000%	30	1,009,420	1,011,103	166	1,011,269	1,011,103	166	1,011,269
General Fund	CD	East West 0553	1/21/2022	1/23/2023	0.4800%	237	2,000,000	2,002,632	817	2,003,448	2,002,632	817	2,003,448
General Fund	CD	East West 0174	1/21/2022	1/23/2023	0.4800%	237	2,000,000	2,002,632	817	2,003,448	2,002,632	817	2,003,448
General Fund	CD	Citizens 5723	1/7/2022	1/7/2023	0.6500%	221	1,000,000	1,008,548	557	1,009,105	1,008,548	557	1,009,105
General Fund	CD	Citizens 5773	1/7/2022	7/7/2022	0.6500%	37	1,000,000	1,008,512	552	1,009,064	1,008,512	552	1,009,064
General Fund	CD	Prosperity 142	7/23/2021	7/25/2022	0.2000%	55	1,007,014	1,008,527	166	1,008,693	1,008,527	166	1,008,693
	CD						-	-	-	-	-	-	-
Total							19,251,418	19,279,019	(141,860)	19,137,159	19,279,019	(141,860)	19,137,159
Utility Fund													
Utility Fund	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	8,118,212	8,118,212	545,832	8,664,044	8,118,212	545,832	8,664,044
Utility Fund	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	2,057,415	2,057,415	1,364	2,058,780	2,057,415	1,364	2,058,780
Utility Fund	TexPool	1111-000	5/31/2022	6/1/2022	0.6366%	1	5,112	5,112	3	5,114	5,112	3	5,114
Utility Fund	CD	East West 6607	1/21/2022	1/23/2023	0.4800%	237	2,000,000	2,002,632	817	2,003,448	2,002,632	817	2,003,448
Utility Fund	CD	East West 6002	1/21/2022	1/23/2023	0.4800%	237	2,000,000	2,002,632	817	2,003,448	2,002,632	817	2,003,448
Utility Fund	CD	Origin 9857	6/30/2021	6/30/2022	0.2500%	30	1,000,000	1,002,082	212	1,002,295	1,002,082	212	1,002,295
Utility Fund	CD	Citizens 5733	1/7/2022	1/7/2023	0.6500%	221	1,000,000	1,008,548	557	1,009,105	1,008,548	557	1,009,105
Utility Fund	CD	Citizens 5763	1/7/2021	7/7/2022	0.6500%	37	1,000,000	1,008,512	552	1,009,064	1,008,512	552	1,009,064
Utility Fund	CD	Prosperity 136	6/30/2021	6/30/2022	0.2000%	30	1,009,420	1,011,103	166	1,011,269	1,011,103	166	1,011,269
	CD						-	-	-	-	-	-	-
Total							18,190,159	18,216,248	550,319	18,766,567	18,216,248	550,319	18,766,567
Capital Projects Fund													
Capital Projects Fund	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	2,463,813	2,463,813	(496,389)	1,967,424	2,463,813	(496,389)	1,967,424
Capital Projects Fund	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	7,590,670	7,590,670	6,119	7,596,789	7,590,670	6,119	7,596,789
Capital Projects Fund	TexPool	1111-000	5/31/2019	6/1/2019	0.6366%	1	2,032,157	2,032,157	1,075	2,033,232	2,032,157	1,075	2,033,232
Capital Projects Fund	CD	Prosperity 141	7/23/2021	7/25/2022	0.2000%	55	1,007,014	1,008,527	166	1,008,693	1,008,527	166	1,008,693
Capital Projects Fund	CD	Citizens 5743	1/7/2022	1/7/2023	0.6500%	221	1,000,000	1,008,548	557	1,009,105	1,008,548	557	1,009,105
Capital Projects Fund	CD	Citizens 5783	1/7/2021	7/7/2022	0.6500%	37	1,000,000	1,008,512	552	1,009,064	1,008,512	552	1,009,064
Total							15,093,654	15,112,227	(487,921)	14,624,306	15,112,227	(487,921)	14,624,306

City of Sachse, TX
Investment Portfolios
May 31, 2022

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value			
								Beginning of Month	Change ¹	End of Month	Beginning of Month	Change	End of Month
Special Revenue Fund													
Special Revenue Fund	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	147,472	147,472	74	147,546	147,472	74	147,546
CARES ACT	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	358,313	358,313	91	358,404	358,313	91	358,404
Special Revenue Fund	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	539,364	539,364	10,636	550,000	539,364	10,636	550,000
Total							1,045,149	1,045,149	10,801	1,055,950	1,045,149	10,801	1,055,950
TIRZ#1 PGBT													
TIRZ#1 PGBT	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	210,151	210,151	(333)	209,818	210,151	(333)	209,818
TIRZ#1 PGBT	TexPool	1111-000	5/31/2019	6/1/2019	0.6366%	1							
TIRZ#1 PGBT	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1							
Total							210,151	210,151	(333)	209,818	210,151	(333)	209,818
Impact Fee Fund													
Impact Fees	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	4,139,902	4,139,902	1,420,281	5,560,183	4,139,902	1,420,281	5,560,183
Impact Fees	CD	Origin 7978	5/31/2022	6/30/2022	0.2500%	30	1,000,000	1,002,082	212	1,002,295	1,002,082	212	1,002,295
Impact Fees	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	1,337,109	1,337,109	672	1,337,782	1,337,109	672	1,337,782
Impact Fees	TexPool	1111-000	5/31/2022	6/1/2022	0.6366%	1	28,137	28,137	15	28,152	28,137	15	28,152
Total							6,505,148	6,507,231	1,421,181	7,928,411	6,507,231	1,421,181	7,928,411
Street Maintenance Tax Fund													
Street Maintenance Tax Fund	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	1,148,606	1,148,606	64,986	1,213,592	1,148,606	64,986	1,213,592
Total							1,148,606	1,148,606	64,986	1,213,592	1,148,606	64,986	1,213,592
Health Insurance Fund													
Health Insurance Fund	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	790,177	790,177	7,685	797,862	790,177	7,685	797,862
Health Insurance Fund	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	185,563	185,563	93	185,657	185,563	93	185,657
Total							975,740	975,740	7,778	983,519	975,740	7,778	983,519
Economic Development Corporation (EDC) Fund													
Economic Development Corporation	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	2,126,508	2,126,508	95,657	2,222,166	2,126,508	95,657	2,222,166
Economic Development Corporation	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	1,047,259	1,047,259	527	1,047,786	1,047,259	527	1,047,786
Total							3,173,768	3,173,768	96,184	3,269,952	3,173,768	96,184	3,269,952
Vehicle/Equipment Replacement Fund (VERF)													
VERF	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	1,585,442	1,585,442	(3,771)	1,581,671	1,585,442	(3,771)	1,581,671
VERF	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	428,055	428,055	215	428,270	428,055	215	428,270
Total							2,013,497	2,013,497	(3,556)	2,009,941	2,013,497	(3,556)	2,009,941
Municipal Development District													
Municipal Development District	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	933,814	933,814	37,577	971,390	933,814	37,577	971,390
Municipal Development District	Money Market	NexBank	5/31/2022	6/1/2022	0.9500%	1	338,547	338,547	170	338,717	338,547	170	338,717
Total							1,272,361	1,272,361	37,747	1,310,108	1,272,361	37,747	1,310,108
TIRZ#2 Station													
TIRZ#2 Station	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	162,021	162,021	(3,687)	158,333	162,021	(3,687)	158,333
Total							162,021	162,021	(3,687)	158,333	162,021	(3,687)	158,333

City of Sachse, TX
Investment Portfolios
May 31, 2022

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value			
								Beginning of Month	Change ¹	End of Month	Beginning of Month	Change	End of Month
Station O&M PID													
Station O&M PID	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	33,852	33,852	-	33,852	33,852	-	33,852
Total							33,852	33,852	-	33,852	33,852	-	33,852
American Rescue Plan													
American Rescue Plan	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	3,234,023	3,234,023	133	3,234,155	3,234,023	133	3,234,155
Total							3,234,023	3,234,023	133	3,234,155	3,234,023	133	3,234,155
Hotel Occupancy Tax Fund													
Hotel Occupancy Tax Fund	Money Market	114512	5/31/2022	6/1/2022	0.3100%	1	4,950	4,950	2,655	7,604	4,950	2,655	7,604
Total							4,950	4,950	2,655	7,604	4,950	2,655	7,604
							74,040,532	74,114,878	1,560,980	75,675,858	74,114,878	1,560,980	75,675,858

Summary of Portfolios by Security Type
05/31/22

Security Type	Percent of	Average # of days	Average Yield	Principal Invested	Book Value			Market Value		
	Total (Book Value)				Beginning of Month	Change	End of Month	Beginning of Month	Change	End of Month
Money Market Account	69.37%	1	0.5614%	50,942,258	50,942,258	1,551,994	52,494,252	50,942,258	1,551,994	52,494,252
TexPool	2.73%	1	0.6366%	2,065,406	2,065,406	1,092	2,066,498	2,065,406	1,092	2,066,498
CD's	27.90%	117	0.4335%	21,032,868	21,107,214	7,894	21,115,107	21,107,214	7,894	21,115,107
Total	100.00%			74,040,532	74,114,878	1,560,980	75,675,858	74,114,878	1,560,980	75,675,858

Change¹ = Investment activity includes earnings, deposits and withdrawals.

City of Sachse, TX
Investment Portfolios
June 30, 2022

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value			
								Beginning of Month	Change ¹	End of Month	Beginning of Month	Change	End of Month
Debt Service													
Debt Service Fund	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	1,728,439	1,728,439	(622,628)	1,105,811	1,728,439	(622,628)	1,105,811
Debt Service Fund	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	4,152	4,152	550,067	554,219	4,152	550,067	554,219
Debt Service Fund	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	87,928	87,928	-	87,928	87,928
Total							1,732,590	1,732,590	15,368	1,747,958	1,732,590	15,368	1,747,958
General Fund													
General Fund	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	9,982,263	9,982,263	(3,386,202)	6,596,061	9,982,263	(3,386,202)	6,596,061
General Fund	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	107,574	107,574	3,198,289	3,305,863	107,574	3,198,289	3,305,863
General Fund	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	524,484	524,484	-	524,484	524,484
General Fund	CD	Origin 1735	6/30/2021	6/30/2022	0.2500%	0	1,000,000	1,002,295	205	1,002,500	1,002,295	205	1,002,500
General Fund	CD	Prosperity 135	6/30/2021	6/30/2022	0.2000%	0	1,009,420	1,011,269	(1,011,269)	-	1,011,269	(1,011,269)	-
General Fund	CD	East West 0553	1/21/2022	1/23/2023	0.4800%	207	2,000,000	2,003,448	791	2,004,239	2,003,448	791	2,004,239
General Fund	CD	East West 0174	1/21/2022	1/23/2023	0.4800%	207	2,000,000	2,003,448	791	2,004,239	2,003,448	791	2,004,239
General Fund	CD	Citizens 5723	1/7/2022	1/7/2023	0.6500%	191	1,000,000	1,009,105	539	1,009,644	1,009,105	539	1,009,644
General Fund	CD	Citizens 5773	1/7/2022	7/7/2022	0.6500%	7	1,000,000	1,009,064	534	1,009,599	1,009,064	534	1,009,599
General Fund	CD	Prosperity 142	7/23/2021	7/25/2022	0.2000%	25	1,007,014	1,008,693	171	1,008,864	1,008,693	171	1,008,864
General Fund	CD						-	-	-	-	-	-	-
Total							19,106,271	19,137,159	(671,666)	18,465,493	19,137,159	(671,666)	18,465,493
Utility Fund													
Utility Fund	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	8,664,044	8,664,044	(137,617)	8,526,427	8,664,044	(137,617)	8,526,427
Utility Fund	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	2,058,780	2,058,780	1,238,404	3,297,184	2,058,780	1,238,404	3,297,184
Utility Fund	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	5,114	5,114	517,993	523,107	5,114	517,993	523,107
Utility Fund	CD	East West 6607	1/21/2022	1/23/2023	0.4800%	207	2,000,000	2,003,448	791	2,004,239	2,003,448	791	2,004,239
Utility Fund	CD	East West 6002	1/21/2022	1/23/2023	0.4800%	207	2,000,000	2,003,448	791	2,004,239	2,003,448	791	2,004,239
Utility Fund	CD	Origin 9857	6/30/2021	6/30/2022	0.2500%	0	1,000,000	1,002,295	205	1,002,500	1,002,295	205	1,002,500
Utility Fund	CD	Citizens 5733	1/7/2022	1/7/2023	0.6500%	191	1,000,000	1,009,105	539	1,009,644	1,009,105	539	1,009,644
Utility Fund	CD	Citizens 5763	1/7/2021	7/7/2022	0.6500%	7	1,000,000	1,009,064	534	1,009,599	1,009,064	534	1,009,599
Utility Fund	CD	Prosperity 136	6/30/2021	6/30/2022	0.2000%	0	1,009,420	1,011,269	(1,011,269)	-	1,011,269	(1,011,269)	-
Utility Fund	CD						-	-	-	-	-	-	-
Total							18,737,358	18,766,567	610,371	19,376,938	18,766,567	610,371	19,376,938
Capital Projects Fund													
Capital Projects Fund	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	1,967,424	1,967,424	26,465	1,993,888	1,967,424	26,465	1,993,888
Capital Project Funds	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	7,596,789	7,596,789	(3,311,453)	4,285,336	7,596,789	(3,311,453)	4,285,336
Capital Projects Fund	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	2,033,232	2,033,232	(1,874,688)	158,544	2,033,232	(1,874,688)	158,544
Capital Project Funds	CD	Prosperity 141	7/23/2021	7/25/2022	0.2000%	25	1,007,014	1,008,693	171	1,008,864	1,008,693	171	1,008,864
Capital Project Funds	CD	East West 8172	6/30/2022	6/30/2023	2.8700%	365	5,000,000	-	5,000,000	5,000,000	-	5,000,000	5,000,000
Capital Project Funds	CD	Citizens 5743	1/7/2022	1/7/2023	0.6500%	191	1,000,000	1,009,105	539	1,009,644	1,009,105	539	1,009,644
Capital Project Funds	CD	Citizens 5783	1/7/2021	7/7/2022	0.6500%	7	1,000,000	1,009,064	534	1,009,599	1,009,064	534	1,009,599
Total							19,604,458	14,624,306	(158,432)	14,465,874	14,624,306	(158,432)	14,465,874

City of Sachse, TX
Investment Portfolios
June 30, 2022

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value			
								Beginning of Month	Change ¹	End of Month	Beginning of Month	Change	End of Month
Special Revenue Fund													
Special Revenue Fund	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	147,546	147,546	70,845	218,391	147,546	70,845	218,391
Special Revenue Fund	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	550,000	550,000	(108,718)	441,282	550,000	(108,718)	441,282
Special Revenue Fund	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	34,648	34,648	-	34,648	34,648
CARES ACT	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	358,404	358,404	91	358,495	358,404	91	358,495
Total							1,055,950	1,055,950	(3,134)	1,052,816	1,055,950	(3,134)	1,052,816
TIRZ#1													
TIRZ#1 PGBT	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	209,818	209,818	(77,096)	132,722	209,818	(77,096)	132,722
TIRZ#1 PGBT	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	10,553	10,553	-	10,553	10,553
TIRZ#1 PGBT	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	-	-	66,519	66,519	-	66,519	66,519
Total							209,818	209,818	(24)	209,794	209,818	(24)	209,794
Impact Fee Fund													
Impact Fees	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	5,560,183	5,560,183	(1,788,187)	3,771,996	5,560,183	(1,788,187)	3,771,996
Impact Fees	CD	Origin 7978	6/30/2022	6/30/2022	0.2500%	0	1,000,000	1,002,295	205	1,002,500	1,002,295	205	1,002,500
Impact Fees	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	1,337,782	1,337,782	552,695	1,890,477	1,337,782	552,695	1,890,477
Impact Fees	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	28,152	28,152	271,777	299,929	28,152	271,777	299,929
Total							7,926,117	7,928,411	(963,509)	6,964,902	7,928,411	(963,509)	6,964,902
Street Maintenance Tax Fund													
Street Maintenance Tax Fund	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	1,213,592	1,213,592	(412,656)	800,935	1,213,592	(412,656)	800,935
Street Maintenance Tax Fund	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	-	-	401,419	401,419	-	401,419	401,419
Street Maintenance Tax Fund	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	63,686	63,686	-	63,686	63,686
Total							1,213,592	1,213,592	52,449	1,266,040	1,213,592	52,449	1,266,040
Health Insurance Fund													
Health Insurance Fund	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	797,862	797,862	(170,418)	627,444	797,862	(170,418)	627,444
Health Insurance Fund	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	185,657	185,657	128,810	314,467	185,657	128,810	314,467
Health Insurance Fund	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	49,891	49,891	-	49,891	49,891
Total							983,519	983,519	8,283	991,802	983,519	8,283	991,802
Economic Development Corporation (EDC) Fund													
Economic Development Corporation f Money Market	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	2,222,166	2,222,166	(94,909)	2,127,257	2,222,166	(94,909)	2,127,257
Economic Development Corporation f Money Market	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	1,047,786	1,047,786	5,868	1,053,654	1,047,786	5,868	1,053,654
Economic Development Corporation f TexPool	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	167,165	167,165	-	167,165	167,165
Total							3,269,952	3,269,952	78,123	3,348,075	3,269,952	78,123	3,348,075
Vehicle/Equipment Replacement Fund (VERF)													
VERF	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	1,581,671	1,581,671	(334,152)	1,247,520	1,581,671	(334,152)	1,247,520
VERF	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	428,270	428,270	196,971	625,241	428,270	196,971	625,241
VERF	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	99,196	99,196	-	99,196	99,196
Total							2,009,941	2,009,941	(37,984)	1,971,957	2,009,941	(37,984)	1,971,957
Municipal Development District													
Municipal Development District	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	971,390	971,390	(478,201)	493,190	971,390	(478,201)	493,190
Municipal Development District	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	39,216	39,216	-	39,216	39,216
Municipal Development District	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	338,717	338,717	(91,537)	247,180	338,717	(91,537)	247,180
Total							1,310,108	1,310,108	(530,522)	779,586	1,310,108	(530,522)	779,586

City of Sachse, TX
Investment Portfolios
June 30, 2022

Source	Description	Cusip/ Ref	Purchase Date	Maturity Date	Coupon (Int. Rate)	Days to Maturity	Principal Invested	Book Value		Market Value			
								Beginning of Month	Change ¹	End of Month	Beginning of Month	Change	End of Month
TIRZ#2 Station													
TIRZ#2 Station	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	158,333	158,333	(60,680)	97,654	158,333	(60,680)	97,654
TIRZ#2 Station	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	-	-	48,943	48,943	-	48,943	48,943
TIRZ#2 Station	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	7,765	7,765	-	7,765	7,765
Total							158,333	158,333	(3,972)	154,361	158,333	(3,972)	154,361
Station O&M PID													
Station O&M PID	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	33,852	33,852	(12,436)	21,416	33,852	(12,436)	21,416
Station O&M PID	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	-	-	10,733	10,733	-	10,733	10,733
Station O&M PID	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	1,703	1,703	-	1,703	1,703
Total							33,852	33,852	0	33,852	33,852	0	33,852
American Rescue Plan													
American Rescue Plan	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	3,234,155	3,234,155	133	3,234,288	3,234,155	133	3,234,288
American Rescue Plan	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	-	-	-	-	-
Total							3,234,155	3,234,155	133	3,234,288	3,234,155	133	3,234,288
Hotel Occupancy Tax Fund													
Hotel Occupancy Tax Fund	Money Market	114512	6/30/2022	7/1/2022	0.3100%	1	7,604	7,604	(2,794)	4,811	7,604	(2,794)	4,811
Hotel Occupancy Tax Fund	Money Market	NexBank	6/30/2022	7/1/2022	1.6000%	1	-	-	2,411	2,411	-	2,411	2,411
Hotel Occupancy Tax Fund	TexPool	1111-000	6/30/2022	7/1/2022	0.9921%	1	-	-	383	383	-	383	383
Total							7,604	7,604	0	7,605	7,604	0	7,605
							80,593,618	75,675,858	(1,604,516)	74,071,342	75,675,858	(1,604,516)	74,071,342

Summary of Portfolios by Security Type
06/30/22

Security Type	Percent of			Principal Invested	Book Value			Market Value		
	Total (Book Value)	Average # of days	Average Yield		Beginning of Month	Change	End of Month	Beginning of Month	Change	End of Month
Money Market Account	64.67%	1	0.9147%	52,494,252	52,494,252	(4,591,020)	47,903,232	52,494,252	(4,591,020)	47,903,232
TexPool	2.79%	1	0.9921%	2,066,498	2,066,498	1,701	2,068,199	2,066,498	1,701	2,068,199
CD's	32.54%	102	0.5689%	26,032,868	21,115,107	2,984,804	24,099,911	21,115,107	2,984,804	24,099,911
Total	100.00%			80,593,618	75,675,858	(1,604,516)	74,071,342	75,675,858	(1,604,516)	74,071,342

Change¹ = Investment activity includes earnings, deposits and withdrawals.



Finance Department

TO: Gina Nash, City Manager
FROM: David Baldwin, Finance Director
SUBJ: Quarterly Budget Report For 3rd Quarter Ending June 30, 2022
DATE: September 6, 2022
CC: Mayor and City Council

Attached is the 3rd Quarter Budget Report for the 2022 fiscal year. The fiscal year for the City of Sachse is October 1st through September 30th. 75% of the fiscal year was complete as of the end of June 2022.

Overall, the City has received \$43.4 million through the 3rd quarter, representing 93.9% of budgeted revenues.

CITY-WIDE REVENUES			
<i>Fund</i>	<i>Budget</i>	<i>YTD</i>	<i>% Collected</i>
General Fund	\$ 21,450,999	\$ 21,372,294	99.6%
Utility Fund	14,052,000	10,546,843	75.1%
Debt Service Fund	7,065,399	7,227,963	102.3%
Special Revenue Fund	68,750	65,113	94.7%
Impact Fee Fund	1,365,000	2,397,296	175.6%
Street Maintenance Tax Fund	488,500	486,420	99.6%
Health Insurance Fund	1,766,247	1,322,461	74.9%
Total	\$ 46,256,895	\$ 43,418,390	93.9%

Year-to-date expenditures totaled \$34.2 million for the 3rd quarter, representing 73.7% of budgeted expenditures.

CITY-WIDE OPERATING EXPENDITURES			
<i>Fund</i>	<i>Budget</i>	<i>YTD</i>	<i>% Collected</i>
General Fund	\$ 21,503,823	\$ 15,369,813	71.5%
Utility Fund	13,300,583	8,888,247	66.8%
Debt Service Fund	7,092,319	6,568,688	92.6%
Special Revenue Fund*	935,500	1,014,258	108.4%
Impact Fee Fund*	1,300,000	1,313,660	101.1%
Street Maintenance Tax Fund	530,000	-	0.0%
Health Insurance Fund	1,762,965	1,078,632	61.2%
Total	\$ 46,425,189	\$ 34,233,298	73.7%

*Staff will return to Council before the end of the fiscal year to request any required fund level budget amendments.





Revenue

- Total General Fund revenues are \$21,372,294 or 99.6% of expected collections. Total revenues decreased \$77,126 compared to the same period last fiscal year.
- Sales tax revenues are 99.3% of expected collections, at \$1,965,366 collected.
- Franchise fees are at \$1,503,279, or 80.1% of budget; an increase of \$107,328 from last year through the same period.
- General Fund current ad valorem tax revenues are 101.7% collected at \$13,656,681; a \$256,964 increase over last fiscal year through the same period.
- Collections for Licenses & Permits are a total of \$1,398,003, or 154.6% of expected collections. This is due to higher than anticipated building permit revenue.
- Fees and Service Charges are \$1,234,579, or 116.1% of budget; a decrease of \$535,318 compared to the same period last fiscal year. Plan review fees and ambulance service fees are drivers of the strong collections.
- Court fine revenues are \$180,991 or 72.4% of anticipated collections.
- Utility Fund revenues are \$10,546,843 or 75.1% of budget.
- Special Revenue Fund revenues are \$65,113 or 94.7% of budget.
- Impact Fee revenues are \$2,385,465 or 176.7% of the year's budget.
- Sales tax revenue in the Street Maintenance Tax Fund is \$484,873 or 99.57% of budgeted collections for the current fiscal year.

Expenditures

- Total General Fund expenditures are \$15,369,813 or 71.5% expended.
- Utility Fund expenditures are \$8,888,247, or 66.8% of budget; a decrease of \$250,654 from the prior fiscal year.
- Capital Project expenditures total \$3,286,998 year-to-date, made up of \$800,176 in the Utility Fund and \$2,486,822 in the Capital Projects Fund.

Component Units

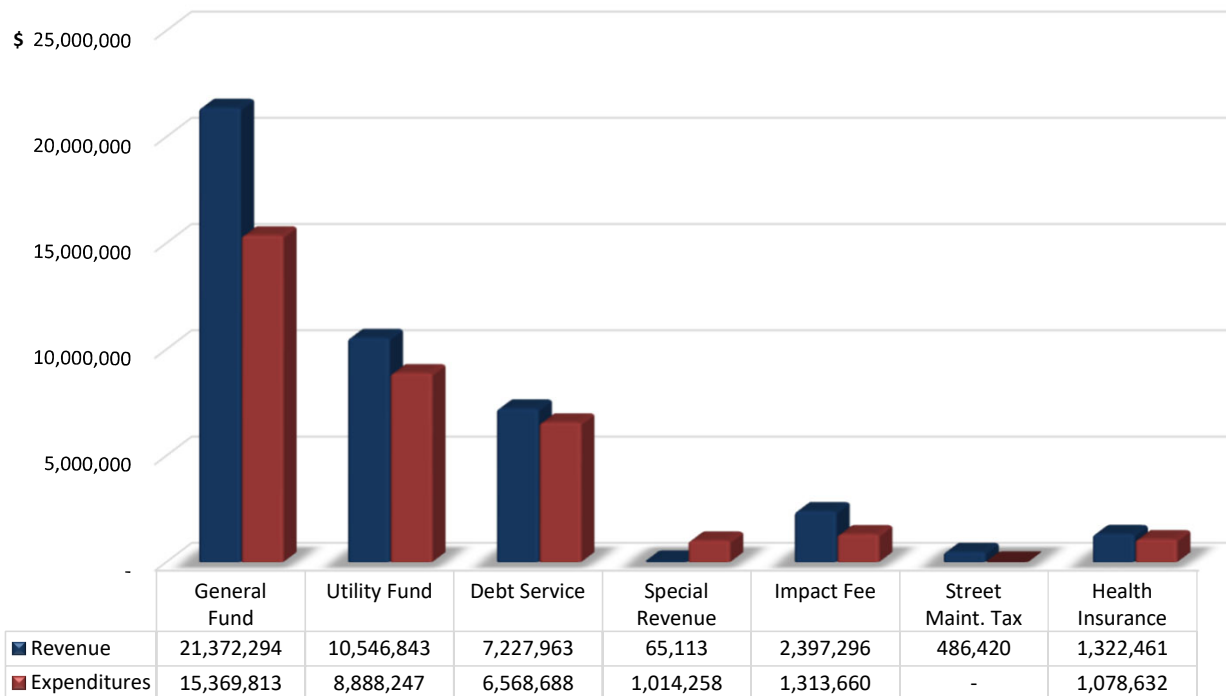
- Sales tax revenue in the Municipal Development District Fund is \$463,522 or 103% of budget, an increase of \$71,663 over the previous fiscal year.
- Sachse Economic Development Corporation had expenditures totaling \$464,011 or 74.0% of budget.



CITY OF SACHSE
REVENUE AND EXPENDITURE SUMMARY
AND CHANGES IN FUND BALANCE RESERVES
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

	General Fund	Utility Fund	Debt Service Fund	Special Revenue Fund	Impact Fee Fund	Street Maintenance Tax Fund	Health Insurance Fund	Total
Revenues								
Budget	\$ 21,450,999	\$ 14,052,000	\$ 7,065,399	\$ 68,750	\$ 1,365,000	\$ 488,500	\$ 1,766,247	\$ 46,256,895
YTD Actual	21,372,294	10,546,843	7,227,963	65,113	2,397,296	486,420	1,322,461	43,418,390
Budget Remaining	\$ 78,705	\$ 3,505,157	\$ (162,564)	\$ 3,637	\$ (1,032,296)	\$ 2,080	\$ 443,786	\$ 2,838,505
% of Budget	99.63%	75.06%	102.30%	94.71%	175.63%	99.57%	74.87%	93.86%
Expenditures								
Budget	\$ 21,503,823	\$ 13,300,583	\$ 7,092,319	\$ 935,500	\$ 1,300,000	\$ 530,000	\$ 1,762,965	\$ 46,425,190
YTD Actual	15,369,813	8,888,247	6,568,688	1,014,258	1,313,660	-	1,078,632	34,233,298
Budget Remaining	\$ 6,134,010	\$ 4,412,335	\$ 523,631	\$ (78,758)	\$ (13,660)	\$ 530,000	\$ 684,333	\$ 12,191,891
% of Budget	71.47%	66.83%	92.62%	108.42%	101.05%	0.00%	61.18%	73.74%
Net Over/(Under)	\$ 6,002,481	\$ 1,658,595	\$ 659,276	\$ (949,145)	\$ 1,083,637	\$ 486,420	\$ 243,829	\$ 9,185,092

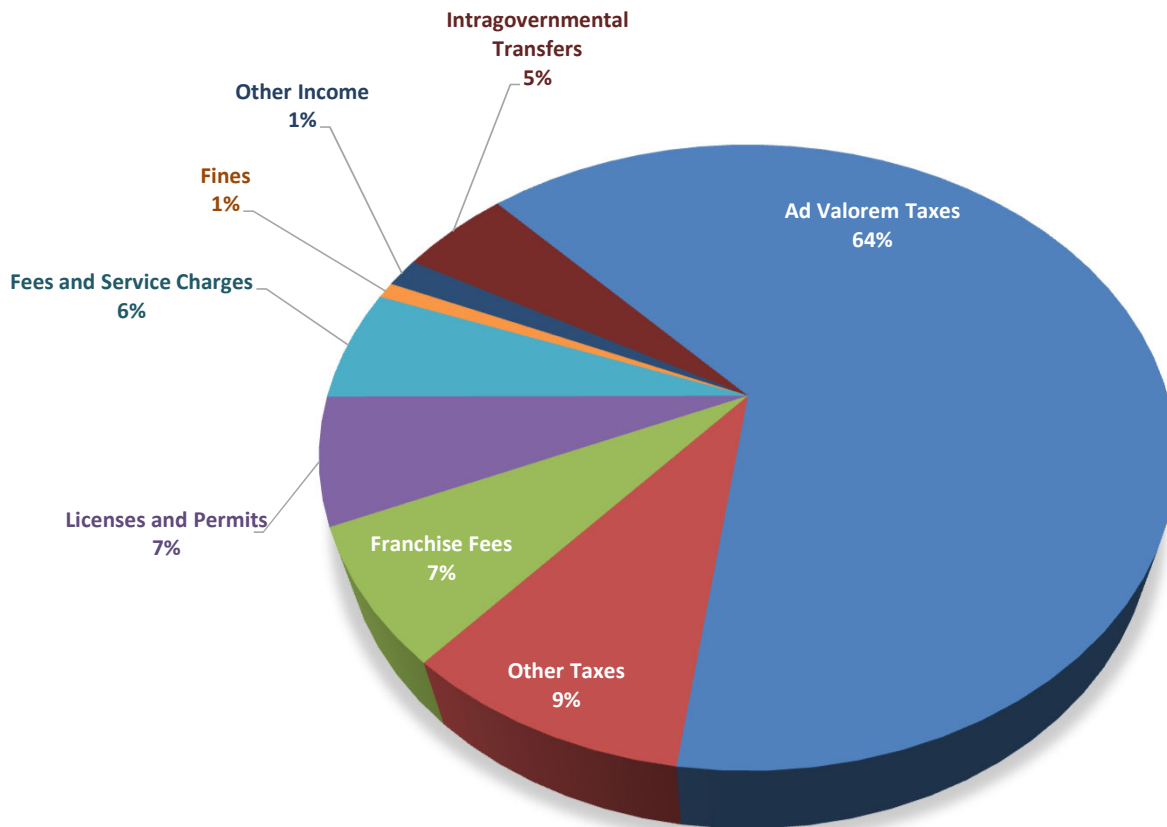
Revenue and Expenditure Summary



CITY OF SACHSE
GENERAL FUND REVENUES
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

	FY 2021 BUDGET	FY 2021 YEAR- TO-DATE	FY 2022 BUDGET	FY 2022 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
Ad Valorem Taxes	\$ 13,420,000	\$ 13,574,773	\$ 13,516,200	\$ 13,705,633	\$ (189,433)	101.40%
Other Taxes	1,700,000	1,682,923	1,980,000	1,965,366	14,634	99.26%
Franchise Fees	1,847,825	1,395,952	1,876,250	1,503,279	372,971	80.12%
Licenses and Permits	621,000	1,435,673	904,500	1,398,003	(493,503)	154.56%
Fees and Service Charges	916,500	1,769,897	1,063,500	1,234,579	(171,079)	116.09%
Fines	250,000	165,386	250,000	180,991	69,009	72.40%
Other Income	452,218	341,953	451,718	327,818	123,900	72.57%
Intragovernmental Transfers	1,443,819	1,082,863	1,408,831	1,056,625	352,206	75.00%
TOTAL REVENUES	\$ 20,651,362	\$ 21,449,420	\$ 21,450,999	\$ 21,372,294	\$ 78,705	99.63%

General Fund Year-To-Date Revenue

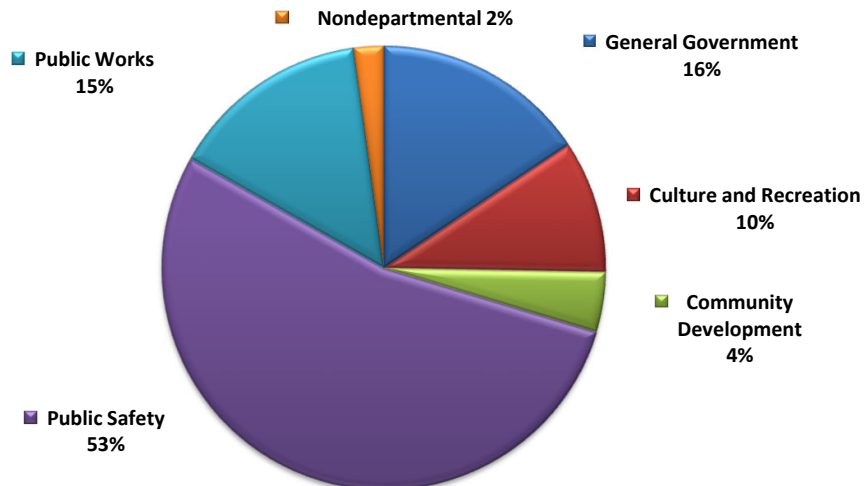


CITY OF SACHSE
GENERAL FUND EXPENDITURES
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

	FY 2021 BUDGET	FY 2021 YEAR- TO-DATE	FY 2022 BUDGET	FY 2022 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
General Government						
City Manager	\$ 729,865	\$ 473,990	\$ 531,986	\$ 354,329	\$ 177,657	66.60%
City Secretary	199,339	139,742	240,862	124,808	116,054	51.82%
Finance	805,569	613,723	760,828	543,334	217,494	71.41%
Human Resources	360,830	256,467	499,675	303,184	196,491	60.68%
Information Technology	746,910	590,036	789,859	631,469	158,390	79.95%
Municipal Court	241,740	147,324	248,682	159,341	89,341	64.07%
Neighborhood Services	-	-	380,111	286,082	94,029	75.26%
	<u>3,084,252</u>	<u>2,221,282</u>	<u>3,452,003</u>	<u>2,402,548</u>	<u>1,049,456</u>	<u>69.60%</u>
Culture and Recreation						
Library Services	515,646	333,362	566,496	388,188	178,308	68.52%
Parks	1,560,900	1,182,835	1,071,570	692,113	379,457	64.59%
Recreation	386,106	228,483	399,390	309,261	90,129	77.43%
Senior Activity Center	136,645	79,089	147,367	94,813	52,554	64.34%
	<u>2,599,298</u>	<u>1,823,768</u>	<u>2,184,823</u>	<u>1,484,374</u>	<u>700,449</u>	<u>67.94%</u>
Public Safety						
Animal Services	230,865	137,771	241,131	175,986	65,145	72.98%
Fire	4,682,376	3,511,775	5,105,049	3,832,555	1,272,494	75.07%
Police	5,581,495	3,970,966	5,735,348	4,221,857	1,513,491	73.61%
	<u>10,494,736</u>	<u>7,620,512</u>	<u>11,081,528</u>	<u>8,230,398</u>	<u>2,851,130</u>	<u>74.27%</u>
Public Works						
Engineering	368,244	245,381	436,933	277,043	159,890	63.41%
Facilities Maintenance	562,072	382,784	681,201	459,054	222,147	67.39%
Streets	3,474,060	2,818,872	2,397,856	1,509,378	888,477	62.95%
	<u>4,404,376</u>	<u>3,447,037</u>	<u>3,515,990</u>	<u>2,245,474</u>	<u>1,270,515</u>	<u>63.86%</u>
Development Services						
	950,215	607,257	838,674	671,416	167,258	80.06%
Non-Departmental						
	<u>422,652</u>	<u>314,458</u>	<u>430,805</u>	<u>335,603</u>	<u>95,202</u>	<u>77.90%</u>
TOTAL EXPENDITURES	<u>\$ 21,955,529</u>	<u>\$ 16,034,315</u>	<u>\$ 21,503,823</u>	<u>\$ 15,369,813</u>	<u>\$ 6,134,010</u>	<u>71.47%</u>

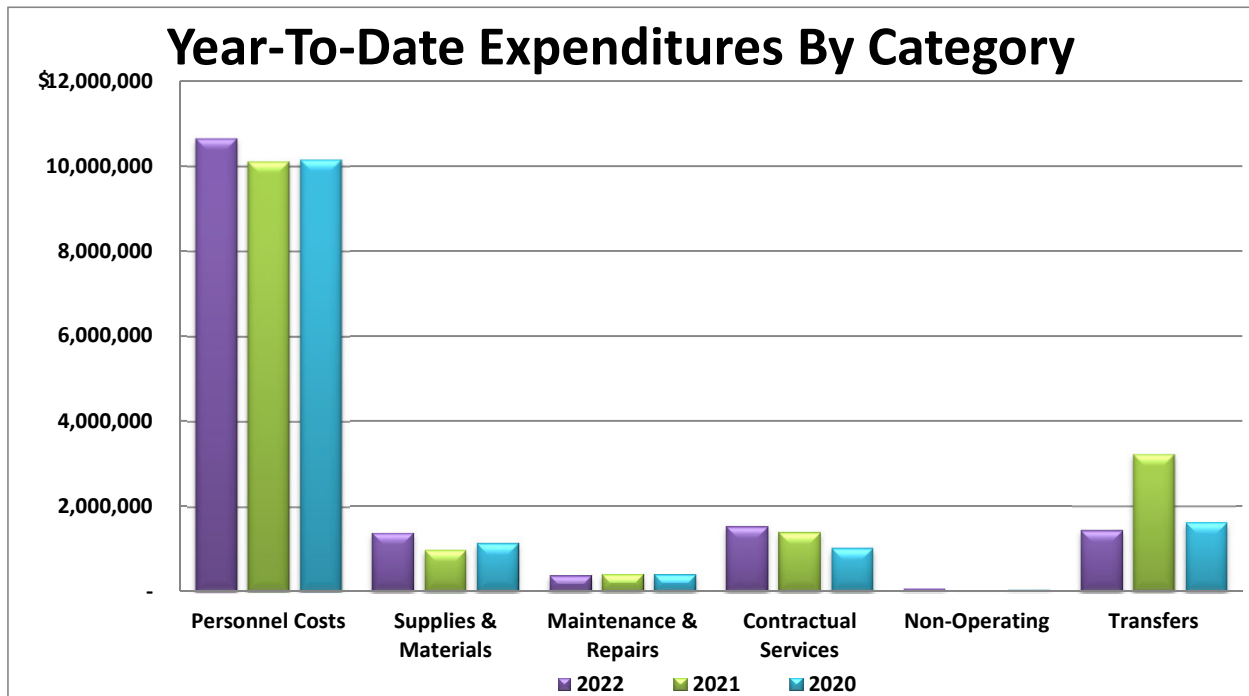
Note - FY 2021 budget includes City Council-approved budget amendment - Ordinance 4026 adopted on September 7, 2021.

Year-To-Date Expenditures By Function



CITY OF SACHSE
GENERAL FUND EXPENDITURES BY CATEGORY
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

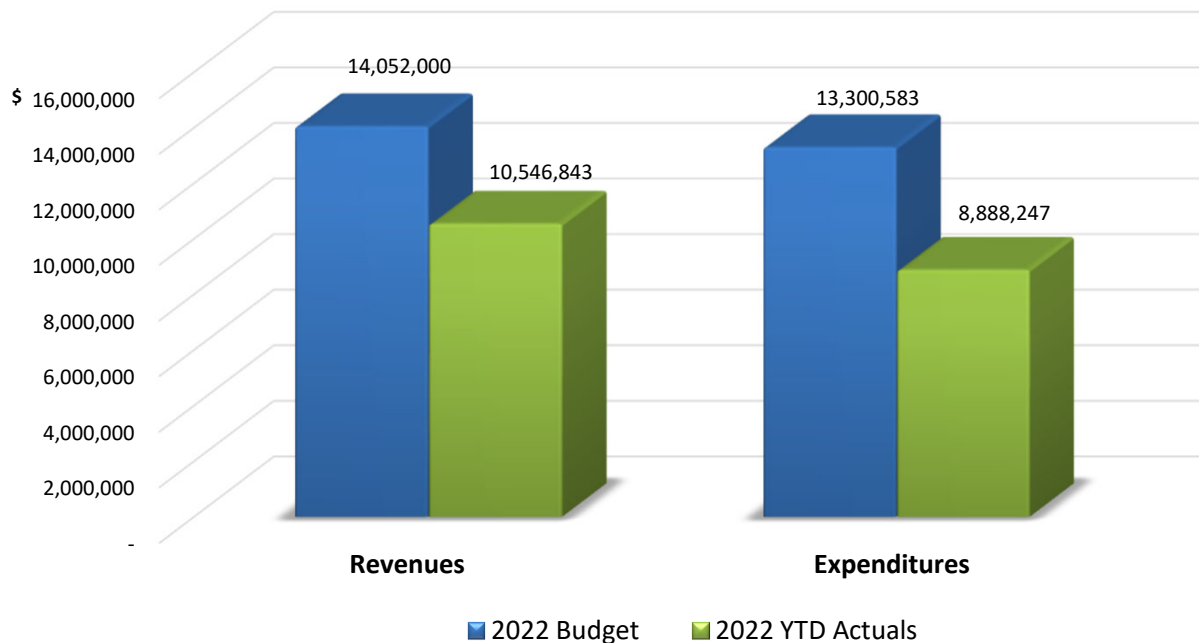
	FISCAL YEAR	BUDGET	YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Personnel Costs	2022	\$ 15,116,456	\$ 10,640,267	\$ 4,476,189	70.39%
	2021	14,167,452	10,103,149	4,064,303	71.31%
	2020	14,057,511	10,147,379	3,910,132	72.18%
Supplies and Materials	2022	1,874,980	1,360,530	514,449	72.56%
	2021	1,658,683	964,513	694,170	58.15%
	2020	1,558,119	1,121,630	436,489	71.99%
Maintenance and Repairs	2022	944,510	371,811	572,699	39.37%
	2021	782,274	401,922	380,352	51.38%
	2020	616,222	397,294	218,928	64.47%
Contractual Services	2022	1,966,284	1,502,399	463,886	76.41%
	2021	2,042,412	1,367,228	675,183	66.94%
	2020	1,581,848	1,002,446	579,402	63.37%
Non-Operating	2022	147,158	62,814	84,344	42.68%
	2021	11,200	1,406	9,794	12.56%
	2020	101,603	34,320	67,283	33.78%
Intragovernmental Transfers	2022	1,454,435	1,431,992	22,443	98.46%
	2021	3,293,508	3,196,096	97,412	97.04%
	2020	1,647,840	1,625,395	22,445	98.64%
TOTAL EXPENDITURES	2022	21,503,823	15,369,813	6,134,010	71.47%
	2021	21,955,529	16,034,315	5,921,215	73.03%
	2020	19,563,143	14,328,464	5,234,679	73.24%



CITY OF SACHSE
UTILITY FUND SUMMARY
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

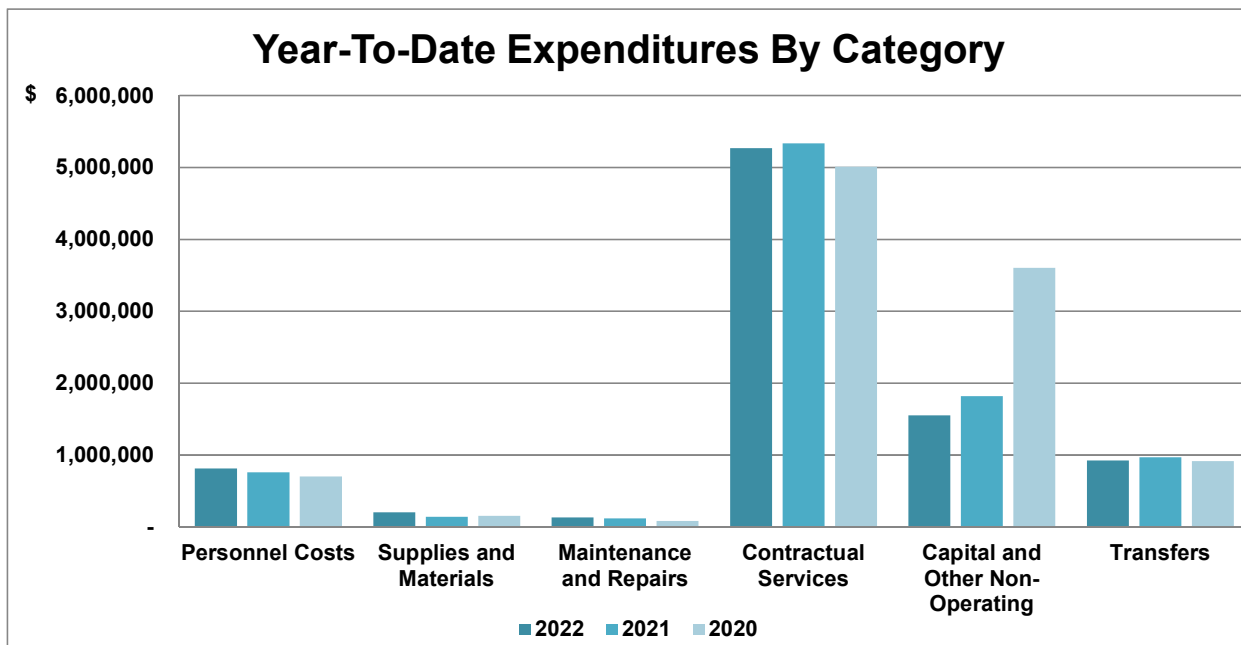
	FY 2021 BUDGET	FY 2021 YEAR- TO-DATE	FY 2022 BUDGET	FY 2022 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Water Revenue	\$ 7,409,000	\$ 1,728,326	\$ 7,820,000	\$ 5,521,006	\$ 2,298,994	70.60%
Sewer Revenue	5,197,500	4,004,918	5,705,000	4,529,015	1,175,985	79.39%
Drainage Fee Revenue	210,000	157,459	215,000	164,856	50,144	76.68%
Fees and Service Charges	191,000	290,888	226,000	252,804	(26,804)	111.86%
Other Gov'ts & Sources	25,200	19,111	25,500	21,196	4,304	83.12%
Other Income	60,500	70,822	60,500	57,965	2,535	95.81%
TOTAL REVENUES	\$ 13,093,200	\$ 6,271,523	\$ 14,052,000	\$ 10,546,843	\$ 3,505,157	75.06%
EXPENDITURES						
Utility Administration	\$ 442,209	\$ 313,068	\$ 491,941	\$ 328,187	\$ 163,754	66.71%
Water Operations	7,678,081	5,278,003	6,814,493	4,710,154	2,104,339	69.12%
Sewer Operations	5,755,364	3,521,881	5,844,149	3,773,403	2,070,746	64.57%
Stormwater Drainage	100,000	25,950	150,000	76,504	73,496	51.00%
TOTAL EXPENDITURES	\$ 13,975,654	\$ 9,138,902	\$ 13,300,583	\$ 8,888,247	\$ 4,412,335	66.83%

Utility Fund Revenues and Expenditures



CITY OF SACHSE
UTILITY FUND EXPENDITURES BY CATEGORY
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

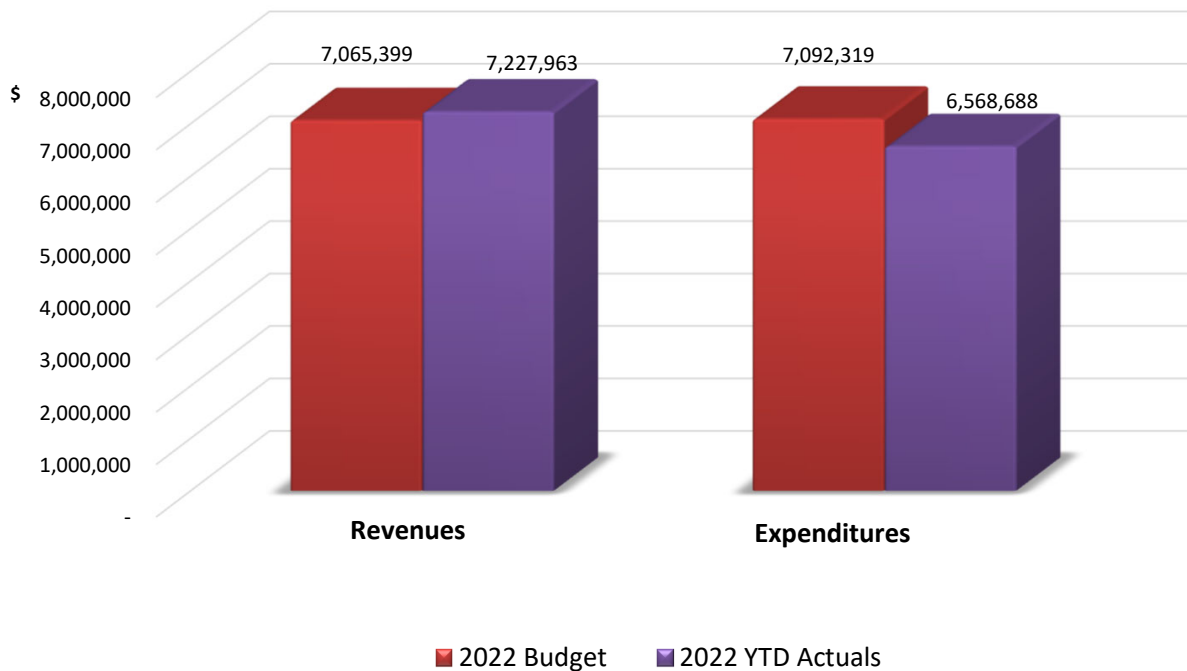
	FISCAL YEAR	BUDGET	YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Personnel Costs	2022	\$ 1,312,378	\$ 812,370	\$ 500,008	61.90%
	2021	1,066,900	759,518	307,382	71.19%
	2020	865,344	701,903	163,441	81.11%
Supplies and Materials	2022	329,064	200,817	128,247	61.03%
	2021	275,871	140,726	135,145	51.01%
	2020	290,567	153,805	136,762	52.93%
Maintenance and Repairs	2022	246,000	131,976	114,024	53.65%
	2021	271,000	118,329	152,671	43.66%
	2020	161,000	81,827	79,173	50.82%
Contractual Services	2022	7,569,788	5,267,522	2,302,266	69.59%
	2021	7,512,490	5,336,670	2,175,820	71.04%
	2020	6,944,404	5,007,697	1,936,707	72.11%
Capital and Other Non-Operating	2022	2,612,098	1,552,121	1,059,977	59.42%
	2021	3,559,884	1,816,528	1,743,357	51.03%
	2020	1,195,713	3,604,315	(2,408,602)	301.44%
Intragovernmental Transfers	2022	1,231,255	923,442	307,813	75.00%
	2021	1,289,509	967,131	322,378	75.00%
	2020	1,068,530	913,958	154,572	85.53%
TOTAL EXPENDITURES	2022	13,300,583	8,888,247	4,412,335	66.83%
	2021	13,975,654	9,138,902	4,836,752	65.39%
	2020	10,525,558	10,463,505	62,053	99.41%



CITY OF SACHSE
DEBT SERVICE FUND SUMMARY
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

	<u>FY 2021 BUDGET</u>	<u>FY 2021 YEAR- TO-DATE</u>	<u>FY 2022 BUDGET</u>	<u>FY 2022 YEAR- TO-DATE</u>	<u>BUDGET REMAINING</u>	<u>% OF BUDGET</u>
REVENUES						
Ad Valorem Taxes	\$ 5,035,703	\$ 5,096,233	\$ 5,311,399	\$ 5,378,405	\$ (67,006)	101.26%
Other Income	5,000	2,638,237	1,754,000	1,849,559	\$ (95,559)	105.45%
TOTAL REVENUES	\$ 5,040,703	\$ 7,734,470	\$ 7,065,399	\$ 7,227,963	\$ (162,564)	102.30%
EXPENDITURES						
Principal	\$ 3,543,300	\$ 3,655,000	\$ 4,100,000	\$ 4,090,983	\$ 9,017	99.78%
Interest	1,495,917	651,457	1,239,319	632,255	607,063	51.02%
Transfers Out	-	-	-	-	-	-
Paying Agent Fees	3,000	1,656	3,000	950	2,050	31.67%
Financing Costs	-	49,775	29,369	44,500	(15,131)	151.52%
TOTAL EXPENDITURES	\$ 5,042,217	\$ 6,943,114	\$ 7,092,319	\$ 6,568,688	\$ 523,631	92.62%

Debt Service Fund Revenues and Expenditures



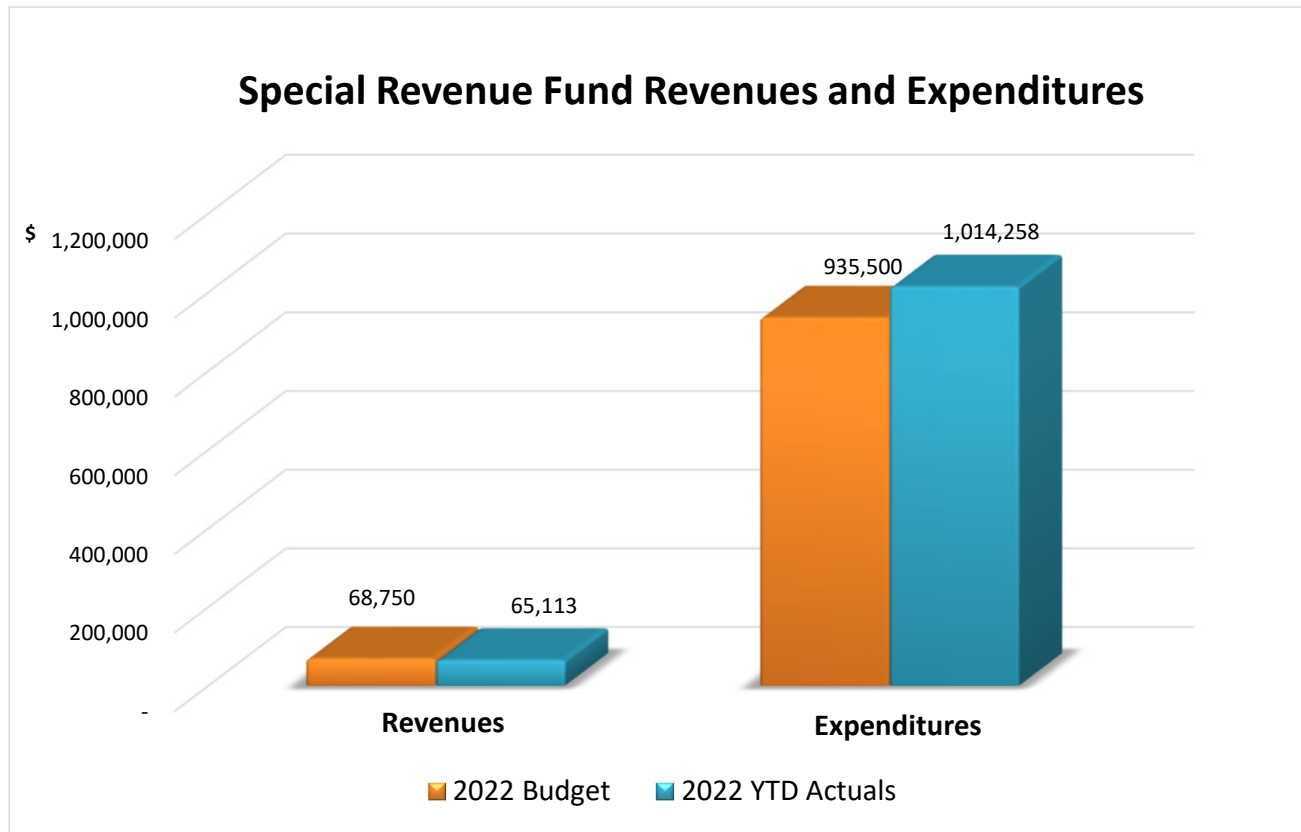
CITY OF SACHSE
SPECIAL REVENUE FUND SUMMARY
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

	FY 2021 BUDGET	FY 2021 YEAR- TO-DATE	FY 2022 BUDGET	FY 2022 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Fees	\$ 76,500	\$ 57,858	\$ 66,250	\$ 61,388	\$ 4,862	92.66%
Other Income	1,000	5,659	1,500	2,590	(1,090)	172.69%
Grants and Donations	3,000	614,397	1,000	1,134	(134)	113.40%
TOTAL REVENUES	\$ 80,500	\$ 677,914	\$ 68,750	\$ 65,113	\$ 3,637	94.71%

EXPENDITURES

City Manager	\$ 21,423	\$ 21,423	\$ -	\$ 1,903	\$ (1,903)	-
Finance	-	-	-	-	-	-
Municipal Court	11,000	222	28,500	-	28,500	0.00%
Parks and Recreation	246,400	246,400	870,000	870,000	-	100.00%
Senior Center Programs	-	-	-	-	-	-
Library	-	-	-	-	-	-
Police	26,000	4,658	27,000	3,815	23,185	14.13%
Animal Services	10,000	-	10,000	2,500	7,500	25.00%
CARES Act	-	576,880	-	136,040	(136,040)	-
TOTAL EXPENDITURES	\$ 314,823	\$ 849,584	\$ 935,500	\$ 1,014,258	\$ (78,758)	108.42%

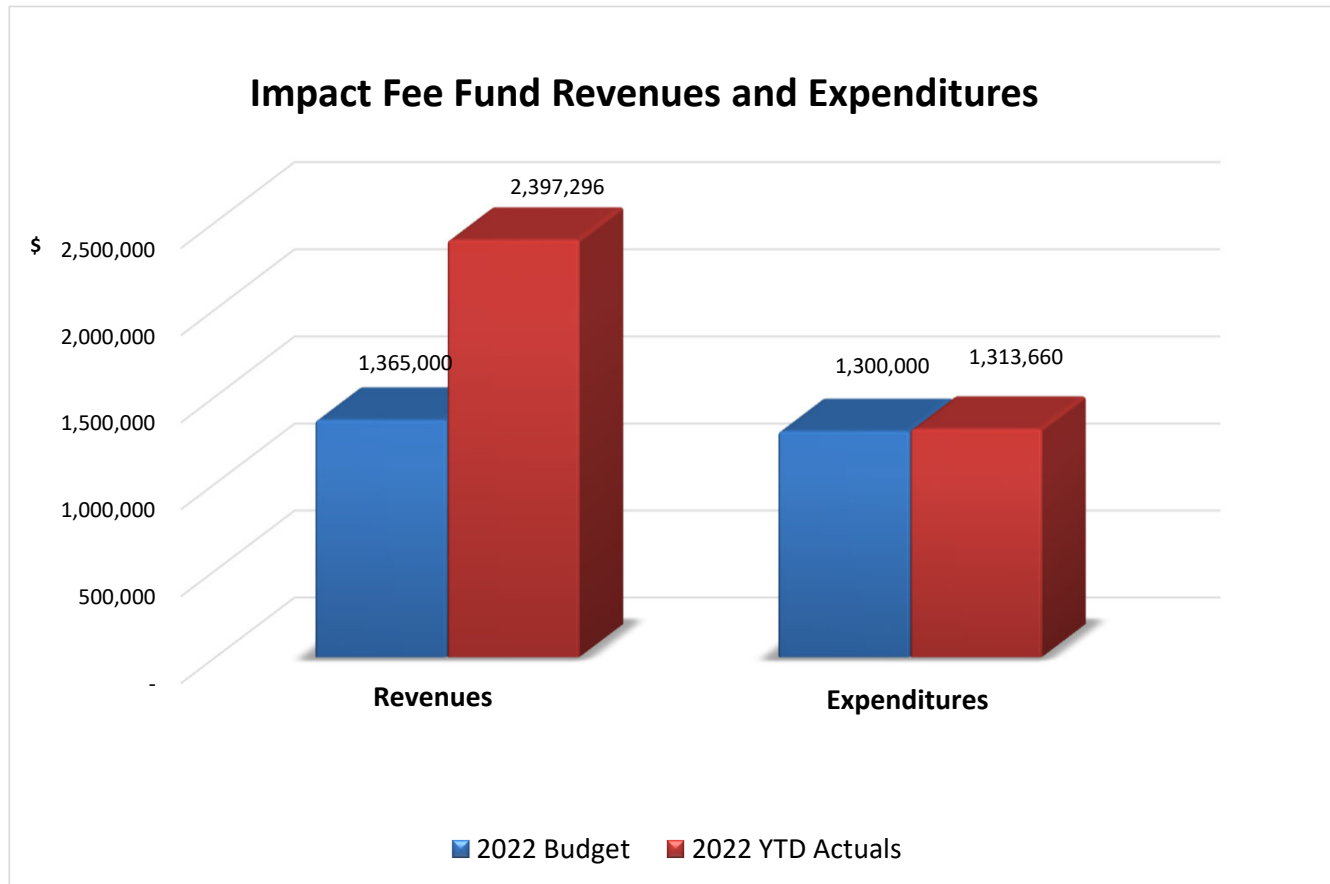
Note - FY 2021 budget includes City Council-approved budget amendment - Ordinance 4026 adopted on September 7, 2021.
Staff will return to Council before the end of the fiscal year to request any required fund level budget amendments.



CITY OF SACHSE
IMPACT FEE FUND SUMMARY
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

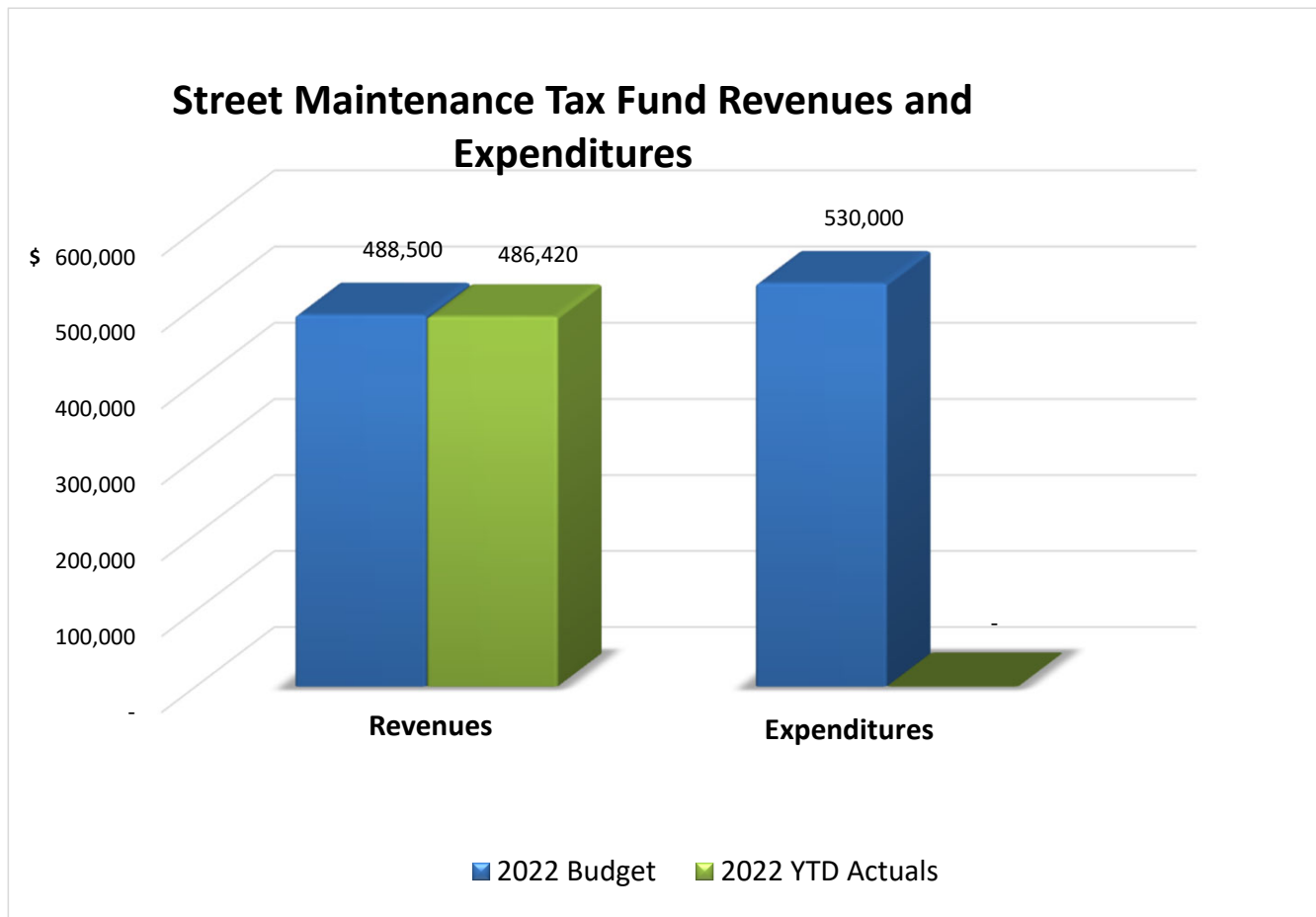
	<u>FY 2021 BUDGET</u>	<u>FY 2021 YEAR- TO-DATE</u>	<u>FY 2022 BUDGET</u>	<u>FY 2022 YEAR- TO-DATE</u>	<u>BUDGET REMAINING</u>	<u>% OF BUDGET</u>
REVENUES						
Impact Fees	\$ 525,000	\$ 3,191,284	\$ 1,350,000	\$ 2,385,465	\$ (1,035,465)	176.70%
Other Income	30,000	6,865	15,000	11,831	3,169	78.87%
TOTAL REVENUES	\$ 555,000	\$ 3,198,149	\$ 1,365,000	\$ 2,397,296	\$ (1,032,296)	175.63%
EXPENDITURES						
Development Agreements	\$ -	\$ 201,679	\$ -	\$ 13,660	\$ (13,660)	-
Intergovernmental	550,000	465,380	1,300,000	1,300,000	-	100.00%
TOTAL EXPENDITURES	\$ 550,000	\$ 667,059	\$ 1,300,000	\$ 1,313,660	\$ (13,660)	101.05%

Staff will return to Council before the end of the fiscal year to request any required fund level budget amendments.



CITY OF SACHSE
STREET MAINTENANCE TAX FUND
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

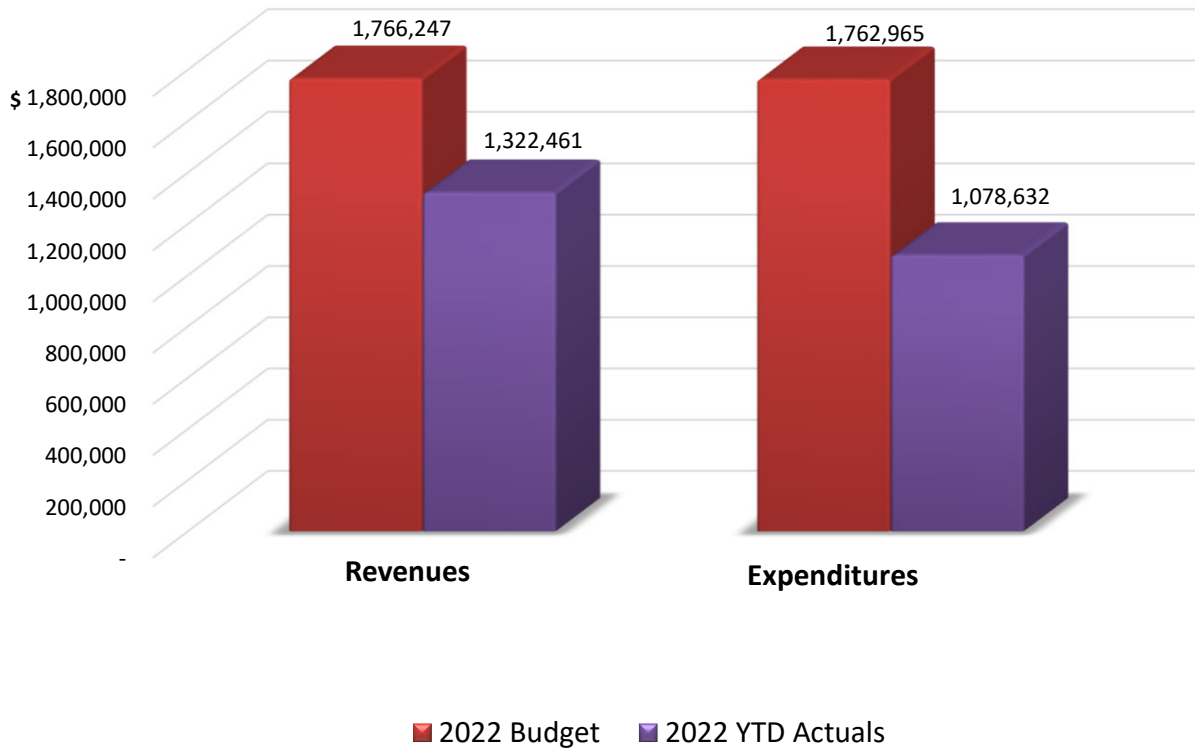
	<u>FY 2021 BUDGET</u>	<u>FY 2021 YEAR- TO-DATE</u>	<u>FY 2022 BUDGET</u>	<u>FY 2022 YEAR- TO-DATE</u>	<u>BUDGET REMAINING</u>	<u>% OF BUDGET</u>
REVENUES						
Sales Tax	\$ 418,750	\$ 414,511	\$ 487,500	\$ 484,873	\$ 2,627	99.46%
Other Income	250	805	1,000	1,547	(547)	154.70%
TOTAL REVENUES	<u>\$ 419,000</u>	<u>\$ 415,316</u>	<u>\$ 488,500</u>	<u>\$ 486,420</u>	<u>\$ 2,080</u>	<u>99.57%</u>
EXPENDITURES						
Street Maintenance	\$ 610,000	\$ -	\$ 530,000	\$ -	\$ 530,000	0.00%
TOTAL EXPENDITURES	<u>\$ 610,000</u>	<u>\$ -</u>	<u>\$ 530,000</u>	<u>\$ -</u>	<u>\$ 530,000</u>	<u>0.00%</u>



CITY OF SACHSE
HEALTH INSURANCE FUND SUMMARY
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

	FY 2021 BUDGET	FY 2021 YEAR- TO-DATE	FY 2022 BUDGET	FY 2022 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Other Income	\$ 500	\$ 1,165	\$ 1,000	\$ 1,783	\$ (783)	178.28%
Transfers In - General Fund	1,483,923	1,112,942	1,600,957	1,197,461	403,496	74.80%
Transfers In - Utility Fund	127,384	95,538	164,290	123,217	41,073	75.00%
Transfers In - EDC	-	-	-	-	-	-
TOTAL REVENUES	\$ 1,611,807	\$ 1,209,646	\$ 1,766,247	\$ 1,322,461	\$ 443,786	74.87%
EXPENDITURES						
Health Insurance	\$ 1,398,490	\$ 886,576	\$ 1,538,400	\$ 945,359	\$ 593,041	61.45%
Dental Insurance	57,075	35,217	62,785	35,315	27,470	56.25%
H.R.A. Deductible Reimb.	76,000	55,414	76,000	47,545	28,455	62.56%
H.S.A. Contribution	44,583	38,583	56,500	35,625	20,875	63.05%
Life and LTD Insurance	26,988	15,528	29,280	14,788	14,492	50.51%
TOTAL EXPENDITURES	\$ 1,603,136	\$ 1,031,318	\$ 1,762,965	\$ 1,078,632	\$ 684,333	61.18%

Health Insurance Fund Revenues and Expenditures



CITY OF SACHSE
CAPITAL PROJECT FUND SUMMARY*
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

	PRIOR YEAR EXPENDITURES	FY 2022 YEAR-TO- DATE	PROJECT- TO-DATE
Sachse Road Widening	\$ 4,945,430	\$ 1,328,902	\$ 6,274,332
Merritt Rd Re-alignment & Widening	1,952,360	200,465	2,152,825
Long Branch Flood Study	-	1,142	1,142
Signal Improvements	71,843	605,967	677,809
Roadway Impact Fee Study	15,027	-	15,027
2021 Alley Rehabilitation Projects	27,434	26,591	54,025
2022 Alley Reconstruction	-	20,660	20,660
PMB-The Station	3,316,681	44,702	3,361,384
Hudson Drive	-	77,110	77,110
5th Street District Phase 1 Improvements	-	104,624	104,624
J.K. Sachse Park Concept Plan & Design	46,638	76,659	123,297
	\$ 10,455,160	\$ 2,486,822	\$ 12,941,982

*Includes projects funded by 2006 Bond, Roadway Impact Fees, Community Development Block Grant, Unobligated Capital Project Funds, 2017A Certificates of Obligation, and 2019/2020 Tax Notes.

CITY OF SACHSE
UTILITY FUND CAPITAL PROJECTS SUMMARY*
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

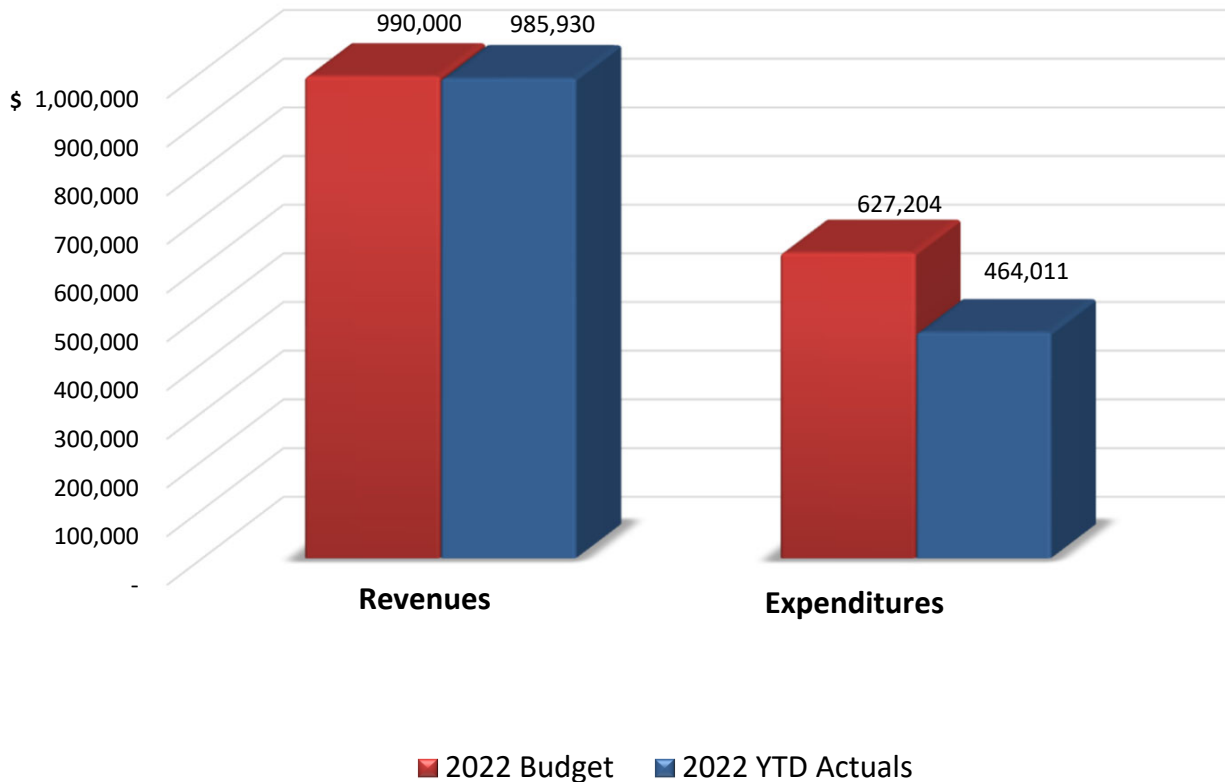
	PRIOR YEAR EXPENDITURES	FY 2022 YEAR-TO- DATE	PROJECT- TO-DATE
Public Works Pump Station Generator	\$ 4,571	\$ 33,465	\$ 38,036
Maxwell Creek Pump Station	194,184	102,355	296,539
The Station Master Sewer Lines	391,783	25,697	417,480
Sable Hills Lift Station Expansion	16,165	67,684	83,848
8-inch Water Line Anthony Ln, Williford to Bailey	29,610	523,597	553,207
Third Garland Creek Stabilization	-	47,378	47,378
Sachse South Creek 2D4	-	29,126	29,126
Pleasant Valley Water Line Design	28,460	-	28,460
8-inch Water Line 3rd St, Hwy 78 to Ingram	16,131	-	16,131
8-inch Water Line Cartwright, 3rd St to Big Valley	11,457	-	11,457
The Station Master Water Line	373,376	-	373,376
	\$ 1,065,736	\$ 829,301	\$ 1,895,038

*Includes projects funded by Utility Fund revenues, Water and Sewer Impact Fees, and 2017 Certificates of Obligation.

CITY OF SACHSE
SACHSE ECONOMIC DEVELOPMENT CORPORATION SUMMARY
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

	FY 2021 BUDGET	FY 2021 YEAR- TO-DATE	FY 2022 BUDGET	FY 2022 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Sales Tax	\$ 837,500	\$ 828,732	\$ 975,000	\$ 969,603	\$ 5,397	99.45%
Other Income	17,500	14,232	15,000	16,327	(1,327)	108.85%
TOTAL REVENUES	\$ 855,000	\$ 842,964	\$ 990,000	\$ 985,930	\$ 4,070	99.59%
EXPENDITURES						
Personnel	\$ 261,464	\$ 160,387	\$ 171,251	\$ 79,127	\$ 86,124	46.21%
Supplies and Materials	33,700	8,103	94,977	51,910	43,067	54.66%
Maintenance and Repairs	500	42	1,000	137	863	13.68%
Contractual Services	173,000	91,945	182,400	199,655	(17,255)	109.46%
Business Grant Program	232,026	42,936	-	(0)	0	-
Operating Transfer Out - GF	154,310	115,733	177,576	133,182	44,394	75.00%
TOTAL EXPENDITURES	\$ 855,000	\$ 419,146	\$ 627,204	\$ 464,011	\$ 163,193	73.98%

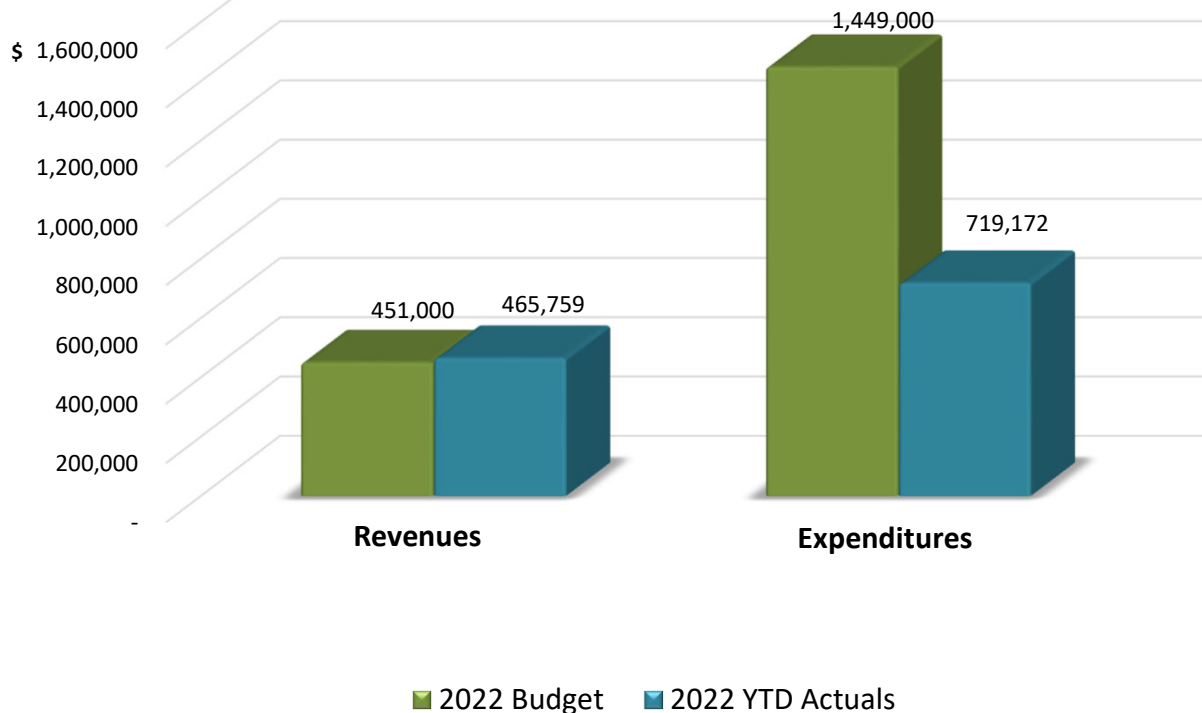
Sachse Economic Development Corporation
Revenues and Expenditures



CITY OF SACHSE
MUNICIPAL DEVELOPMENT DISTRICT SUMMARY
QUARTER ENDED 6/30/2022 - 75% OF YEAR COMPLETE (UNAUDITED)

	FY 2021 BUDGET	FY 2021 YEAR- TO-DATE	FY 2022 BUDGET	FY 2022 YEAR- TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Sales Tax	\$ 385,000	\$ 391,859	\$ 450,000	\$ 463,522	\$ (13,522)	103.00%
Interest Income	500	1,394	1,000	2,237	(1,237)	223.73%
TOTAL REVENUES	\$ 385,500	\$ 393,253	\$ 451,000	\$ 465,759	\$ (14,759)	103.27%
EXPENDITURES						
Park Repairs and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	-
Professional Services	-	34,506	-	76,659	(76,659)	-
Park Improvements	249,000	-	-	9,702	(9,702)	-
J.K. Sachse Park	-	-	1,449,000	632,812	816,188	43.67%
Building Renovations	-	-	-	-	-	-
TOTAL EXPENDITURES	\$ 249,000	\$ 34,506	\$ 1,449,000	\$ 719,172	\$ 729,828	49.63%

Municipal Development District Revenues and Expenditures





Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	5. Approve an ordinance amending Chapter 1, Section 1-8 (a) by setting a new start time for City Council meetings from 7:30 p.m. to 6:30 p.m.
Access	Public
Type	Action (Consent)
Recommended Action	Approve an ordinance amending Chapter 1, Section 1-8 (a) by setting a new start time for City Council meetings from 7:30 p.m. to 6:30 p.m.

Public Content

OVERVIEW

The Sachse Home Rule Charter Section 3.09 states that "The city council shall hold at least one (1) regular meeting each month and as many additional meetings as it deems necessary to transact the business of the city. The city council shall fix by ordinance the date and time of the regular meetings." Ordinance No. 318 was passed in 1982 setting the meeting start time at 7:30 p.m. This ordinance is a formality to amend the City Council meeting start time to 6:30 p.m.

POLICY CONSIDERATIONS

The Sachse Home Rule Charter requires an ordinance be passed to set the date and time of City Council regular meetings.

RECOMMENDATION

Approve an ordinance amending Chapter 1, Section 1-8 (a) by setting a new start time for City Council meetings from 7:30 p.m. to 6:30 p.m.

[Ordinance Amending Section 1-8 Re Council Meetings Start Time.pdf \(109 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, AMENDING THE SACHSE CODE OF ORDINANCES BY AMENDING CHAPTER 1 TITLED “GENERAL PROVISIONS” BY AMENDING SECTION 1-8 TITLED “CITY COUNCIL MEETINGS”, BY AMENDING SUBSECTION A TITLED “TIME AND PLACE ESTABLISHED”, BY SETTING THE START TIME FOR CITY COUNCIL MEETINGS HELD ON THE FIRST AND THIRD MONDAY OF EACH MONTH TO 6:30 P.M.; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The Code of Ordinances, City of Sachse, Texas, be amended, by amending Chapter 1 titled “General Provisions”, by amending Section 1-8 titled “City council meetings”, by amending Subsection A titled “Time and place established”, to read as follows:

**“CHAPTER 1
GENERAL PROVISIONS**

...

AMEND SECTION 1-8, SUBSECTION A, AS FOLLOWS:

Sec. 1-8 City council meetings.

A. Time and place established. Regular meetings of the city council of the City of Sachse, Texas shall be held on the first and third Monday of each month at 6:30 p.m. in the Sachse city hall, unless the place of the meeting is otherwise specified by the mayor in the notice calling the meeting.

...”

SECTION 2. That all provisions of the Ordinances of the City of Sachse, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed, and all other provisions of the Ordinances of the City not in conflict with the provisions of this Ordinance shall remain in full force and effect.

SECTION 3. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this Ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said Ordinance, which shall remain in full force and effect.

SECTION 4. This Ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and charter in such cases provides.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas on the 6th day of September, 2022.

APPROVED:

Jeff Bickerstaff
Mayor

DULY ENROLLED:

Leah K Granger
City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr.
City Attorney
(08-26-2022:TM 131208)



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	6. Approve a renewal of the Household Hazardous Waste Interlocal Agreement with Dallas County.
Access	Public
Type	Action (Consent)
Recommended Action	Approve a renewal of the Household Hazardous Waste Interlocal Agreement with Dallas County.

Public Content

BACKGROUND

The City of Sachse has participated in the Household Hazardous Waste Interlocal Agreement with Dallas County since FY 2002-2003. The Interlocal Agreement allows Sachse residents to drop-off household hazardous waste materials at the Dallas County Home Chemical Collection Center facility, located at 11234 Plano Road in Dallas free of charge by showing proof of Sachse residency.

The Interlocal Agreement permits four additional one-year renewals for a five-year total contract term authorized by Dallas County Court Order 2022-0661.

OVERVIEW

This Agreement renewal will begin a new term from October 1, 2022, through September 30, 2023, and has no major changes. This service is also offered in addition to the two X-treme Green events, which include household hazardous waste collection, held each year.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve a renewal of the Household Hazardous Waste Interlocal Agreement with Dallas County.

[Dallas County Household Hazardous Waste Agreement B.0 FY 2022-2023 5.8.294.pdf \(4,112 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

STATE OF TEXAS)
COUNTY OF DALLAS)

AGREEMENT BETWEEN SACHSE AND DALLAS COUNTY

WITNESSETH:

WHEREAS, the City of Sachse Texas, (the "City") wishes to enter into this agreement (the "Agreement") to join the Dallas Area Household Hazardous Waste Network (the "HHW Network") to coordinate the planning and implementation of a hazardous waste collection program from October 1, 2022, through September 30, 2023, with options to renew for four additional one-year terms; and

WHEREAS, Dallas County, Texas acting by and through the Dallas County Commissioners Court ("County") approves the City's participation in the HHW Network; and

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, as amended, provides authorization for local governments to enter into contracts with other local governments and state agencies; and

WHEREAS, the Dallas County Commissioners Court adopted Court Order Number 94-751 establishing the HHW Network to coordinate the planning and implementation of a HHW collection program; and

WHEREAS, the HHW Network has successfully served the residents of the participating local governments since its inception in 1994 and is prepared to continue its services;

NOW, THEREFORE, THIS AGREEMENT is hereby made and entered into by the City and the County upon mutual consideration stated herein:

PURPOSE:

It is the desire of the City to voluntarily join with the County and other interested jurisdictions, to participate in a Household Hazardous Waste ("HHW") collection program as a continuation of the 1994-2022 program. The terms and conditions set forth within this Agreement provide the cooperative framework for the City and the County to undertake a variety of activities necessary to coordinate the planning and implementation of a HHW

collection program and to provide public education aimed at decreasing the generation of HHW.

GENERAL CONDITIONS:

The specific Scope of Services (see attached **Exhibit A2023**) has been reviewed and approved by the HHW Network. The parties agree **Exhibit A2023** is incorporated herein for all purposes. Any and all changes having a financial impact must be approved in advance by a mutually executed letter of agreement between the City and the County. Each letter of agreement, upon full execution, will become an addendum to this Agreement which is automatically incorporated upon mutual execution of the parties.

I. TERM

The Term of this Agreement will begin on the date executed below by the parties and continue until September 30, 2023.

II. NOTICE

Any notice, demand, or request related to this Agreement must be in writing and sent by U.S. Certified or Registered Mail to the designated contact at the address below. A notice, demand, or request will be considered received by the addressee three (3) business days after the date the notice, demand, or request was sent by U.S. Certified or Registered Mail to the contact at the address below.

Dallas County Contact
Earle Blakney
HHW Program Manager
Dallas County
11234 Plano Road
Dallas, TX 75243
PHONE: (214) 553-1765
FAX: (214) 553-6507

City Contact (Name, Title, Address, Phone, Fax)
Gina Nash
City Manager
3815-B Sachse Road
Sachse, Texas 75048
Phone: 469-429-4771
Fax: 972-530-0426

With Copy to:

Russell Roden
Chief, Civil Division
Dallas County
District Attorney's Office
411 Elm Street

5th Floor
Dallas, Texas 75202

III. COUNTY RESPONSIBILITIES

During the Term of this Agreement, the County agrees to the following provisions:

1. To provide HHW Network project management, HHW Network disposal contract negotiations and signatory, a HHW Mobile Unit, HHW public education, assistance with advertisement of HHW collections, all as per funding scheduled and provided by the participating cities, grants, and contributions.
2. To enter into an agreement with disposal vendor(s) to provide household hazardous waste services including a series of disposal events and disposal services at the County's fixed-site HHW collection locations. The County recognizes and agrees that compensation for vendors under such agreements will be payable only to the extent that City funds are made available.
3. To provide two representatives on the HHW Network.
4. To provide, manage, operate, and maintain a site at 11234 Plano Road in Dallas for exclusive use as a Home Chemical Collection Center ("Collection Center").
5. To provide regular reports to the City regarding collection statistics taken from event surveys.

IV. CITY RESPONSIBILITIES

During the Term of this Agreement, the City will provide:

1. A sum not to exceed \$ \$26,000.00 for disposal, setup, operational, capital and transportation costs for HHW collection for residents of the City, during the period from October 1, 2022 through September 30, 2023. This figure is based on the program's annual budget contained in **Exhibit B2023** which is incorporated herein for all purposes.
 - a) The City agrees collection, setup, and disposal costs will be paid after-the-fact, based on actual usage by the City at events and at the Collection Center.
 - b) The City agrees operational and capital costs must be paid quarterly in advance.
 - c) In the event of early withdrawal, the operational and capital costs will not be pro-rated for partial quarter participation but will become immediately due and payable in full.
2. Evidence that funding has been committed and encumbered which will be

available for the obligations set forth herein in an appropriate form (City Council resolution, approved line item budget, letter from department head or other official authorized to encumber funds, etc.).

3. A request to the County in writing when the City wishes a collection event to be held within the City's jurisdiction and assistance in obtaining HHW collection site location(s), community support, volunteers, and volunteer amenities for the requested event.
4. Onsite representation at HHW collection(s) within its jurisdiction.
5. Notification to the County in writing at least sixty (60) days prior to withdrawal from this agreement by the City.
6. One representative and one alternate on the HHW Network to attend Network meetings and participate in the decision-making process.

The City acknowledges that the financial responsibility for vendor's disposal, set up, and transportation costs, based on actual usage by residents of the City, rests with the City. The City further acknowledges and agrees its financial responsibility is determined by a proportional share of the program Operational and Capital Budgets, based on the City's percentage of total single-family households served and using single-family household projections. The Operational and Capital Budgets will be determined by the County and the HHW Network. No participating City will be obligated to incur expenses without their prior knowledge and approval.

V. HHW NETWORK RESPONSIBILITIES

Under the Bylaws of the HHW Network as included in **Exhibit C2023** which is incorporated herein for all purposes, the HHW Network will:

1. Provide guidance and direction to the Program Manager in the selection of a HHW disposal contractor, in identifying and selecting waste disposal options, in advertising HHW collections, and in developing and implementing a HHW public awareness program.
2. Create a Finance Committee, composed of those HHW Network members that contribute funds, to make recommendations to the HHW Network regarding expenditures of funds for the HHW Program.
3. Provide guidance and direction to the Program Manager in scheduling community HHW collection events. The HHW Network will attempt to honor all requests from member cities wishing to host a community HHW collection event. Should insufficient dates be available to accommodate all such requests, the number of

events hosted by a single member City annually may be scheduled at a rate that is proportional to that City's share of single family households served.

4. Pay for all routine maintenance at the Collection Center and be responsible for capital additions necessitated by program operations.

VI. LIABILITY

To the extent allowed by law, and without creating a sinking fund, the County agrees to be responsible for any liability or damages the County may suffer as a result of claims, demands, costs or judgments against the County, including workers' compensation claims, arising out of the performance of the work and services under this agreement, or arising from any accident, injury or damage, whatsoever, to any person or persons, or to the property of any person(s) occurring during the performance of this Agreement which are caused by the sole negligence of the County, its agents, officers and/or employees. To the extent allowed by law, and without creating a sinking fund, the City agrees to be responsible for any liability or damages the City may suffer as a result of claims, demands, costs or judgments against the City, including workers' compensation claims, arising out of the performance of the work and services under this agreement, or arising from any accident, injury or damage, whatsoever, to any person or persons, or to the property of any person(s) occurring during the performance of this Agreement which are caused by the sole negligence of the City, its agents, officers and/or employees.

County and City agree that any such liability or damages as stated above occurring during the performance of this agreement caused by the joint or comparative negligence of their employees, agents and officers will be determined in accordance with the comparative responsibility laws of the State of Texas.

This Agreement is made solely for the benefit of the parties, and nothing herein will be construed as granting any rights or cause of action to any third party. This agreement is made subject to the County's and City's sovereign immunity, Title 5 of the Texas Civil Practice and Remedies Code and the Texas Tort Claims Act.

VII. RENEWAL, CANCELLATION AND AMENDMENTS

This agreement may be renewed on October 1 of each year for four additional one-year terms by mutual agreement of the parties. Either party may withdraw from this Agreement at any time without cause, provided that it has notified the other party in writing at least sixty (60) days prior to its intended withdrawal date.

Notwithstanding anything to the contrary herein, County's obligations contained in this Agreement and any extension hereto are expressly contingent upon the availability of funding for each item and obligation. Neither the State of Texas nor any City or any other

person or entity will have any cause of action against the County of Dallas regarding this Agreement in the event that the County is unable to fulfill its obligations under this Agreement as a result of the lack of sufficient funding from any source utilized to fund this Agreement or failure of any funding party, including the County, to budget or authorize funding for this Agreement during the current or future fiscal years. In the event of insufficient funding by County or any other funding entity, or if funding for this Agreement is terminated, limited, suspended or withdrawn, or if funds become unavailable in whole or part, the County, at its sole discretion, will have the right, but not the obligation, to terminate County's obligations herein and withdraw from this Agreement with at least sixty (60) days prior written notice to the other HHW Network entities. Nothing herein will prevent the County, in its sole discretion, from providing funding from a separate source.

VIII. PAYMENT

The City, once receiving an invoice from the County for services rendered (operational, disposal, capital, set up, and/or transportation costs), must provide payment within thirty (30) days to the County per this Agreement and any addendum(s) to this Agreement. If the City fails to pay within thirty (30) days, the City will be charged a late fee of one percent (1%) of the invoice amount for each additional month or portion thereof. Disputes should be directed to the HHW Program Manager. Interest charges on disputed amounts will be suspended until an accurate figure has been documented and re-submitted to the City by HHW Network staff. Upon written request from the City, invoices from the County must be accompanied by copies of all participant surveys and other relevant backup documents to the invoice. Payments required under this Agreement must be in amounts that fairly compensate the performing party for the services or functions performed and shall be made from current revenues available to the paying party.

IX. AMENDMENTS AND CHANGES IN THE LAW:

No modification, amendment, novation, renewal or other alteration of this Agreement will be effective unless mutually agreed upon in writing and executed by the parties hereto. Any alteration, addition, or deletion to the terms or conditions of this Agreement which are required by changes in federal or State law are automatically incorporated herein without written amendment to this Agreement and will be effective on the date designated by said law. Provided, however, that if the change in federal or State law renders the basic purposes of this Agreement illegal, invalid or unenforceable then either party may, upon written notice to the other, terminate this Agreement, and the parties agree to enter into good faith negotiations to replace this Agreement with an agreement as similar to the terms and conditions of this Agreement as legally permissible.

X. SEVERABILITY:

If any provision of this Agreement is construed to be illegal or invalid, this will not

affect the legality or validity of any of the other provisions herein. The illegal or invalid provision will be deemed stricken and deleted, but all other provisions will continue and be given effect as if the illegal or invalid provisions had never been incorporated.

XI. SIGNATORY WARRANTY:

This Agreement has been authorized by the City through a duly enacted resolution passed by the City Council. The person or persons signing and executing this Agreement on behalf of City, or representing themselves as signing and executing this Agreement on behalf of City, do hereby warrant and guarantee that he, she or they have been duly authorized by City to execute this Agreement on behalf of City and to validly and legally bind City to all terms, performances and provisions herein set forth.

XII. ENTIRE AGREEMENT:

This Agreement, including all exhibits and attachments, constitutes the entire agreement between the parties hereto and supersedes any other agreement concerning the subject matter of this transaction, whether oral or written.

XIII. BINDING EFFECT:

This Agreement and the respective rights and obligations of the parties hereto will inure to the benefit and be binding upon the successors and assigns of the parties hereto, as well as the parties themselves.

XIV. FEDERAL OR STATE FUNDED PROJECT:

If Agreement is funded in part by either the State of Texas or federal government, the City agrees to timely comply without additional cost or expense to County, unless otherwise specified herein, to any statute, rule, regulation, grant, contract provision or other State or federal law, rule, regulation, or other similar restriction that imposes additional or greater requirements than stated herein and that is directly applicable to the services rendered under the terms of this Agreement.

XV. DEFAULT/CUMULATIVE RIGHTS/MITIGATION:

It is not a waiver of default if the non-defaulting party fails to immediately declare a default or delays in taking any action. The rights and remedies provided by this Agreement are cumulative, and either party's use of any right or remedy will not preclude or waive its right to use any other remedy. These rights and remedies are in addition to any other rights the parties may have by law, statute, ordinance or otherwise. The City has a duty to mitigate damages.

XVI. COUNTERPARTS, NUMBER/GENDER AND HEADINGS:

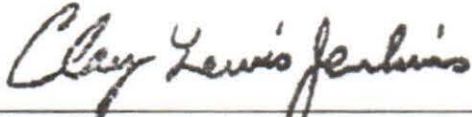
This Agreement may be executed in multiple counterparts, each of which will be considered an original, but all of which will constitute one and the same instrument. Words of any gender used in this Agreement will be held and construed to include any other gender, and any words in the singular will include the plural and vice versa, unless the context clearly requires otherwise. Headings herein are for the convenience of reference only and will not be considered in any interpretation of this Agreement.

HHW Interlocal Agreement 2023

The County of Dallas, State of Texas, has executed this Agreement pursuant to Commissioners Court Order 2022-0661 passed on the 21 day of June,

COUNTY:

EXECUTED THIS 22 DAY OF July, 2022.



BY: Clay Lewis Jenkins
County Judge
Dallas County, Texas

RECOMMENDED BY:

Digitally signed by Christopher Hooper
DN: cn=Christopher Hooper, o, ou,
email=Christopher.Hooper@dallascounty.org, c=US
Date: 2022.07.08 08:59:31 -05'00'

BY: Chris Hooper
Director
Consolidated Services
Dallas County, Texas

APPROVED AS TO FORM*:

John Cruezot
District Attorney
Dallas County, Texas

Digitally signed by /s/ Lacey Lucas #385
Date: 2022.07.07 10:41:20 -05'00'

BY: Lacey Lucas
Assistant District Attorney
Civil Division
Dallas County, Texas

*By law, the District Attorney's office may only advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal Perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney(s).

CITY:

The City of Sachse has executed this Agreement pursuant to Resolution Number _____, the _____ day of _____, 2022.

EXECUTED THIS _____ DAY OF _____, 2022.

BY: Mayor

APPROVED AS TO FORM:

BY: City Attorney

Exhibit A2023 Scope of Services

Overview

For the Term of this Agreement, Dallas County proposes to operate a Household Hazardous Waste (HHW) disposal program on behalf of the participating cities of the Dallas Area Household Hazardous Waste Network (HHW Network). To accomplish this, the County will continue to use the HHW Network as multi-jurisdictional guidance to the HHW Program Manager in order to maintain an efficient and jurisdictionally sensitive collection program.

As the nucleus of a management structure, the County, through Interlocal Agreements with participating cities, will continue to direct and manage the planning, coordination, and implementation of the HHW Network and HHW collection program. The HHW Network will function as an advisory board and will consist of representatives from participating cities and Dallas County. County staff will provide project governance and oversight.

Strategy

Each spring and fall, the HHW program will target a series of temporary collection sites throughout the participating area, as selected by participating cities in the HHW Network, for one-day community collection events. The participating cities will select the days of the events. The County will oversee the operation of a fixed-site Collection Center for year-round access in addition to the aforementioned collection events. The County may provide transportation of materials between the Collection Center and city-owned satellite collection stations that are available to all participating cities as an adjunct to the Collection Center.

Each city will be able to participate in each of the one-day community collection events. Each event will be held on a different day, at a different location, as determined by the HHW Network. Residents of each participating city also can use the Collection Center on a year-round basis.

For all one-day community collection events, the HHW Program Manager and staff will coordinate scheduling, vendor services, equipment, supplies, advertising, and labor for onsite activities. The host city will provide for traffic control and site security, and will have an onsite City representative for the duration of any collection held within its jurisdiction. The host city will also assist in providing volunteers and volunteer amenities. The County will negotiate the disposal or diversion of HHW on behalf of the HHW Network participants, according to the criteria established by the HHW Network.

Dallas County will provide office space, a Collection Center site, project management, and a mobile unit. The HHW Program Manager and staff must be County employees, whose salaries and benefits are funded by the participating cities and/or

through grants. All disposal, set up, and transportation costs will be funded by the participating cities, based on participation rates. All operating costs, including personnel, facility and equipment maintenance, advertising, supplies, services, and other operational costs will be funded by the participating cities proportionally, based on the most current single-family population figures from the North Central Texas Council of Governments. Program enhancements and capital additions necessitated by program operations will be the responsibility of the HHW Network and funded by the participating cities and/or by grants. All satellite collection centers must be owned and staffed by the host city and available to residents of all HHW Network cities. All satellite station costs for operations, personnel, and facility maintenance will be funded by the host city. Vehicles and supplies for handling and packing will be provided by the HHW Network through funding for the HHW Program.

All overhead for the Household Hazardous Waste Program and Collection Center will be funded through the HHW Network operating and capital budgets. Each participating city must provide the County with funds to cover its collection, disposal, transportation and setup costs within thirty (30) days of receiving an invoice from the County.

Operational and capital costs will be paid quarterly in advance. The City will pay a percent of the operational and capital costs equivalent to its percent of the total of single-family households in all participating cities. Single-family household totals will be acquired from statistics published by the North Central Texas Council of Governments. Collection Center disposal costs will be billed to the city at the end of each billing period, according to the number of residents participating during the billing period. Satellite station disposal costs will be billed to the City at the end of each billing period, applying the Collection Center billing rate to the number of residents using the Satellite station. Collection event costs, including setup, disposal, transportation, etc., will be billed after each event, according to the number of residents participating at the event. The County, as signatory on all contracts, will pay the HHW disposal contractor and all other vendors with the funds received from the participating cities.

If, at any time, it appears that a city lacks sufficient funding to complete the contract year, the city must choose one of the following options:

- The city may cap its costs, and no longer pay for its residents to drop off their waste at the collection center or future one-day events to be held within the term of the Agreement; or
- The city may decide to continue to allocate funds and allow its residents to participate in the collection center and future events to be held in the Agreement year. *

* If a city decides to continue to fund costs for its residents above the sum provided for in its Interlocal Agreement with the County, then the City must provide the County with a letter of agreement as an addendum to the Interlocal Agreement whereby the city is contractually obligated to pay the County any additional costs for HHW collection during the period in which it wishes to extend its payment obligations and specifies a new not-to-

exceed budget limit.

If a city does not make a provision to cover a cost overrun, and the city reaches its contractual limit (as provided for in the Interlocal Agreement or its addendum(s)), subsequent participants from that city must pay their own collection fees in order to dispose of their HHW at the Collection Center or community collection event sites until an addendum is added to the Agreement to cover additional costs. This fee will be calculated from the most recent average collection cost per household or from actual disposal costs, whichever is greater.

Program Objectives

The ultimate objective of the HHW program is to minimize or eliminate the disposal of HHW in area landfills and storm water sewers through reuse/recycling, education and collection/disposal. Toward this end, this program will:

1. Operate a year-round collection center and a series of one-day community collection events each spring and fall throughout Dallas County, serving at least 9,000 households annually.
2. Provide HHW Network cities an opportunity and forum to address storm water pollution and HHW issues.
3. Involve as many cities as possible in the HHW Network.
4. Establish a precedent in Dallas County for handling HHW through a regional approach that will serve as a model for other multi-jurisdictional areas.
5. Educate the public as to alternatives, wise purchasing, and safe disposal through the use of as many of the following as possible: internet sites, utility bill stuffers, newspaper, television & radio public service announcements, contact with local environmental groups, trade show exhibits, presentation at schools, neighborhood organization meetings, service organizations, etc.
6. Gather data regarding citizen interest as well as types and amounts of HHW diverted from the waste stream by surveying collection participants.
7. Divert a substantial amount of HHW from municipal landfills.
8. Involve local businesses, especially those connected with the manufacture or sales of HHW generating products.
9. Involve local environmental groups, Dallas County Public Health Advisory Committee, Dallas County Health Dept., Texas Cooperative Extension Services, and the Southwest Institute of Forensic Sciences.

Special Training Requirements

Dallas County, as Operator, will be responsible for providing personnel at all collection locations. Those personnel may be county, city, volunteer, or contract personnel. The County will ensure that all personnel involved in collection activities have received training appropriate to their duties as specified in Texas Administrative Code Title 30, Section 335.407.

All citizen volunteers must attend a brief onsite orientation session prior to assisting with collection activities. This orientation will be provided by Dallas County HHW Program staff. Citizen volunteers will be restricted from entering areas where hazardous materials are handled, and their activities will be limited to taking surveys, distributing educational literature, processing non-hazardous recyclables and assisting with traffic control.

Records and Reporting

The Program Manager and staff must prepare quarterly progress reports for the County, HHW Network, and relevant grant agencies. Financial reports and progress reports must be presented at least quarterly and in accordance with grant requirements. Financial records, contacts, and data from the collection surveys must be computerized. A final report must be presented within 90 days of the end of each collection event, fiscal quarter, and fiscal year. The final report must include the results of surveys taken from participating citizens and participating cities to gather data including frequency of use and materials collected.

Program Goals

- Participation by at least 9,000 of the area households annually
- Participation by at least 50% of the cities in the County
- Increase public outreach to households in participating cities
- Coverage by general circulation newspaper and/or broadcast media
- Involvement of the community at all levels; government, industry, and citizens

Exhibit B2023

FY2023 HHW PROGRAM BUDGET SUMMARY

This exhibit summarizes the total program funding for fiscal year 2023 ("FY23") as approved by the Dallas Area Household Hazardous Waste Network at its regular meeting on March 31, 2022 and the Dallas County Commissioners Court on June 21, 2022.

The Operational Budget includes personnel and operating costs, which are shared by the Network cities based on single-family household projections published by North Central Texas Council of Governments. Personnel costs include all HHW staff salaries and fringe benefits. Operating costs include supplies, equipment, advertising, public education, volunteer support, staff development, printing, postage, facility maintenance, utilities, and all other direct programming costs.

Capital Expense Budget costs are provided by the cities based on single-family household projections published by the North Central Texas Council of Governments. These funds are set aside for capital maintenance and improvements including building repairs, equipment repair or replacement, mechanical upgrades, and expansion projects.

The Collection/Disposal Budget is comprised of vendor costs for collection services, contract labor, and materials disposal. These costs vary according to actual usage and are indicated in the budget summary for planning purposes only. ***Funding for collection, contract labor, and disposal costs will be collected from the cities after the fact, on an as-used basis.***

Budget adjustments made during the Term of the Agreement must not result in a City Funding amount that exceeds the approved budget total shown herein. The County may make line item transfers within the budget when these transfers do not exceed \$5,000. Budget adjustments in excess of \$5,000 must be approved by the HHW Network.

BUDGET SECTION	CITY FUNDING
OPERATIONAL BUDGET	
Personnel Costs	\$ 581,001
Operating Costs	\$ 210,325
CAPITAL EXPENSE BUDGET	\$ 93,000
COLLECTION / DISPOSAL BUDGET	\$ 1,158,000
TOTAL PROGRAM BUDGET	\$2,042,326

Proportional Shares of FY2023 Operational and Capital Budget *

Based on Estimated SINGLE FAMILY HOUSING UNITS **

City	Service Area Based on Single Family Households as per Current Estimates**	Percent of Service Area	FY22 Annual Share of Operational and Capital Budgets*	FY23 Annual Share of Operational and Capital Budgets*	FY23 Quarterly Share of Operational and Capital Budgets*
Addison	1,794	0.36%	\$ 2,479	\$2,937	\$734.25
Dallas	238,164	48.11%	\$ 391,795	\$391,779	\$97,944.75
De Soto	16,034	3.24%	\$ 22,155	\$26,389	\$6,597.25
Duncanville	11,436	2.31%	\$ 16,071	\$18,816	\$4,704.00
Farmers Branch	8,852	1.79%	\$ 12,092	\$14,581	\$3,645.25
Garland	62,807	12.69%	\$ 89,745	\$103,343	\$25,835.75
Highland Park	3,078	0.62%	\$ 4,807	\$5,054	\$1,2633.50
Irving	42,602	8.60%	\$ 58,878	\$70,037	\$17,509.25
Mesquite	37,001	7.47%	\$ 54,292	\$60,835	\$15,208.75
Richardson	31,564	6.38%	\$ 42,360	\$51,959	\$12,989.75
Rowlett	18,957	3.83%	\$ 26,208	\$31,194	\$7,798.50
Sachse	7,638	1.54%	\$ 10,587	\$12,546	\$3,136.50
Seagoville	3,908	0.79%	\$ 5,333	\$6,438	\$1,609.50
Sunnyvale	2,667	0.54%	\$ 2,554	\$4,402	\$1,100.50
University Park	7,568	1.53%	\$ 10,437	\$12,464	\$3116.00
Wilmer	937	0.19%	\$ 1,277	\$1,552	\$388.00
TOTAL	495,007	100%	\$751,070	\$814,326	\$203,581.50

Exhibit C2023**BYLAWS OF THE DALLAS AREA HOUSEHOLD HAZARDOUS WASTE NETWORK****Article I: Name**

The name of this organization is the **Dallas Area Household Hazardous Waste Network** (hereafter referred to as the "**HHW Network**").

Article II: Mission

The purpose of the HHW Network is to efficiently organize and promote the collection of household hazardous wastes (HHW) among individuals residing in Dallas County, or in counties adjacent to Dallas County, as agreed to by the Network Members. In order to accomplish this mission, the HHW Network will actively promote cooperative arrangements among governmental agencies in the County and will provide a forum for discussion of techniques for collection and disposal of HHW.

Article III: Members

Voting Members - Voting membership in the HHW Network will be offered to one representative of each city volunteering to participate in the HHW Network and to one representative of Dallas County. Any city requesting membership must provide an official written notice of the name of the individual to be designated as the HHW Network member.

Once designated, an individual member must arrange to have an alternate designated to participate in the absence of the member.

Advisory (Non-voting) Members - the County Judge will name additional Advisory (Non-voting) Members to the HHW Network representing the following categories or organizations:

- one member representing Dallas County, other than the County's voting member
- one member representing the North Central Texas Council of Governments
- three members representing advocacy, environmental, or other citizen groups such as: Texas Cooperative Extension Service, Audubon Society, and League of Women Voters
- two members representing the private sector

Term - each of the designated individuals will serve until his/her successor is designated.

Article IV: Meetings

The HHW Network will meet as required to conduct its business. All HHW Network meetings must be public meetings open to all participants. The Project Manager of the

HHW Network must establish an email list for notification of all meetings, and must include on this list any individual that requests notification.

Quorum - At any regular meeting of the HHW Network, a quorum will consist of half of the individuals who have then been duly designated or appointed pursuant to Article III.

Article V: Voting

Each Voting Member of the HHW Network will have one vote.

Article VI: Officers and Committees

The HHW Program Manager will preside at all meetings. The HHW Program Manager and staff will be responsible for all staff work and notifications related to the Network. The Program Manager must not be a voting member of the Network. The HHW Network, by majority vote, may establish such committees as the HHW Network considers necessary to carry out the work of the organization.

Finance Committee - The Finance Committee must consist of representatives of each city that has made a binding commitment to participate in a disposal program and the County's voting member. The Program Manager will serve as an ex officio member of this committee. No contract or other financial arrangement affecting the participants may be referred to or approved by the HHW Network without first receiving approval of the Finance Committee.

Article VII: Amendments

These bylaws will become effective when ratified by a majority of HHW Network voting members attending a regular meeting, and when approved by Dallas County Commissioners Court. Amendments may be proposed by any member at any time, in writing. Such amendments will be voted on at a duly called HHW Network meeting to which notice has been given that an amendment will be proposed. Amendments passed by 2/3 of the voting members present will become part of the bylaws.



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.
Subject	7. Approve a resolution authorizing the City Manager to execute an Interlocal Cooperation Agreement between the City of Sachse and City of Hurst, Texas, for the purpose of Roadway Improvements, Preservation and Maintenance.
Access	Public
Type	Action (Consent)
Preferred Date	Sep 06, 2022
Fiscal Impact	No
Budgeted	No
Recommended Action	Approve a resolution authorizing the City Manager to execute an Interlocal Cooperation Agreement between the City of Sachse and City of Hurst, Texas, for the purpose of Roadway Improvements, Preservation and Maintenance.
Goals	Strategically invest in the City's existing and future infrastructure.

Public Content

BACKGROUND

The City of Sachse has partnered through Interlocal Cooperation Agreements with several cities on purchasing of necessary equipment, goods, and services. The City of Sachse currently utilizes an interlocal agreement for cooperative purchasing with the City of Grand Prairie for purchasing of necessary equipment, goods, and services. These goods and services support various maintenance and repairs throughout the City. Upon approval, this agreement with the City of Hurst will further extend the ability of Sachse to utilize additional and alternative methods for asphalt roadway maintenance and preservation.

OVERVIEW

It is the responsibility of the City of Sachse to maintain, upgrade, and improve public roads as necessary in the City of Sachse. Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act, and Chapter 271.102 of the Texas Local Government Code, authorize all local governments to contract with each other to perform governmental functions or services including administrative functions normally associated with the operation of government such as purchasing necessary equipment, goods, and services.

By entering into this agreement, the City will be able to take advantage of cost savings for asphalt roadway maintenance and preservation.

POLICY CONSIDERATIONS

This Interlocal Cooperation Agreement with the City of Hurst will allow for the purchase of necessary equipment, goods, and services for asphalt roadway maintenance. Contract pricing from the City of Hurst may be utilized by the City of Sachse for asphalt roadway improvements and preservation.

RECOMMENDATION

Approve a resolution authorizing the City Manager to execute an Interlocal Cooperation Agreement between the City of Sachse and City of Hurst, Texas, for the purpose of Roadway Improvements, Preservation and Maintenance.

[Resolution_Interlocal Purchasing Agreement with Hurst.pdf \(158 KB\)](#)

[SACHSE - HURST INTERLOCAL AGREEMENT - September 2022.pdf \(169 KB\)](#)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL COOPERATIVE PURCHASING AGREEMENT BY AND BETWEEN THE CITY OF SACHSE AND THE CITY OF HURST, TEXAS, FOR THE PURCHASE OF GOODS AND SERVICES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Cities of Sachse and Hurst have each determined a need for an Interlocal Cooperative Purchasing Agreement for the purchase of like goods and services to avoid duplicative procurement efforts and obtain the benefits of volume purchasing; and

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes governmental entities to contract with each other to perform governmental functions and services under the terms thereof; and

WHEREAS, the City Council has been presented with a proposed Cooperative Purchasing Agreement between the Cities of Sachse and Hurst, a copy of which is attached hereto as Exhibit “A” and incorporated herein by reference (hereinafter the “Agreement”); and

WHEREAS, upon full review and consideration of the Agreement and all matters related thereto, the City Council is of the opinion and finds that the terms and conditions thereof should be approved, and that the City Manager should be authorized to execute the Agreement on behalf of the City of Sachse, Texas;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The City Manager is hereby authorized to execute the Agreement which is attached as Exhibit “A,” on behalf of the City of Sachse, Texas, for the purchase of goods and services.

SECTION 2. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this 6th day of September, 2022.

CITY OF SACHSE, TEXAS

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, City Secretary
(07-29-2022:TM 130786)

EXHIBIT “A”
Interlocal Cooperative Purchasing Agreement

EXHIBIT A
INTERLOCAL AGREEMENT

This Interlocal Agreement ("Agreement") is made and entered into, by and between the CITY OF HURST, Texas (hereinafter called "CITY OF HURST"), and the CITY OF SACHSE, Texas (hereinafter called "CITY OF SACHSE"), each acting by and through its duly authorized officials:

WHEREAS, CITY OF HURST and CITY OF SACHSE are both governmental entities engaged in the purchase of goods and services, which is a recognized governmental function;

WHEREAS, CITY OF HURST and CITY OF SACHSE wish to enter into this Agreement pursuant to Chapter 791 of the Texas Government Code (hereinafter "Interlocal Cooperation Act") to set forth the terms and conditions upon which CITY OF HURST and CITY OF SACHSE may purchase various goods and services commonly utilized by each party;

WHEREAS, participation in an interlocal agreement will be highly beneficial to the taxpayers of CITY OF HURST and CITY OF SACHSE through the anticipated savings to be realized and is of mutual concern to the contracting parties;

WHEREAS, CITY OF HURST and CITY OF SACHSE have current funds available to satisfy any fees owed pursuant to this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants, and obligations as set forth herein; CITY OF HURST and CITY OF SACHSE agree as follows:

1. The purpose of this Agreement is to provide CITY OF HURST and CITY OF SACHSE with additional purchasing options by satisfying the provisions of Section 271.102 of the Local Government Code. CITY OF HURST and CITY OF SACHSE may cooperate in the purchase of various goods and services commonly utilized by the participants, where available and applicable, and may purchase goods and services from vendors under present and future contracts.

CITY OF HURST and CITY OF SACHSE agree that each of the parties shall respectively designate a person to act under the direction of, and on behalf of, the designating party (the "Designated Representative"). At the request of the other party, a party that enters into a contract with a vendor for goods or services (the "First Purchasing Party") shall attempt to obtain the vendor's agreement to offer those goods and services to the other party (the "Second Purchasing Party") for the same price and on the same terms and conditions as have been offered to the First Purchasing Party. If the vendor so agrees, and if the Second Purchasing Party is agreeable to such terms and conditions, the Second Purchasing Party may enter into its own separate contract with the vendor for the purchase of such goods or services.

Unless otherwise agreed between the Designated Representatives, payments for a purchase made by the Second Purchasing Party shall be paid directly to the vendor and not to the First Purchasing Party. The Second Purchasing Party shall have the responsibility of determining whether the vendor has complied with any provisions in its contract with the vendor, including but not limited to those relating to the quality of items and terms of delivery, and shall be responsible for enforcement of its contract against the vendor, including all cost of enforcement. This Agreement will be subject to all applicable federal, state and local laws, ordinances, rules and regulations.

2. CITY OF HURST and CITY OF SACHSE shall each be individually responsible for payments directly to the vendor and for the vendor's compliance with all conditions of delivery and quality of purchased items under such contracts. CITY OF HURST and CITY OF SACHSE shall each make their respective payments from current revenues available to the paying party.

3. Notwithstanding anything herein to the contrary, participation in this Agreement may be terminated by any party upon thirty (30) days written notice to the other participating party(ies).

4. The undersigned officer and/or agents of the party(ies) hereto are duly authorized officials and possess the requisite authority to execute this Agreement on behalf of the parties hereto.

5. This Agreement may be executed separately by the participating entities, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

6. This Agreement shall become effective on the day and year of approval and execution (the "Effective Date"). The primary term of this Agreement shall be for one (1) year, commencing on the Effective Date, and shall thereafter automatically renew for successive one-year terms, unless terminated according to the terms set forth in Paragraph 3.

7. To the extent allowed by law, each party agrees to release, defend, indemnify, and hold harmless the other (and its officers, agents, and employees) from and against all claims or causes of action for injuries (including death), property damages (including loss of use), and any other losses, demands, suits, judgments and costs, including reasonable attorneys' fees and expenses, in any way arising out of, related to, or resulting from its performance under this agreement, or caused by its negligent acts or omissions (or those of its respective officers, agents, employees, or any other third parties for whom it is legally responsible) in connection with performing this agreement.

8 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement.

9. The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation having the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.

10. This Agreement embodies the entire agreement between the parties and may only be modified in writing executed by both parties.

11. This Agreement shall be binding upon the parties hereto, their successors, heirs, personal representatives, and assigns. Neither party will assign or transfer an interest in this Agreement without the written consent of the other party.

12. It is expressly understood and agreed that, in the execution of this Agreement, neither party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied other than those set forth herein, and this Agreement shall not create any rights in parties not signatories hereto.

13. The declarations, determinations and findings declared, made and found in the preamble to this Agreement are hereby adopted, restated, and made part of the operative provisions hereof.

EXECUTED hereto on the day and year of execution and approval below.

CITY OF HURST

CITY OF SACHSE

By: Clay Caruthers,
City Manager

By: Gina Nash,
City Manager

STATE OF TEXAS §

COUNTY OF TARRANT §

This instrument was acknowledged before me on the ____ day of _____, 2022, by Clay Caruthers, City Manager of the **CITY OF HURST, TEXAS**, a home-rule municipal corporation, on behalf of such corporation.

Notary Public in and for the
State of Texas

STATE OF TEXAS §

COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of _____, 2022, by Gina Nash, City Manager of the **CITY OF SACHSE, TEXAS**, a home-rule municipal corporation, on behalf of such corporation.

Notary Public in and for the
State of Texas



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	1. Conduct a public hearing and consider approving an ordinance for a Special Use Permit request for the Virtual Reality Experience, a commercial amusement use, located at 4275 Miles Road, Suite 103, within Sachse city limits.
Access	Public
Type	Action, Discussion, Information
Fiscal Impact	No
Budgeted	No
Recommended Action	Approve the ordinance for the proposed SUP request as it is in compliance with the Future Land Use Plan and the goals and objectives of the Comprehensive Plan.

Public Content

BACKGROUND

- Special Use Permit (SUP) request for a commercial amusement use
- Applicant: VRKDE, LLC
- Owner: Krupa Bhatti
- Size: Total property is approximately 2 acres, with the lease space for the use being approximately 2,500 square feet
- Site attributes: Existing building with supporting parking
- Current Zoning: C-1, Neighborhood Commercial District

OVERVIEW

At the August 8, 2022 Planning and Zoning Commission meeting, the Commission recommended approval of the proposed SUP request 4-0.

POLICY

- An SUP is required of uses that the zoning ordinance may allow, but uses that are screened and specially approved for situational suitability. The purpose of the SUP requirement is to allow the City to determine the appropriateness of a proposal.
- The subject property is currently identified as Commercial on the Future Land Use Plan, which calls for general retail, restaurants and office type uses.
- The applicant has stated in their request intent to use a lease space within the existing building on the property for a commercial amusement use consisting of virtual reality machines.
- Properties to the west and east are developed and zoned for residential uses, while property to the south is zoned for residential uses and developed as a high school. Property immediately north is zoned and developed for commercial uses.
- The Future Land Use plan supports the SUP request, which calls for non-residential land uses.

RECOMMENDATION

Approve the ordinance for the proposed SUP request as it is in compliance with the Future Land Use Plan and the goals and objectives of the Comprehensive Plan.

[Presentation_SUP Virtual Reality Experience.pdf \(1,227 KB\)](#)

[Ordinance_SUP_Virtual Reality Experience.pdf \(401 KB\)](#)

Special Use Permit Virtual Reality Experience

City Council
September 6, 2022



Request

Conduct a public hearing and consider an ordinance for a Special Use Permit for the Virtual Reality Experience, a commercial amusement use, generally located at 4275 Miles Road, Suite 103, within Sachse city limits.



Project Information

- Request for approval of a Special Use Permit for a commercial amusement use
- Applicant: VRKDE, LLC
- Owner: Krupa Bhatti
- Size: Approximately 2,500 square feet
- Site Attributes: Existing building with supporting parking
- Current Zoning: C-1, Neighborhood Commercial District



Special Use Permit Overview

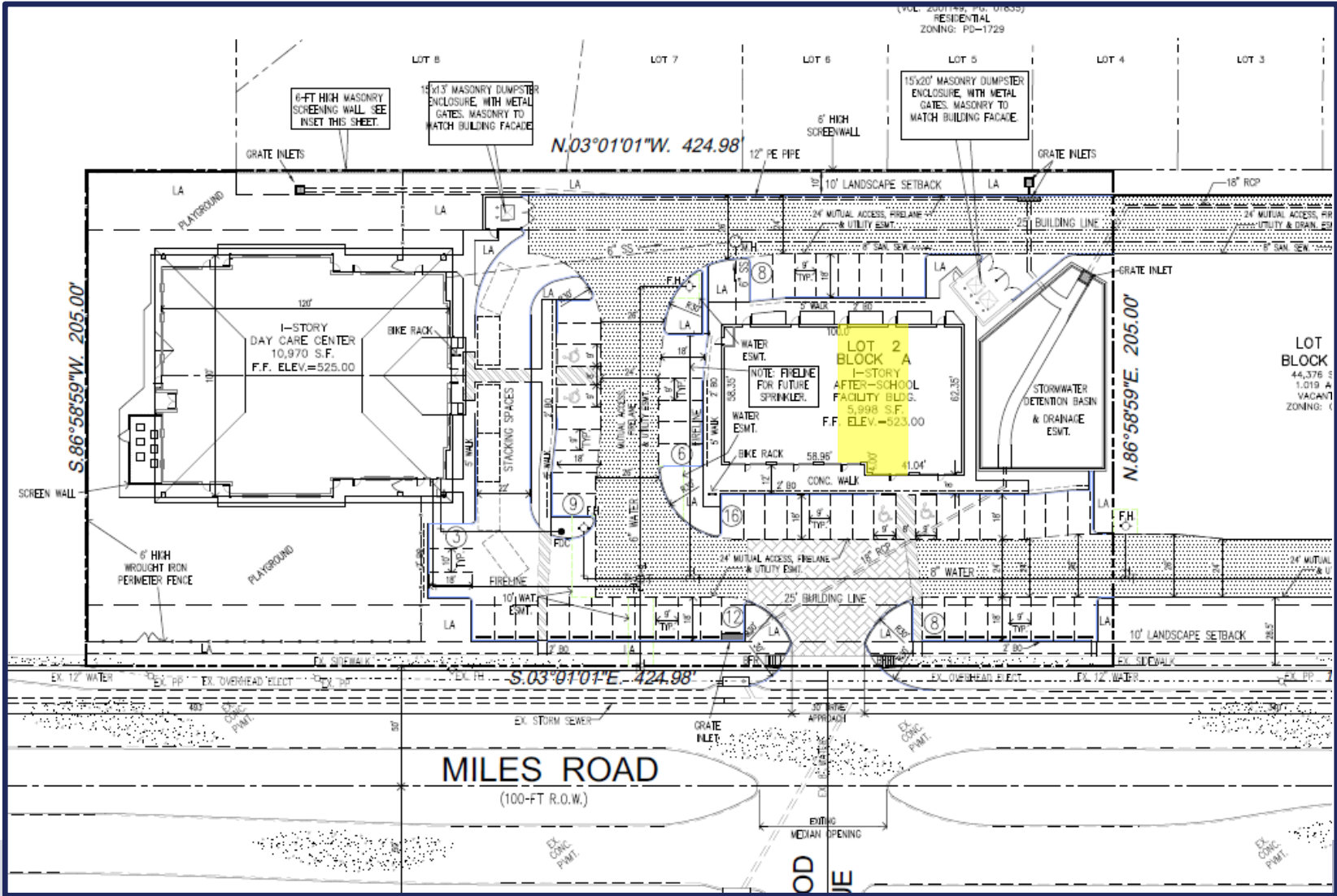
- Chapter 11 of the Sachse Code of Ordinances requires Commercial Amusement uses to obtain a Special Use Permit (SUP) to legally operate in a C-1, Neighborhood Commercial District.
- An SUP is required of uses that the zoning ordinance may allow, but uses that are screened and specially approved for situational suitability. The purpose of the SUP requirement is to allow the City to determine the appropriateness of a proposal.



Aerial Map



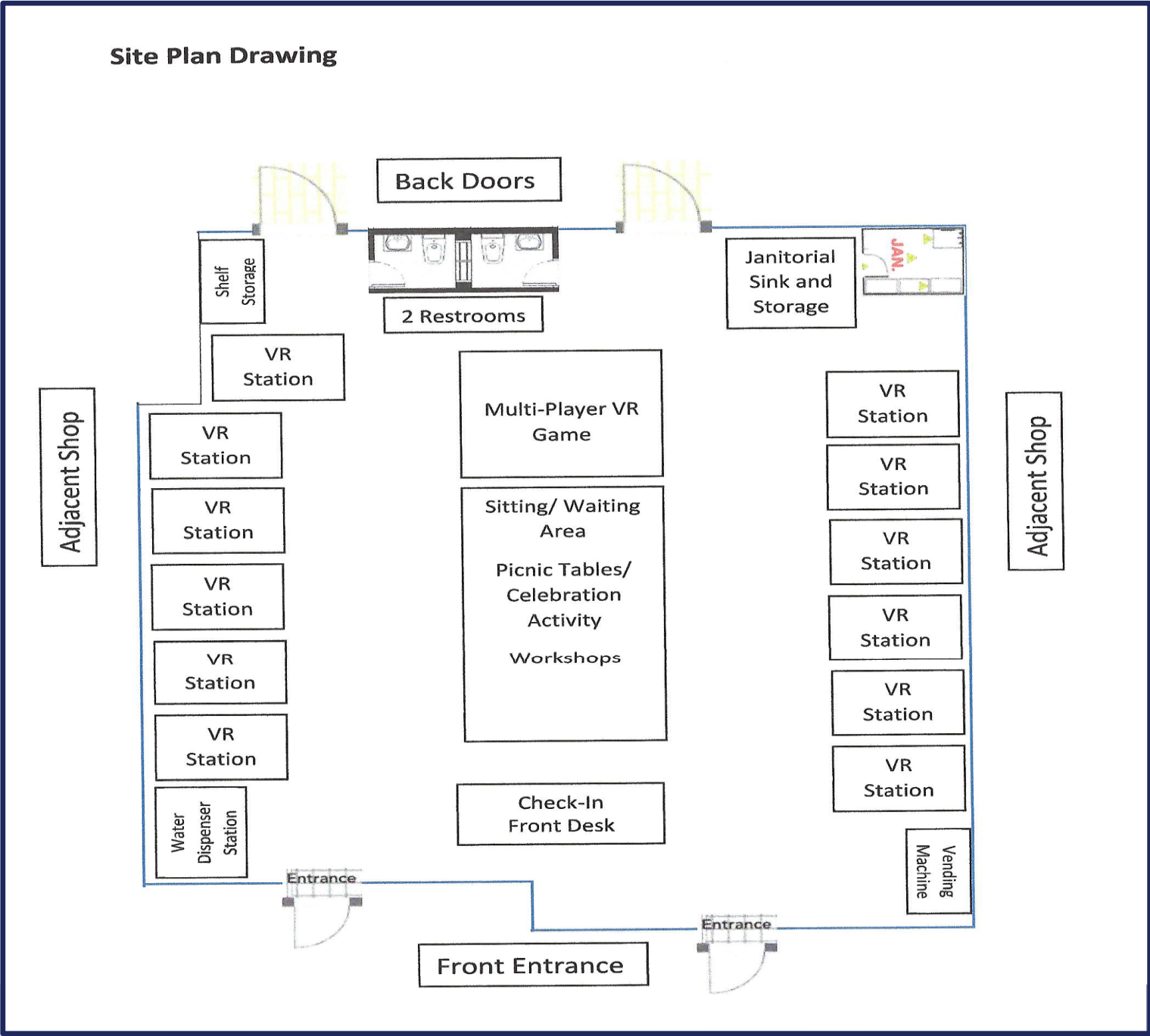
Site Plan



Lease
Space



Floor Plan



Staff Recommendation

- Staff recommends approval of the ordinance for the proposed Special Use Permit.
- At the August 8, 2022, meeting, the Planning & Zoning Commission voted 4-0 to recommend approval of the proposed SUP.



ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE AND MAP OF THE CITY OF SACHSE, AS HERETOFORE AMENDED, BY GRANTING A SPECIAL USE PERMIT (“SUP”) TO ALLOW FOR THE LOCATION OF A COMMERCIAL AMUSEMENT ON LAND ZONED C-1 NEIGHBORHOOD COMMERCIAL (“C-1”), ON ±2,500 SQUARE FEET OF TENANT LEASE SPACE, LOCATED AT 4275 MILES ROAD, SUITE 103, CITY OF SACHSE, DALLAS COUNTY, TEXAS MORE PARTICULARLY DESCRIBED IN EXHIBIT “A” AND SHOWN IN EXHIBIT “B”; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Planning and Zoning Commission of the City of Sachse and the governing body of the City of Sachse, in compliance with state laws applying to amending the Comprehensive Zoning Ordinance and Map, have given the requisite notice by publication and otherwise, and after holding due hearings and affording a full and fair hearing to all property owners generally, the governing body of the City of Sachse is of the opinion that said comprehensive Zoning Ordinance and Zoning Map should be amended as provided herein;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The Comprehensive Zoning Ordinance and Zoning Map of the City of Sachse, Texas, as heretofore amended, be and the same are hereby amended by granting a Special Use Permit (“SUP”) to allow for the location of a commercial amusement use on land zoned C-1 Neighborhood Commercial (“C-1”), consisting of ±2,500 square feet of tenant lease space, located at 4275 Miles Road, Suite 103, City of Sachse, Dallas County, Texas, (the “Property”), and being more particularly described in Exhibit “A” and shown in Exhibit “B” attached hereto and incorporated herein.

SECTION 2. That the above-described Property shall be used only in the manner and for the purposes provided for by the Comprehensive Zoning Ordinance of the City of Sachse, as heretofore amended, subject to the following special conditions:

- (1) The Special Use Permit shall only be for the location of a commercial amusement use;
- (2) The property shall be developed in accordance with the requirements of the C-1 Neighborhood Commercial District (“C-1”);
- (3) The property shall be developed in accordance with the Concept Plan attached hereto and incorporated herein as Exhibit “B”, and which is hereby approved;

- (4) In the event a conflict exists between the City's Code of Ordinances and the Concept Plan, the Code of Ordinances shall govern the development of the Property.

SECTION 3. That all provisions of the ordinances of the City of Sachse in conflict with the provisions of this ordinance be and the same are hereby repealed.

SECTION 4. Should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision hereof other than the part so decided to be invalid, illegal or unconstitutional, and shall not affect the validity of the Comprehensive Zoning Ordinance as a whole.

SECTION 5. An offense committed before the effective date of this ordinance is governed by the prior law and the provisions of the Code of Ordinances, as amended, in effect when the offense was committed and the former law is continued in effect for this purpose.

SECTION 6. Any person, firm or corporation violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Comprehensive Zoning Ordinance of the City of Sachse, as heretofore amended, and upon conviction shall be punished by a fine not to exceed the sum of two thousand dollars (\$2,000.00) for each offense; and each and every day such violation shall continue shall be deemed to constitute a separate offense.

SECTION 7. This ordinance shall take effect immediately from and after its passage.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas on the 6th day of September, 2022.

APPROVED:

Jeff Bickerstaff
Mayor

DULY ENROLLED:

Leah K Granger
City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr., City Attorney
(06-10-2019:TM108661)

EXHIBIT "A"
Description of Property

4275 Miles Road, Suite 103, Sachse, Texas

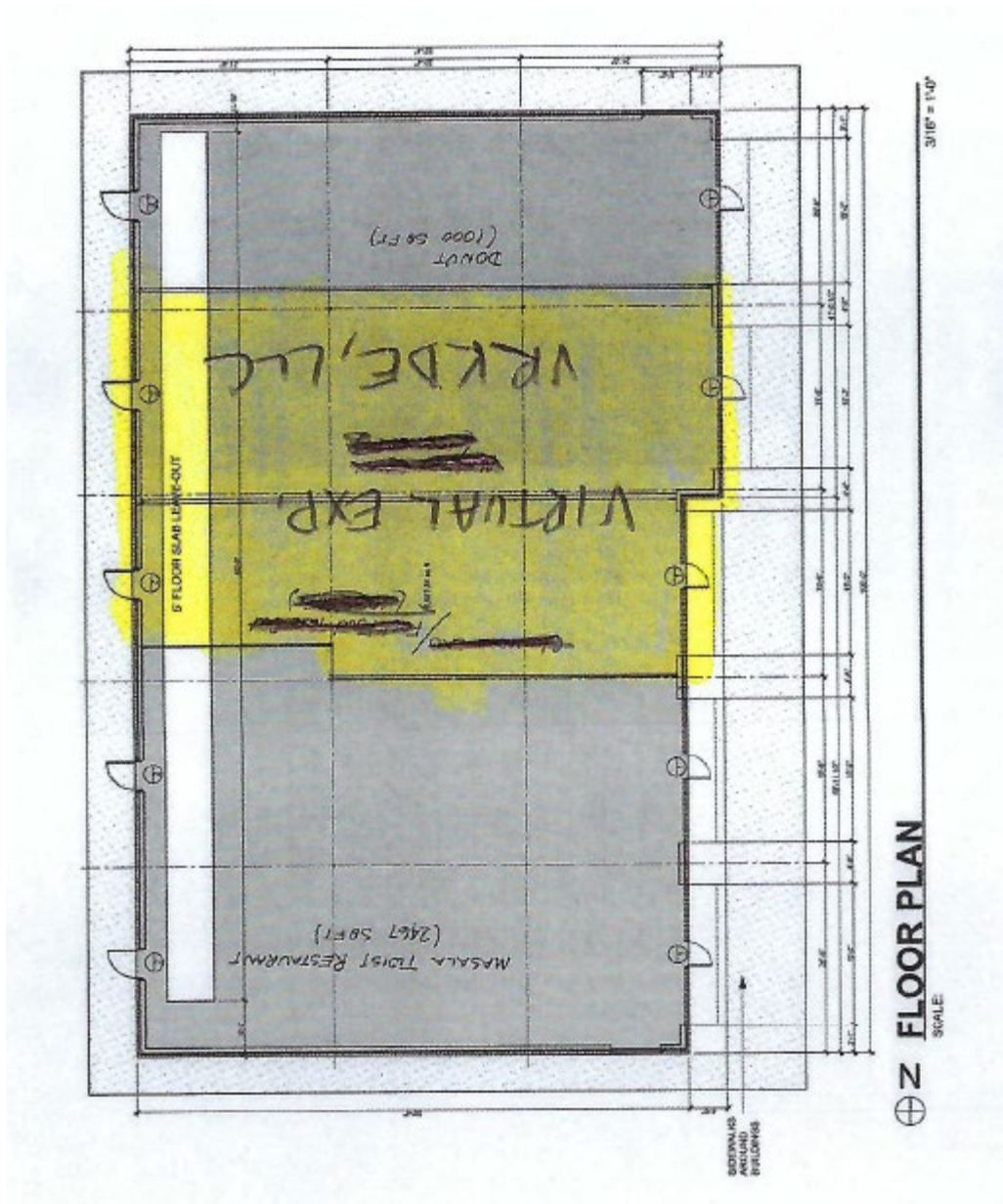
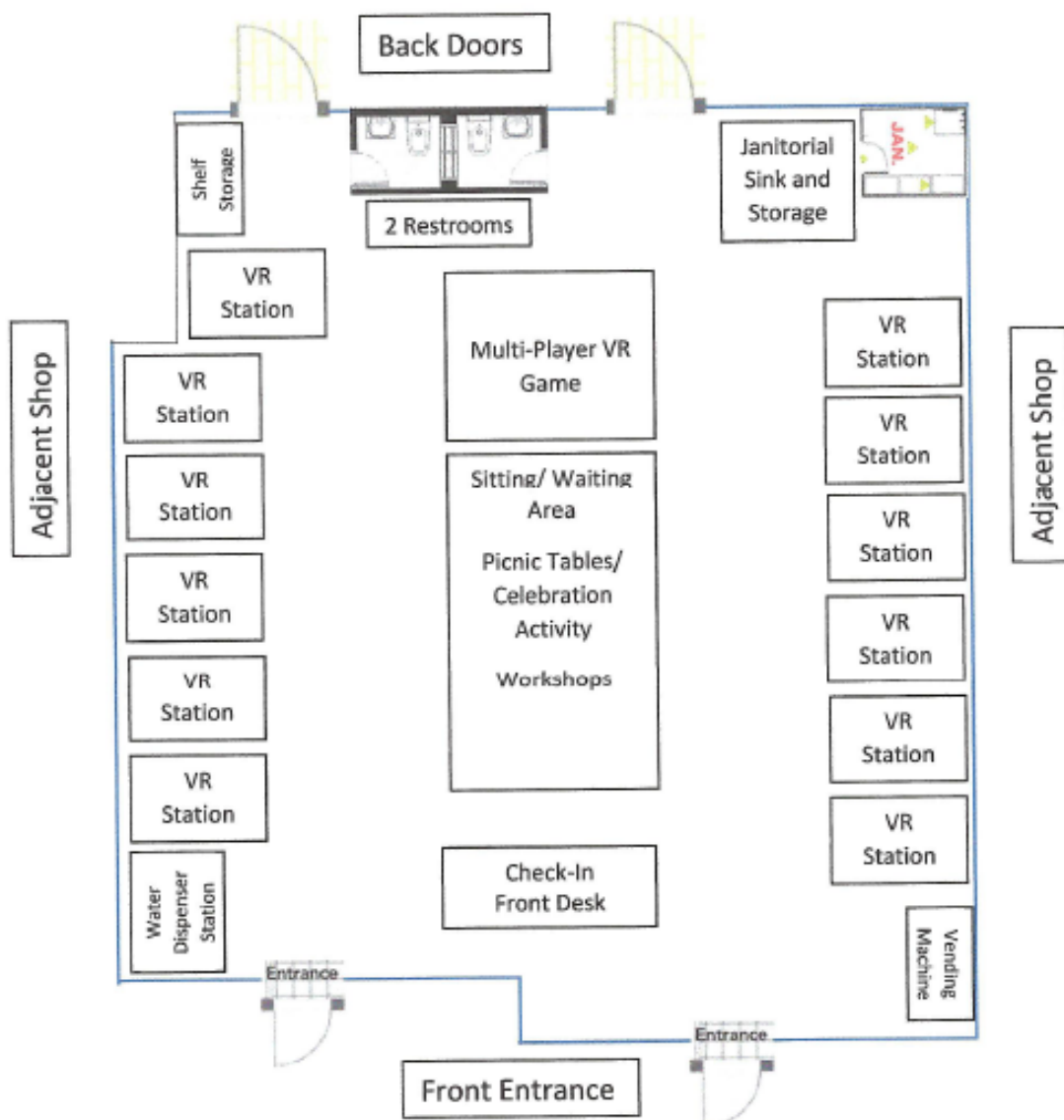


EXHIBIT “B”

Site Plan Drawing





Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	2. Conduct a public hearing and consider an ordinance for a rezoning request for Oxford Glen Memory Care from C-2, General Commercial to PD, Planned Development District, to allow for an Assisted Living and Memory Care use, located at 4546 Bunker Hill Road, within Sachse city limits.
Access	Public
Type	Action, Discussion, Information
Fiscal Impact	No
Budgeted	No
Recommended Action	Approve the ordinance for the proposed rezoning request for Oxford Glen Memory Care as it is in compliance with the Future Land Use Plan and the goals and objectives of the Comprehensive Plan.

Public Content

BACKGROUND

- Rezoning request for a Assisted Living/Memory Care use
- Applicant: David Krukiel
- Owner: Oxford Sachse Memory Care, Ltd.
- Size: Total property is approximately 4.35 acres
- Site attributes: Existing building with supporting parking
- Current Zoning: C-2, General Commercial District

OVERVIEW

- At the August 8, 2022 Planning and Zoning Commission meeting, the Commission recommended approval of the proposed rezoning request 4-0.

POLICY

- The existing facility was constructed in 2014 and has been in operation since that time. The current use was permitted under the C-2 General Commercial zoning district, until subsequent zoning amendments made the use non-conforming by removing the use from the permitted uses within the zoning district.
- The subject property is currently identified as commercial on the Future Land Use Plan, which calls for general retail, restaurants and office type uses.
- The applicant has stated in their request that the zoning is to allow for the use that currently exists on the property and to allow for a rebuild of the existing facility should the property experience a loss that is greater than 75% of the replacement cost.
- Properties to the west, east, and south are all identified for commercial uses in the Comprehensive Plan, with portions of the property to the east, west, and south currently developed with non-residential uses.

RECOMMENDATION

Approve the ordinance for the proposed rezoning request for Oxford Glen Memory Care as it is in compliance with the Future Land Use Plan and the goals and objectives of the Comprehensive Plan.

[Presentation_Rezoning for Oxford Glen.pdf \(638 KB\)](#)

[Ordinance_PD Rezoning_Oxford Glen.pdf \(2,318 KB\)](#)

PD - Rezoning Oxford Glen Memory Care

City Council
September 6, 2022



Request

Conduct a public hearing and consider an ordinance for a rezoning request for Oxford Glen Memory Care from C-2, General Commercial to PD, Planned Development District, to allow for an Assisted Living and Memory Care use, located at 4546 Bunker Hill Road, within Sachse city limits.



Project Information

- Rezoning request for an Assisted Living/Memory Care use
- Applicant: David Krukiel
- Owner: Oxford Sachse Memory Care, Ltd.
- Size: Approximately 4.35 acres
- Site Attributes: Existing building with supporting parking
- Current Zoning: C-2, General Commercial District



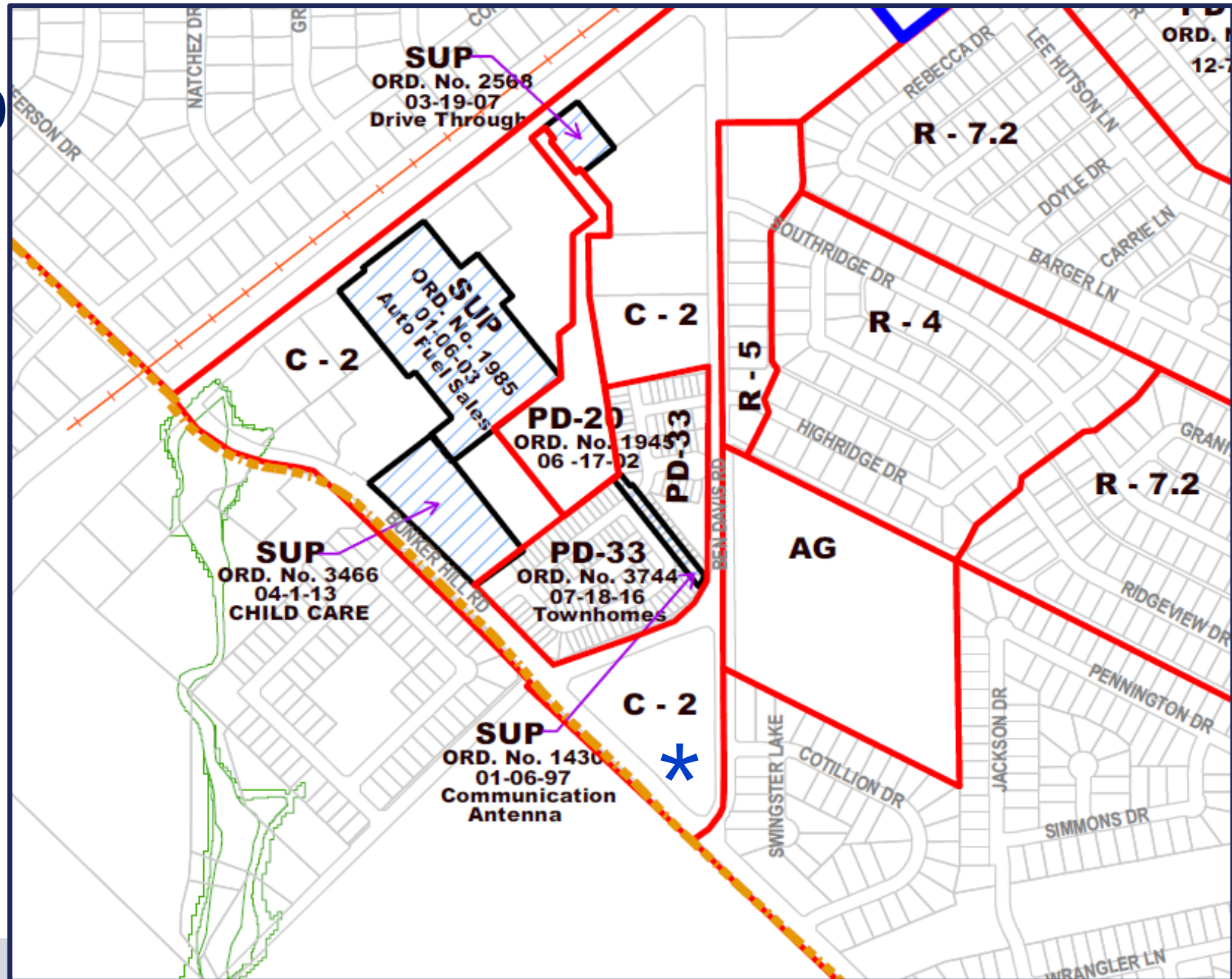
Overview

- Subject property is currently developed as Oxford Glen Memory Care.
- When the project was constructed, the use was permitted in the C-2, General Commercial District. Since that time the ordinance has been amended to remove the use from the C-2 zoning district making the use non-conforming.
- In the event the structure occupied by a non-conforming use is destroyed by fire, elements, or other cause in excess of 75% of its reasonable value, it may not be rebuilt except to conform to the provisions of the zoning ordinance.
- The applicant has requested to rezone the property to PD to follow the base C-2 zoning requirements, with the addition of Assisted Living / Memory Care as a permitted use.



Zoning Map

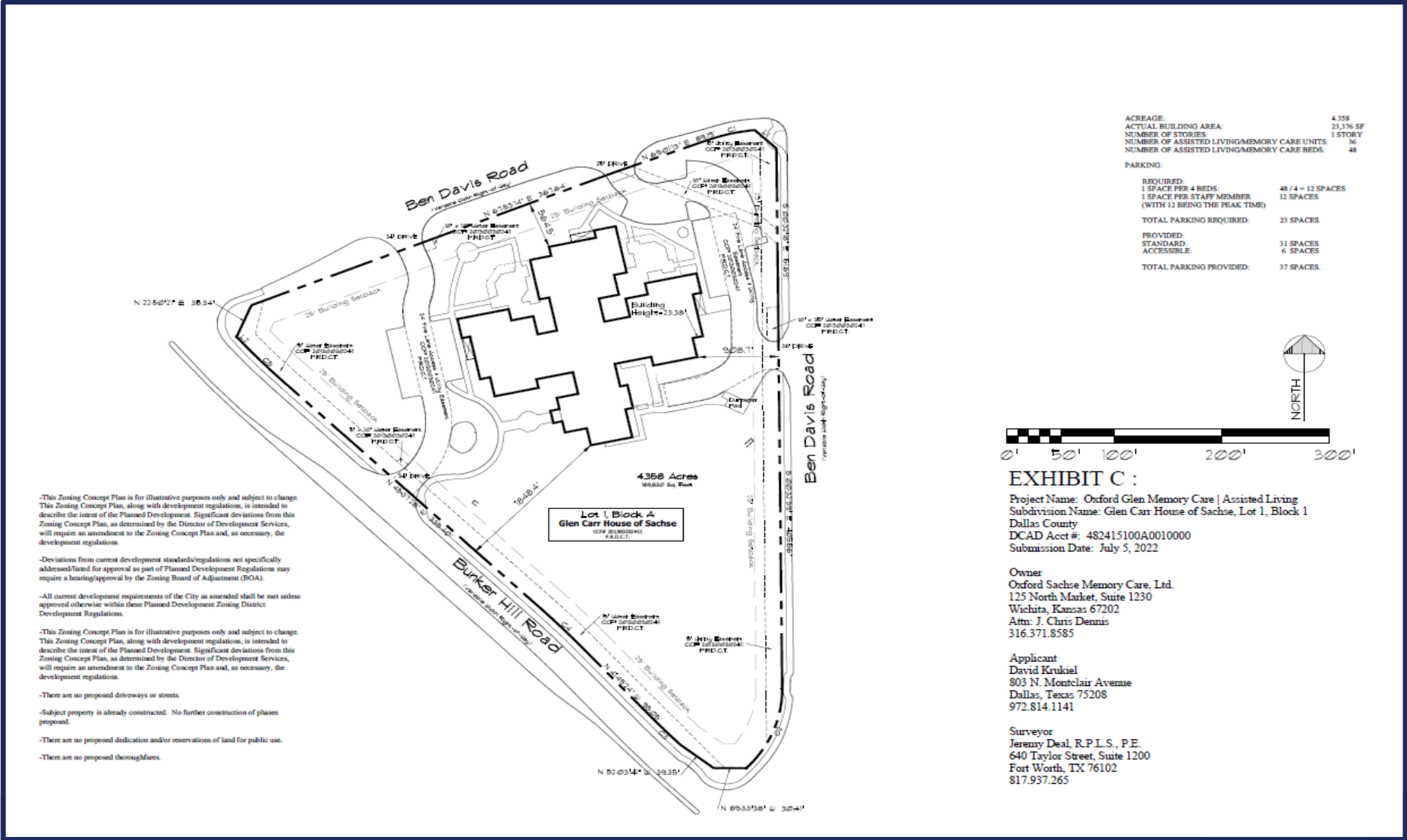
✧ Subject Property



Aerial Map



Site Plan/Concept Plan



Staff Recommendation

- Staff recommends approval of the ordinance for the proposed rezoning.
- At the August 8, 2022 meeting, the Planning & Zoning Commission voted 4-0 to recommend approval of the proposed SUP.



ORDINANCE NO. ____

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, AMENDING THE COMPREHENSIVE ZONING ORDINANCE AND MAP, AS HERETOFORE AMENDED; BY CHANGING THE ZONING RELATING TO THE USE AND DEVELOPMENT OF A 4.35± ACRE TRACT OF LAND OF THE GLEN CARR HOUSE OF SACHSE, LOT 1, BLOCK 1 SUBDIVISION, CITY OF SACHSE, DALLAS COUNTY, TEXAS, MORE PARTICULARLY DESCRIBED IN EXHIBIT “A” ATTACHED HERETO FROM C-2 GENERAL COMMERCIAL TO PLANNED DEVELOPMENT NO. 38 (“PD-38”) GENERALLY TO ALLOW FOR AN ASSISTED LIVING AND MEMORY CARE USE; APPROVING DEVELOPMENT REGULATIONS; PROVIDING A CONFLICTS RESOLUTION CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000.00) FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Planning and Zoning Commission of the City of Sachse and the governing body of the City of Sachse, in compliance with state laws applying to amending the Comprehensive Zoning Ordinance and Map, have given the requisite notice by publication and otherwise, and after holding due hearings and affording a full and fair hearing to all property owners generally, the governing body of the City of Sachse is of the opinion that said comprehensive Zoning Ordinance should be amended as provided herein;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The Comprehensive Zoning Ordinance and Map of the City of Sachse, Texas, as heretofore amended, be and the same are hereby further amended by changing the zoning relating to the use and development of a 4.35± acre tract of land on Lot 1, Block 1 of the Glen Carr House subdivision, City of Sachse, Dallas County, Texas, more particularly described in Exhibit “A” attached hereto and incorporated herein by reference (“the Property”) from C-2 to Planned Development No.38 (“PD-38”) subject to the provisions of this Ordinance.

SECTION 2. That the property in Planned Development District No. 38, further described in Exhibit “A” shall be developed and used only in accordance with the C-2 General Commercial District Development Standards and the Concept Plan which is attached hereto as Exhibit “B” and incorporated herein for all purposes.

SECTION 3. In the event of an irreconcilable conflict between the provisions of another previously adopted ordinance of the City of Sachse and the provisions of this Ordinance as applicable to the use and development of the Property, the provisions of this Ordinance shall be controlling.

SECTION 4. Should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this ordinance as a whole, or any part or provision hereof other than the part so decided to be invalid, illegal, or unconstitutional, and shall not affect the validity of the Comprehensive Zoning Ordinance as a whole.

SECTION 5. An offense committed before the effective date of this ordinance is governed by the prior law and the provisions of the Code of Ordinances, as amended, in effect when the offense was committed and the former law is continued in effect for this purpose.

SECTION 6. Any person, firm, or corporation violating any of the provisions or terms of this ordinance shall be subject to the same penalty as provided for in the Comprehensive Zoning Ordinance of the City of Sachse, as heretofore amended, and upon conviction shall be punished by a fine not to exceed the sum of Two Thousand and No/100 Dollars (\$2,000.00) for each offense; and each and every day such violation shall continue shall be deemed to constitute a separate offense.

SECTION 7. This ordinance shall take effect immediately from and after its passage and the publication of the caption, as the law and Charter in such cases provide.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas on the 6th day of September, 2022.

APPROVED:

Jeff Bickerstaff
Mayor

DULY ENROLLED:

Leah K Granger
City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr., City Attorney
(06-10-2019:TM108661)

EXHIBIT “A”

Description of Property

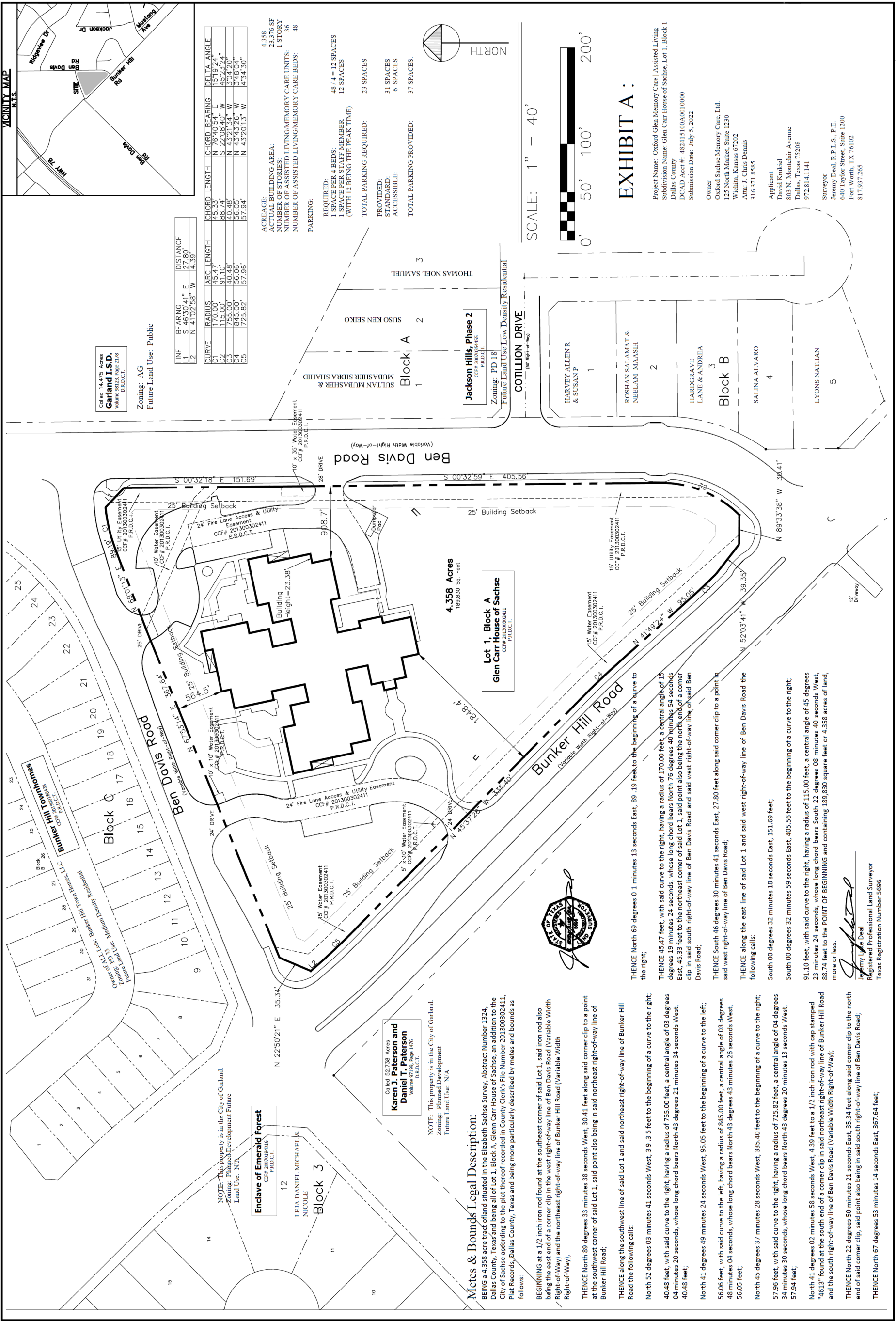


EXHIBIT “B”
Concept Plan

ACREAGE: 4.356
TOTAL BUILDING AREA: 23,566 SF
NUMBER OF STORIES: 1 STORY
NUMBER OF ASSISTED LIVING/MEMORY CARE UNITS: 36
NUMBER OF ASSISTED LIVING/MEMORY CARE BEDS: 48

PARKING:

REQUIRED:
1 SPACE PER 4 BEDS: 48 / 4 = 12 SPACES
1 SPACE PER STAFF MEMBER (WITH 12 BEING THE PEAK TIME): 12 SPACES
TOTAL PARKING REQUIRED: 23 SPACES
PROVIDED:
STANDARD: 31 SPACES
ACCESSIBLE: 6 SPACES
TOTAL PARKING PROVIDED: 37 SPACES.



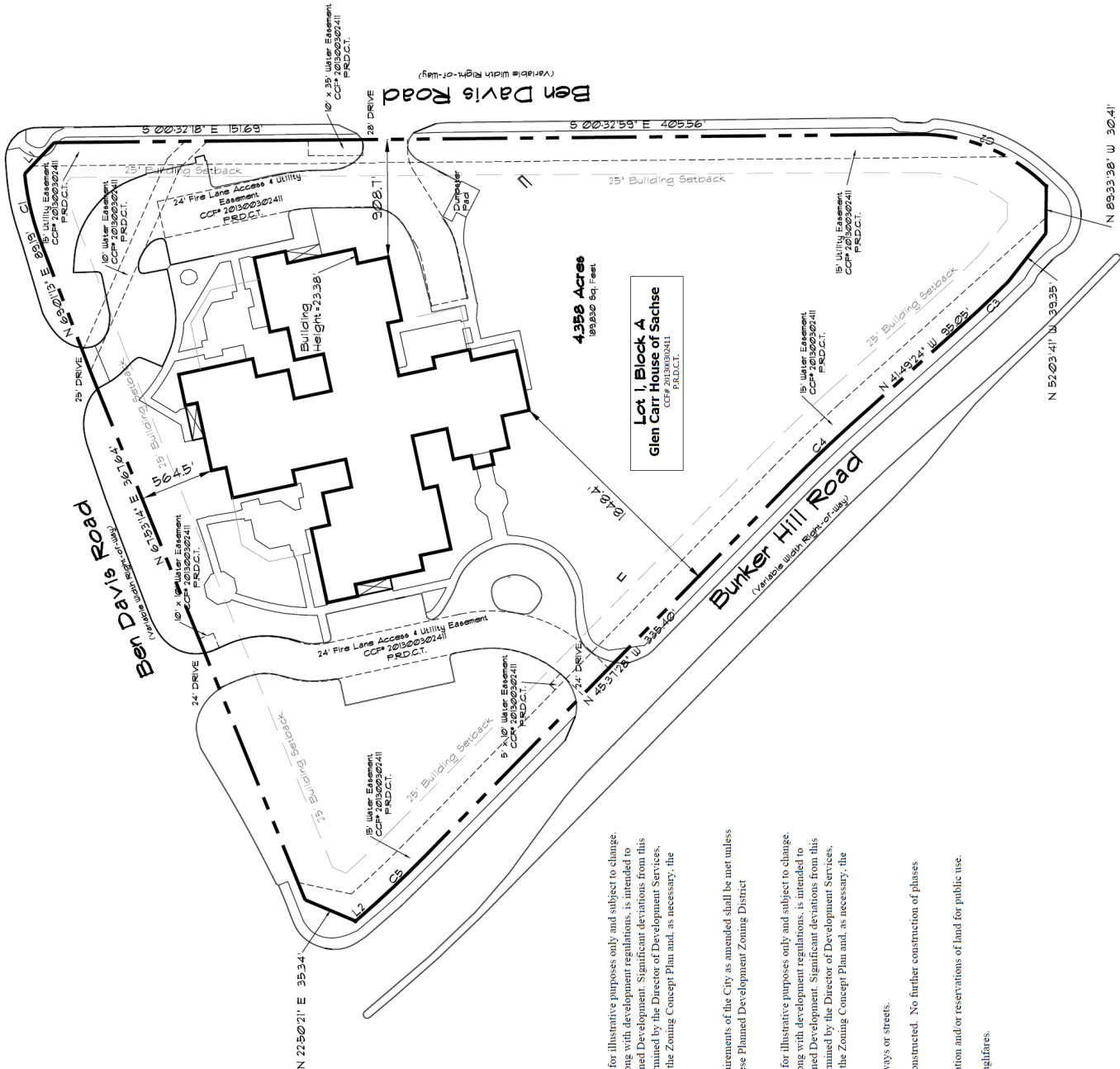
EXHIBIT B :

Project Name: Oxford Glen Memory Care | Assisted Living
Subdivision Name: Glen Carr House of Sachse, Lot 1, Block 1
Dallas County
DCAD Acct #: 482415100A0010000
Submission Date: July 5, 2022

Owner
Oxford Sachse Memory Care, Ltd.
125 North Market, Suite 1230
Wichita, Kansas 67202
Attn: J. Chris Dennis
316.371.8585

Applicant
David Krukiel
803 N. Montclair Avenue
Dallas, Texas 75208
972.814.1141

Surveyor
Jeremy Deal, R.P.L.S., P.E.
640 Taylor Street, Suite 1200
Fort Worth, TX 76102
817.937.265



-This Zoning Concept Plan is for illustrative purposes only and subject to change. This Zoning Concept Plan, along with development regulations, is intended to describe the intent of the Planned Development. Significant deviation from this Zoning Concept Plan, as determined by the Director of Development Services, will require an amendment to the Zoning Concept Plan and, as necessary, the development regulations.

-All current development requirements of the City as amended shall be met unless approved otherwise within these Planned Development Zoning District Development Regulations.

-This Zoning Concept Plan is for illustrative purposes only and subject to change. This Zoning Concept Plan, along with development regulations, is intended to describe the intent of the Planned Development. Significant deviations from this Zoning Concept Plan, as determined by the Director of Development Services, will require an amendment to the Zoning Concept Plan and, as necessary, the development regulations.

-There are no proposed driveways or streets.

-Subject property is already constructed. No further construction of phases proposed.

-There are no proposed dedication and/or reservations of land for public use.

-There are no proposed thoroughfares.



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	3. Conduct a public hearing on the proposed 2022-2023 fiscal year budget.
Access	Public
Type	Discussion, Information
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

The City Manager's FY 2022-2023 Proposed Budget for citywide programs and services was presented to City Council on August 15, 2022, and budget information was distributed for City Council review and consideration. The proposed budget is posted on the City website and copies are on file with the City Secretary and at the Sachse Public Library for public inspection.

Changes since the August 15 Proposed Budget include the following:

Utility Fund

The indirect overhead allocation of internal service department General Fund costs was revised to reflect recommended supplemental budget requests. Changes from the Proposed Budget included:

Utility Fund Proposed Budget	\$18,102,577
Incremental Changes:	
Water Indirect Overhead Transfer to General Fund	59,773
Sewer Indirect Overhead Transfer to General Fund	47,020
Revised Utility Fund Total	\$18,209,370

Sachse Economic Development Corporation

The Sachse Economic Development Corporation (EDC) held a meeting on August 18 to consider the EDC FY 2022-2023 budget. The EDC approved the FY 2022-2023 budget with recommended changes from staff as presented. Changes from the Proposed Budget included:

Economic Development Corporation Proposed Budget	\$624,893
Incremental Changes:	
Dues and Subscriptions	7,000
Advertising and Legal Publications	2,700
Web Page Services	(6,235)
Indirect Overhead Transfer to General Fund	7,999
Revised EDC Fund Total	\$636,357

The City Charter states that the City Council shall conduct public hearings on the proposed budget as required by state law, and shall conduct at least one public hearing. At this hearing, interested members of the public may express their opinions concerning items of expenditures, giving their reasons for wishing to increase or decrease any items of expense.

On June 6, the City Council opened the floor to receive early resident and stakeholder input regarding the fiscal year 2022-2023 budget. The public is also invited to address the Council during the Public Comment period of City Council Meetings. This public hearing is an additional opportunity to allow public input regarding proposed revenues and expenditures for fiscal year 2022-2023. The proposed budget revenues and expenditures can be amended by the City Council prior to adoption of the budget ordinance.

POLICY CONSIDERATIONS

The budget document sets the financial and operational direction of the City for the next fiscal year.

RECOMMENDATION

Conduct a public hearing on the proposed 2022-2023 fiscal year budget.

[2022-2023 Notice of Public Hearing on Budget.pdf \(104 KB\)](#)

NOTICE OF PUBLIC HEARING

CITY OF SACHSE

PROPOSED OPERATING BUDGET FISCAL YEAR 2022-2023

The City of Sachse will hold a Public Hearing on the proposed budget for the fiscal year 2022-2023 on **September 6, 2022 at 6:30 p.m.** at Sachse City Hall, 3815-B Sachse Road, Sachse, Texas 75048.

This budget will raise more revenue from property taxes than last year's budget by an amount of \$3,042,887, which is a 15.74 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,837,950.

The public is invited to attend and make comments. Please see www.cityofsachse.com for instructions on participating in virtual meetings.

A copy of the proposed budget is on file with the City Secretary's Office located at 3815-B Sachse Road, Sachse, Texas 75048, and it is also available on the City of Sachse website www.cityofsachse.com.



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	4. Consider an ordinance approving and adopting the budget for the fiscal year beginning October 1, 2022, and ending September 30, 2023.
Access	Public
Type	Action, Discussion
Preferred Date	Sep 06, 2022
Fiscal Impact	No
Recommended Action	Approve the ordinance approving and adopting the budget for the fiscal year beginning October 1, 2022, and ending September 30, 2023.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

In accordance with Section 7.15 of the City Charter, the City held a public hearing on the proposed budget of programs and services for the ensuing year on September 6, 2021. The required "Notice of Public Hearing" was published. In accordance with Section 7.02 of the City Charter, the City Council shall, prior to the beginning of the fiscal year, adopt the budget by a favorable majority of the full membership of the City Council. Final adoption of the budget by the City shall constitute the official appropriations as proposed by the City Manager for the fiscal year beginning October 1, 2022, and ending September 30, 2023. Additionally, the General Fund budget of programs and services shall constitute the basis of the official levy of the property tax as the amount of tax to be assessed and collected for the corresponding tax year.

POLICY CONSIDERATIONS

This document sets the financial and operational direction of the City for the next year.

The proposed tax rate is \$0.650416 per \$100 assessed value.

Changes since the August 15 Proposed Budget include the following:

Utility Fund

The indirect overhead allocation of internal service department General Fund costs was revised to reflect recommended supplemental budget requests. Changes from the Proposed Budget included:

Utility Fund Proposed Budget	\$18,102,577
Incremental Changes:	
Water Indirect Overhead Transfer to General Fund	59,773
Sewer Indirect Overhead Transfer to General Fund	47,020
Revised Utility Fund Total	\$18,209,370

Sachse Economic Development Corporation

The Sachse Economic Development Corporation (EDC) held a meeting on August 18 to consider the EDC FY 2022-2023 budget. The EDC approved the FY 2022-2023 budget as presented. Changes from the Proposed Budget included:

Economic Development Corporation Proposed Budget	\$624,893
Incremental Changes:	
Dues and Subscriptions	7,000
Advertising and Legal Publications	2,700
Web Page Services	(6,235)
Indirect Overhead Transfer to General Fund	7,999
Revised EDC Fund Total	\$636,357

The proposed 2022-2023 Budgeted Expenditures are as follows:

Fund	Proposed Budget (August 15)	Changes	Proposed for Budget Adoption
General	\$24,745,406	-	\$24,745,406
<u>Other Governmental Funds</u>			
2022 Bond Construction	16,685,000	-	16,685,000
American Rescue Plan Act	5,300,000	-	5,300,000
General Capital Projects	5,882,500	-	5,882,500
Debt Service	6,189,422	-	6,189,422
Impact Fee	1,300,000	-	1,300,000
Special Revenue	462,697	-	462,697
Street Maintenance Tax	650,000	-	650,000
Vehicle/Equipment Replacement	458,404	-	458,404
<u>Internal Service Funds</u>			
Health Insurance	2,433,180	-	2,433,180
<u>Enterprise Funds</u>			
Utility	18,102,577	106,793	18,209,370
<u>Component Units</u>			
Economic Development Corporation	624,893	11,464	636,357
Municipal Development District	778,250	-	778,250
Total Budget	\$83,612,329	\$118,257	\$83,730,586

The total amount includes \$7,612,443 in inter-fund transfers.

Capital Project Expenditures include the following:

Project Category	Total
Streets	\$6,150,000
Water	5,550,000
Sewer	2,250,000
Drainage	1,580,000
Parks & Trails	1,040,750
Facilities	120,000
Bond Proposition 2021	16,685,000
Total	\$33,375,750

RECOMMENDATION

Approve the ordinance approving and adopting the budget for the fiscal year beginning October 1, 2022, and ending September 30, 2023.

[Ordinance Approving and Adopting Fiscal Year 2022-2023 Budget.pdf \(79 KB\)](#)

[Exhibit B 2022-2023 Capital Improvement Program.pdf \(144 KB\)](#)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, APPROVING AND ADOPTING A BUDGET FOR FISCAL YEAR BEGINNING OCTOBER 1, 2022, AND ENDING SEPTEMBER 30, 2023; PROVIDING THAT EXPENDITURES FOR SAID FISCAL YEAR SHALL BE MADE IN ACCORDANCE WITH SAID BUDGET; APPROPRIATING AND SETTING ASIDE THE NECESSARY FUNDS OUT OF THE GENERAL AND OTHER REVENUES FOR SAID FISCAL YEAR FOR THE MAINTENANCE AND OPERATION OF THE VARIOUS DEPARTMENTS AND FOR VARIOUS ACTIVITIES AND IMPROVEMENTS OF THE CITY; PROVIDING FOR THE ADOPTION OF A CAPITAL IMPROVEMENT PLAN; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, an annual budget for the fiscal year beginning October 1, 2022, and ending September 30, 2023, has been duly created by the financial office of the City of Sachse, Texas, in accordance with Chapter 102.002 of the Local Government Code; and

WHEREAS, as required by Section 7.02 of the City Charter, the City Manager has prepared and submitted to the City Council a proposed budget reflecting financial policies for the year and forecasting revenues and expenditures for conducting the affairs of the City and providing a complete financial plan for the fiscal year beginning October 1, 2022, and ending September 30, 2023; and

WHEREAS, as required by Section 7.04 of the City Charter, the proposed budget has been filed with the office of the City Secretary and the proposed budget was made available for public inspection in accordance with Chapter 102.005 of the Local Government Code and Section 7.04 of the City Charter; and

WHEREAS, a public hearing was held by the City in accordance with Chapter 102.006 of the Local Government Code and Section 7.05 of the City Charter, following due publication of notice thereof, at which time all citizens and parties of interest were given the opportunity to be heard regarding the proposed budget; and

WHEREAS, after full and final consideration, it is the opinion of the Sachse City Council that the 2022-2023 fiscal year budget as hereinafter set forth should be adopted.

WHEREAS, in conjunction with the adoption of the 2022-2023 fiscal year budget, it is the opinion of the Sachse City Council that the Capital Improvement Program should be adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS:

SECTION 1. That the proposed budget of the revenue and expenditures necessary for conducting the affairs of the City of Sachse, Texas for the fiscal year beginning October 1, 2022, and ending September 30, 2023, as submitted to the City Council by the City Manager, attached hereto as Exhibit "A", be and the same is hereby adopted as the budget of the City of Sachse for the fiscal year beginning October 1, 2022 and ending September 30, 2023.

SECTION 2. That the expenditures during the fiscal year beginning October 1, 2022, and ending September 30, 2023, shall be made in accordance with the budget approved by this ordinance unless otherwise authorized by a duly enacted ordinance of the City of Sachse, Texas.

SECTION 3. That the Capital Improvement Program, as submitted to the City Council by the City Manager, attached hereto as Exhibit “B”, be and the same is hereby adopted as the Capital Improvement Program of the City of Sachse, Texas.

SECTION 4. That all budget amendments and transfers of appropriations budgeted from one account or activity to another within any individual activity for the fiscal year 2021-2022 are hereby ratified, and the budget approval for fiscal year 2021-2022, heretofore enacted by the City Council, be and the same is hereby amended to the extent of such transfers and amendments for all purposes.

SECTION 5. That all ordinances of the City of Sachse, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 6. That should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 7. This Ordinance shall take effect immediately from and after its passage as the law and charter in such cases provides.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas this the 6th day of, 2022.

APPROVED:

Jeff Bickerstaff,
Mayor

DULY ENROLLED:

Leah Granger,
City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr.
City Attorney
(08-31-2022:TM 131301)

City of Sachse
Budget Fiscal Year Beginning October 1, 2022
Exhibit "A"

Fund	Operating Budget	Capital Budget	2022-2023 Budget
General Fund	\$24,745,406	\$0	\$24,745,406
<u>Other Governmental Funds</u>			
2022 Bond Construction Fund	-	16,685,000	16,685,000
American Rescue Plan Act Fund	-	5,300,000	5,300,000
General Capital Projects Fund	-	5,882,500	5,882,500
Debt Service Fund	6,189,422	-	6,189,422
Impact Fee Fund	1,300,000	-	1,300,000
Special Revenue Fund	462,697	-	462,697
Street Maintenance Tax Fund	-	650,000	650,000
Vehicle/Equipment Replacement Fund	458,404	-	458,404
<u>Internal Service Funds</u>			
Health Insurance Fund	2,433,180	-	2,433,180
<u>Enterprise Funds</u>			
Utility Fund	14,129,370	4,080,000	18,209,370
<u>Component Units</u>			
Economic Development Corporation	636,357	-	636,357
Municipal Development District	-	778,250	778,250
Total City Budget	\$50,354,836	\$33,375,750	\$83,730,586

Exhibit "B"
2022-2023 Capital Improvement Program

EXPENDITURES													
CIP No.	Project	Estimated Capital Project Cost	Budget Thru FY 20-21	FY 21-22 Budget	21-22 Amendments*	Budget Thru FY 21-22	22-23 Budget	FY 23-24 Estimate	FY 24-25 Estimate	FY 25-26 Estimate	FY 26-27 Estimate	FY 27-28 Estimate	Total Project Cost
Streets													
R-12-08	5th Street/Sachse Road Widening - SH 78 to Miles ^(U)	6,702,100	6,302,100		400,000	6,702,100	1,000,000	-	-	-	-	-	6,702,100
R-12-13	Merritt Road Re-alignment & Widening ^(U)	6,000,000	5,000,000			5,000,000		-	-	-	-	-	6,000,000
R-13-03	Pleasant Valley Road ^(U)	300,000	300,000			300,000		-	-	-	-	-	300,000
R-19-02	Brookview Drive - Phase 1	60,000	60,000			60,000		-	-	-	-	-	60,000
R-19-03	Hilltop Trail & Meadow Lane Rehabilitation ^(U)	600,000	300,000		300,000	600,000		-	-	-	-	-	600,000
R-19-04	Anthony Lane Rehabilitation ^(U)	200,000	230,000	230,000	(260,000)	200,000	1,300,000	-	-	-	-	-	200,000
R-19-07	Coral Lane ^(C/SC)	50,000	80,000		(30,000)	50,000		-	-	-	-	-	50,000
R-20-03	Signal Improvements - Construction ^(U)	1,423,395	1,395,395	1,300,000	28,000	1,423,395		-	-	-	-	-	1,423,395
IF-21-01	Roadway Impact Fee Study ^(U)	50,000	50,000			50,000		-	-	-	-	-	50,000
R-21-02	Hudson Drive ^(U)	3,000,000	400,000			1,700,000		-	-	-	-	-	3,000,000
R-21-04	Bunker Hill (The Station Blvd.)	1,650,000	1,650,000			1,650,000		-	-	-	-	-	1,650,000
R-21-20	Major Alley Rehabilitation - Multiple Locations ^(U)	946,000	672,000		274,000	946,000		-	-	-	-	-	946,000
R-21-21	2021 Asphalt Roadway Improvements	63,500	63,500	650,000		63,500	300,000	-	-	-	-	-	63,500
R-21-23	Eastview Drive - Pleasant Valley to End	-	-			-		-	-	-	-	-	-
R-22-01	2022 Alley Projects	950,000	-			650,000		-	-	-	-	-	950,000
R-22-05	5th Street Project	3,000,000	-		352,000	352,000		-	-	-	-	-	3,002,000
R-22-06	Bailey-Hooper Road Overlay	275,000	-		275,000	275,000		-	-	-	-	-	275,000
R-23-01	Williford Road Overlay	250,000	-			-	250,000	-	-	-	-	-	250,000
R-23-02	6th Street Alley and Street Repair	350,000	-			-	350,000	-	-	-	-	-	350,000
R-23-03	Miscellaneous Concrete Street Repair	300,000	-			-	300,000	-	-	-	-	-	300,000
	Old Ben Davis - Ben Davis Road to Bunker Hill Road	900,000	-			-		-	-	-	-	-	-
	Salmon Estates Major Rehabilitation	-	-			-		-	-	-	-	-	-
Subtotal Streets		27,069,995	16,502,995	2,480,000	1,039,000	20,021,995	6,150,000	-	-	-	-	-	26,171,995
Water													
W-12-15	Southwest Water Tower Construction ^(C/SC)	2,000,000	2,000,000			2,000,000	5,300,000	-	-	-	-	-	2,000,000
W-14-01	Maxwell Creek Pump Station ^(U)	5,765,000	310,000		155,000	465,000		-	-	-	-	-	5,765,000
W-14-02	12-inch WL Pleasant Valley from Eastview to Ben Road ^(U)	450,000	450,000			450,000		-	-	-	-	-	450,000
W-14-07	8-inch WL 3rd Street from SH 78 to Ingram	80,000	80,000			80,000		-	-	-	-	-	80,000
W-14-08	8-inch WL Cartwright from 3rd Street to Big Valley	50,000	50,000			50,000		-	-	-	-	-	50,000
IF-21-01	Roadway Impact Fee Study ^(U)	50,000	50,000	200,000		50,000	250,000	-	-	-	-	-	50,000
W-21-05	Public Works Pump Station Generator ^(U)	680,000	200,000		280,000	680,000		-	-	-	-	-	680,000
W-21-06	Sachse Road Upsize ^(C/SC)	360,000	360,000			360,000		-	-	-	-	-	360,000
W-21-07	5th Street District Improvements	450,000	450,000			450,000		-	-	-	-	-	450,000
W-21-08	Hilltop Trail/Meadow Lane Utility Rehab	450,000	200,000			200,000		-	-	-	-	-	450,000
W-22-07	SCADA System Upgrades	140,000	-		140,000	140,000		-	-	-	-	-	140,000
	Sachse South Estates Water Main Replacement	-	-			-		-	-	-	-	-	-
	8-inch WL from Pecan Grove to Ponderosa	-	-			-		-	-	-	-	-	-
Subtotal Water		10,475,000	4,150,000	200,000	575,000	4,925,000	5,550,000	-	-	-	-	-	10,475,000

Note- Projects are not assigned a CIP number until budget is requested.
* Anticipated FY 21-22 Amendments to be brought to Council in September 2022

^(C/SC) - Project Complete, or Substantially Complete
^(U) - Project Underway

Exhibit "B" 2022-2023 Capital Improvement Program													
CIP No.	Project	Estimated Capital Project Cost	Budget Thru FY 20-21	FY 21-22 Budget	21-22 Amendments*	Budget Thru FY 21-22	22-23 Budget	FY 23-24 Estimate	FY 24-25 Estimate	FY 25-26 Estimate	FY 26-27 Estimate	FY 27-28 Estimate	Total Project Cost
Sewer													
SS-12-09	Southeast Sewer Expansion: Trunk Line A from Sachse Rd to SE Lift Station ^(U)	5,000,000	5,000,000			5,000,000		-	-	-	-	-	5,000,000
SS-12-12	8-inch trunk line on south side of PGBT to Line "C" ^(U)	90,000	90,000			90,000		-	-	-	-	-	90,000
SS-12-13	8-inch trunk line on north side of PGBT to Line "C" ^(U)	260,000	260,000			260,000		-	-	-	-	-	260,000
SS-12-14	Line "D" - 10-inch trunk line from south of PGBT to MRLS	-	-			-		-	-	-	-	-	-
SS-12-15	8-inch mains (East-West) connecting to Line "D"	-	-			-		-	-	-	-	-	-
SS-12-16	8-inch branch line north of PGBT to Line "C" ^(U)	172,000	172,000			172,000		-	-	-	-	-	172,000
SS-12-18	Line "E" - 10-inch trunk line from Line "G" along south City Limits	-	-			-		-	-	-	-	-	-
SS-17-02	8-inch Main - Anthony Lane from Williford Road to Bailey Road ^(U)	802,000	375,000			802,000		-	-	-	-	-	802,000
SS-18-01	Ingram Road Sewer Relief	200,000	200,000			200,000		-	-	-	-	-	200,000
IF-21-01	Roadway Impact Fee Study ^(U)	50,000	50,000			50,000		-	-	-	-	-	50,000
SS-21-09	Sachse Road Sewer Upsize ^(U)	60,000	60,000	1,000,000		60,000	2,250,000	-	-	-	-	-	60,000
SS-21-10	Sable Hills Lift Station Expansion	1,101,000	101,000			1,101,000		-	-	-	-	-	1,101,000
SS-21-11	Hilltop Trail/Meadow Lane Utility Rehab	2,450,000	200,000			200,000		-	-	-	-	-	2,450,000
SS-21-12	Sewer Rehab Hwy 78 at Old City Hall	249,000	249,000			249,000		-	-	-	-	-	249,000
	8-inch main - Easement from Bonanza Ct. to Vicksburg Drive	-	-			-		-	-	-	-	-	-
Subtotal Sewer		10,434,000	6,757,000	1,427,000	-	8,184,000	2,250,000	-	-	-	-	-	10,434,000
Drainage													
D-17-15	Vicksburg Drainage Easement ^(U)	451,409	451,409	150,000		451,409	1,500,000	-	-	-	-	-	451,409
D-22-02	Third Garland Connection Creek Stabilization ^(U)	1,575,000	-			75,000		-	-	-	-	-	1,575,000
D-22-03	Sachse South Drainage Study ^(U)	75,000	-			75,000		-	-	-	-	-	75,000
D-23-04	Small Drainage Projects	200,000	-			-		-	-	-	-	-	80,000
	Coral Lane, Anthony Road Drainage Improvements	-	-			-		-	-	-	-	-	-
	Spring Meadows Estates Detention Pond Re-design	1,800,000	-			-		-	-	-	-	-	-
	Long Branch from Dewitt to SH78	3,500,000	-			-		-	-	-	-	-	-
Subtotal Drainage		7,601,409	451,409	150,000	-	601,409	1,580,000	-	-	-	-	-	2,181,409
Parks & Trails													
P-17-04	Joe Stone Park Restroom ^(U)	110,000	110,000	1,449,000		110,000	1,040,750	-	-	-	-	-	110,000
T-17-02	Sachse Road/5th Street Trail ^(U)	150,000	150,000			150,000		-	-	-	-	-	150,000
T-17-04	Muddy Creek Trail - Sachse Rd to Pleasant Valley Rd ^(U)	695,000	695,000			695,000		-	-	-	-	-	695,000
T-17-05	Joe Stone Loop Trail	90,000	90,000			90,000		-	-	-	-	-	90,000
P-21-16	J.K. Sachse Park Concept Plan and Design ^(U)	249,000	249,000			249,000		-	-	-	-	-	249,000
P-22-04	J.K. Sachse Park Construction ^(U)	6,929,750	-		315,000	1,764,000		775,000	800,000	825,000	850,000	875,000	6,929,750
	Heritage Park Expansion Projects	-	-			-		-	-	-	-	-	-
	Williford Road Trail - Bryan Street to Bailey Road	-	-			-		-	-	-	-	-	-
Subtotal Parks & Trails		8,223,750	1,294,000	1,449,000	315,000	3,058,000	1,040,750	775,000	800,000	825,000	850,000	875,000	8,223,750

Note- Projects are not assigned a CIP number until budget is requested.
 * Anticipated FY 21-22 Amendments to be brought to Council in September 2022

LEGEND
^(C/SC) - Project Complete, or Substantially Complete
^(U) - Project Underway

Exhibit "B"													
2022-2023 Capital Improvement Program													
CIP No.	Project	Estimated Capital Project Cost	Budget Thru FY 20-21	FY 21-22 Budget	21-22 Amendments*	Budget Thru FY 21-22	22-23 Budget	FY 23-24 Estimate	FY 24-25 Estimate	FY 25-26 Estimate	FY 26-27 Estimate	FY 27-28 Estimate	Total Project Cost
Facilities													
F-23-05	Outdoor Warning Sirens	120,000	-			-	120,000	-	-	-	-	-	120,000
	Public Works/Parks Facility	-	-			-	-	-	-	-	-	-	-
	Screening Wall Replacement	-	-			-	-	-	-	-	-	-	-
Subtotal Facilities		120,000	-	-	-	-	120,000	-	-	-	-	-	120,000
Bond Proposition 2021													
BP-21-A01	Sachse Road Phase 2	14,675,000	-			-	1,700,000	-	-	-	-	-	1,700,000
BP-21-A02	Sachse Road Phase 3	8,710,000	-			-		-	-	-	-	-	-
BP-21-B01	Streets & Roads - Bailey-Hooper Road	10,660,000	-		1,000,000	1,000,000	9,660,000	-	-	-	-	-	10,660,000
BP-21-B02	Streets & Roads - West Creek	7,170,000	-			-		-	-	-	-	-	-
BP-21-B03	Streets & Roads - Williford Road	2,820,000	-			-		-	-	-	-	-	-
BP-21-C01	Neighborhood Package	5,000,000	-			-	675,000	-	-	-	-	-	675,000
BP-21-D01	Animal Shelter	5,000,000	-		350,000	350,000	4,650,000	-	-	-	-	-	5,000,000
Subtotal Bond Proposition 2021		54,035,000	-	-	1,350,000	1,350,000	16,685,000	-	-	-	-	-	18,035,000
TOTAL CAPITAL IMPROVEMENT PROGRAM		117,959,154	29,155,404	5,706,000	3,279,000	38,140,404	33,375,750	775,000	800,000	825,000	850,000	875,000	75,641,154

Note- Projects are not assigned a CIP number until budget is requested.
* Anticipated FY 21-22 Amendments to be brought to Council in September 2022

<u>LEGEND</u>
(C/SC) - Project Complete, or Substantially Complete
(U) - Project Underway



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	5. Discuss amending the Master Fee Schedule by amending services and rates and providing an effective date.
Access	Public
Type	Discussion, Information

Public Content

BACKGROUND

The Master Fee Schedule is a convenient tool for residents and customers to acquaint themselves with various charges for City Services. The schedule can be updated periodically for necessary changes without amending the associated ordinance.

OVERVIEW

The Master Fee Schedule is considered annually during the Budget approval process. Water and Wastewater rates were presented and considered after the 2019 Water Rate Study was performed by NewGen Strategies and Solutions.

POLICY CONSIDERATIONS

To the extent allowed by law, general and special fees and charges to be assessed and collected by the City of Sachse are authorized by the code or ordinance. Fees and charges are maintained in a master fee schedule, which is kept on file with the City Secretary, and may be amended from time to time.

RECOMMENDATION

Discuss amending the Master Fee Schedule by amending services and rates and providing an effective date.

[Presentation_Master Fee Schedule Review.pdf \(329 KB\)](#)

[Master Fee Schedule FY23 Proposed Changes.pdf \(153 KB\)](#)

Master Fee Schedule Review

City Council
September 6, 2022



Summary of Changes

- Public Safety Fees
- Building Permits and Development Services Fees
- Impact Fee
- Refuse Services Fees
- Water Rate Schedule
- Water Service Connection Fees
- Wastewater Rate Schedule



I. Public Safety Fees

Fee	Old Rate	New Rate
Dangerous Building Abatement Administrative Fee	\$250.00	Removed from Fire Services
Neighborhood Services <i>(Added)</i>		
▪ Nuisance Abatement Administrative Fee	Not Listed	\$250.00
▪ Dangerous Building Abatement Administrative Fee	Moved from Fire Services	\$250.00



IX. Building Permits and Development Services

Fee	Old Rate	New Rate
Licenses and Contractor Registration		
▪ Mechanical – License Holder	\$100.00	\$0
Mechanical Permits		
▪ Initial fee of issuance	Remove	
▪ New Installations	Remove	
▪ Repair	Remove	
▪ Boiler	Remove	
Miscellaneous		
▪ Accessory Non-Residential	Remove	



IX. Building Permits and Development Services

Fee	Old Rate	New Rate
Water Meter Cost		
Water meter installation fee when tap is not present (single-family and/or multi-family)	Remove entire section	
Multi-Jet – 5/8" X 3/4"	\$225.00	\$324.00
Multi-Jet – 1"	\$351.54	\$428.63
Multi-Jet – 1 1/2"	\$600.17	\$731.78
Multi-Jet – 2"	\$777.49	\$947.97
Octave – 2"	Not Listed	\$2,153.57
Octave – 3"	\$2,450.44	\$2,523.61
Octave – 4"	\$3,143.53	\$3,243.02
Octave – 6"	\$4,585.20	\$5,121.19
Octave – 8"	\$5,493.37	\$5,982.91



XI. Impact Fee

Fee	Old Rate	New Rate
Water Impact Fee		
▪ Multi-Jet – 5/8" x 3/4"	\$2,521.69	\$2,521.69
▪ Octave 2"	\$25,216.95	\$25,216.95
▪ Octave 3"	\$60,520.70	\$60,520.70
▪ Octave 4"	\$105,911.22	\$105,911.22
▪ Octave 6"	\$231,966.00	\$231,966.00
▪ Octave 8"	\$403,471.30	\$403,471.30
▪ Octave 10"	\$630,423.91	\$630,423.91
▪ Octave 12"	\$832,159.56	\$832,159.56

*Turbine has switched to Octave

*Simple has switched to Multi-Jet



XI. Impact Fee

Fee	Old Rate	New Rate
Wastewater Impact Fee		
▪ Multi-Jet – 5/8" x 3/4"	\$1,857.68	\$1,857.68
▪ Octave 2"	\$18,576.83	\$18,576.83
▪ Octave 3"	\$44,584.40	\$44,584.40
▪ Octave 4"	\$78,022.71	\$78,022.71
▪ Octave 6"	\$170,906.88	\$170,906.88
▪ Octave 8"	\$297,229.36	\$297,229.36
▪ Octave 10"	\$464,420.87	\$464,420.87
▪ Octave 12"	\$613,035.55	\$613,035.55

*Turbine has switched to Octave

*Simple has switched to Multi-Jet



XII. Refuse Services Fees

Fee	Old Rate	New Rate
Residential		
▪ Trash, Recycle, Bulk Collection	\$16.79	\$18.57
▪ Additional Solid Waste Polycart	\$8.06	\$8.85
▪ Additional Recycle Polycart	\$3.25	\$3.97
▪ Polycart Replacement Fee	\$75.00	\$87.35
▪ Excess Individual Bulk Collection	\$12.00 per yard	\$15.21 per yard
Small Commercial Container Service (95gal)		
▪ Monthly Per Unit Charge	\$17.00	\$21.36
▪ Additional Polycart	\$15.50	\$19.47



XIII. Water Rate Schedule

Fee	Old Rate	New Rate
Residential – Base Rate		
▪ All meter sizes	\$16.50	\$16.83
Residential – Tier Rate		
▪ 0-10,000	\$4.90	\$5.00
▪ 10,001-20,000	\$6.55	\$6.68
▪ 20,001-30,000	\$8.50	\$8.67
▪ Over 30,000	\$10.00	\$10.20



XIII. Water Rate Schedule

Fee	Old Rate	New Rate
Non-Residential and Irrigation – Base Rate		
▪ 5/8" X 3/4"	\$16.50	\$16.83
▪ 1"	\$26.10	\$26.62
▪ 1 1/2"	\$42.16	\$43.00
▪ 2"	\$61.39	\$62.62
▪ 3"	\$85.60	\$87.31
▪ 4"	\$114.10	\$116.38
▪ 6" and above	\$285.30	\$291.01
Non-Residential and Irrigation – Tier Rate		
▪ 0-10,000	\$4.90	\$5.00
▪ 10,001-20,000	\$6.55	\$6.68
▪ 20,001-30,000	\$8.50	\$8.67
▪ Over 30,000	\$10.00	\$10.20



Water Service Connection Fees

Fee	Old Rate	New Rate
Fire Hydrant Meter		
▪ Deposit	\$1,500.00	\$2,000.00
▪ Minimum Monthly Billing	\$25.00	\$100.00
Meter-Related		
▪ Meter Register Replacement	\$212.00	\$254.31
▪ Meter Register with Antenna Connection	Not Listed	\$323.43
▪ Octave Encoder and Allegro Module with Antenna Replacement	\$497.79	\$343.00



XV. Wastewater Rate Schedule

Fee	Old Rate	New Rate
Residential		
▪ Water Meter	\$13.43	\$13.83
▪ Volume Charge Per 1,000 gal.	\$7.48	\$7.70
Non-Residential		
▪ 5/8" X 3/4"	\$22.00	\$24.74
▪ 1"	\$35.00	\$39.37
▪ 1 1/2"	\$50.00	\$56.24
▪ 2"	\$73.16	\$75.36
▪ 4"	\$70.00	\$78.73
▪ 6"	\$70.00	\$78.73
▪ 8"	\$90.00	\$101.23
▪ Volume Charge Per 1,000 gal.	\$7.91	\$8.15





SUMMARY OF CHANGES

The City of
SACHSE

MASTER FEE SCHEDULE

	Proposed FY 2023	Prior Year FY 2022 (As Amended 7/18/22)
I. PUBLIC SAFETY FEES		
D. Fire Services		
2. Inspection/occupancy permits		
h. Dangerous building abatement administrative fee	(Moved to F.2.)	\$250.00
F. Neighborhood Services		
1. Nuisance abatement administrative fee	\$250.00	N/A
2. Dangerous building abatement administrative fee	\$250.00	(Moved from D.2.h.)
IX. BUILDING PERMITS AND DEVELOPMENT SERVICES FEES		
F. Licenses and contractor registration	Annual	Annual
3. Mechanical - License Holder	State Law \$0.00	\$100.00
G. Permits		
2. Mechanical permits		
a. Initial fee for issuance		\$50.00
b. New Installations (includes but not limited to heating, ventilating, ductwork, air-conditioning, exhaust, venting, combustion air, pressure, vessel, solar, fuel oil and refrigeration systems and appliance installation)		\$15.00 for the first \$1,000.00 valuation plus \$5.00 for each additional \$1,000.00 or fraction thereof
c. Repair (includes but not limited to repairs, alterations and additions to an existing system)		\$10.00 for the first \$1,000.00 valuation plus \$3.00 for each additional \$1,000.00 or fraction thereof
d. Boiler		\$100.00
8. Miscellaneous		
e. Accessory - Non-Residential		Based on valuation of labor and materials-see section VIII. A. Building permit fee schedule
L. Plat applications (all acreage shall be rounded up to the nearest acre when calculating fees)		
M. Water System		
1. Water meter installation fee when tap is present (single family and/or multi-family)		
2. Water meter installation fee when tap is not present (single family and/or multi-family)		
a. 5/8" X 3/4"		\$225.00
b. 1"		\$300.00
c. 1-1/2"		\$520.00
d. 2"		\$675.00
e. 3" (including Octave)		\$675.00 City installation. Developer installs vault/bears cost.
f. 4" and above (including Octave)		\$800.00 Developer installs vault/bears cost.
4. Water Meter Cost		
a. Multi-Jet 5/8" X 3/4"	\$324.00	\$255.00
b. Multi-Jet 1"	\$428.63	\$351.54
c. Multi-Jet 1 1/2"	\$731.78	\$600.17
d. Multi-Jet 2"	\$947.97	\$777.49
e. Octave 2"	\$2153.57	N/A
f. Octave 3"	\$2,523.61	\$2,450.44
g. Octave 4"	\$3,243.02	\$3,143.53
h. Octave 6"	\$5,121.19	\$4,585.20
i. Octave 8"	\$5,982.91	\$5,493.37



SUMMARY OF CHANGES

The City of
SACHSE

MASTER FEE SCHEDULE

	Proposed FY 2023	Prior Year FY 2022 (As Amended 7/18/22)
XI. IMPACT FEE (State requires update every 5 years. Reviewed 2017)		
M. Water impact fee		
1. Simple Multi-Jet		
a. 5/8" X 3/4"		\$2,521.69
a. Residential 3/4" 5/8" by 3/4"	\$2,521.69	\$2,521.69
b. Commercial 3/4"		\$3,782.54
c. 1"	\$6,304.24	\$6,304.24
d. 1 1/2"	\$12,608.48	\$12,608.48
e. 2"	\$20,173.57	\$20,173.57
2. Compound-		
a. 2"		\$20,173.57
b. 3"		\$40,347.13
c. 4"		\$63,042.39
d. 6"		\$126,084.78
e. 8"		\$201,735.65
f. 10"		\$289,995.00
g. 12"		N/A
3. Turbine Octave		
a. 2"	\$25,216.95	\$25,216.95
b. 3"	\$60,520.70	\$60,520.70
c. 4"	\$105,911.22	\$105,911.22
d. 6"	\$231,966.00	\$231,966.00
e. 8"	\$403,471.30	\$403,471.30
f. 10"	\$630,423.91	\$630,423.91
g. 12"	\$832,159.56	\$832,159.56
N. Wastewater impact fee (meter equivalent)		
1. Simple Multi-Jet		
a. 5/8" X 3/4"		\$1,857.68
a. Residential 3/4" 5/8" by 3/4"	\$1,857.68	\$1,857.68
b. Commercial 3/4"		\$2,786.53
c. 1"	\$4,644.21	\$4,644.21
d. 1 1/2"	\$9,288.42	\$9,288.42
e. 2"	\$14,861.47	\$14,861.47
2. Compound-		
a. 2"		\$14,861.47
b. 3"		\$29,722.94
c. 4"		\$46,442.09
d. 6"		\$92,884.17
e. 8"		\$148,614.68
f. 10"		\$213,633.60
g. 12"		N/A
3-2. Turbine Octave		
a. 2"	\$18,576.83	\$18,576.83
b. 3"	\$44,584.40	\$44,584.40
c. 4"	\$78,022.71	\$78,022.71
d. 6"	\$170,906.88	\$170,906.88
e. 8"	\$297,229.36	\$297,229.36
f. 10"	\$464,420.87	\$464,420.87
g. 12"	\$613,035.55	\$613,035.55
XII. REFUSE SERVICES FEES Current contract expires April 2024.		
A. Residential		
1. Trash, Recycle, Bulk Collection	\$18.57	\$16.79
4. Additional Solid Waste Polycart	\$8.85	\$8.06
5. Additional Recycle Polycart	\$3.97	\$3.25
6. Polycart replacement Fee	\$87.35	\$75.00
7. Excess Individual Bulk collection (Billed direct to customer)	\$15.21 per yard	\$12 per yard
B. Small Commercial Container Service (95 gallon cart) Does not include franchise fees, billing fees or taxes)		
1. Monthly per unit charge	\$21.36	\$17.00
2. Additional Polycart	\$19.47	\$15.50



SUMMARY OF CHANGES

The City of
SACHSE

MASTER FEE SCHEDULE

	Proposed FY 2023	Prior Year FY 2022 (As Amended 7/18/22)
XIII. WATER RATE SCHEDULE (Rate Study conducted 2019 by New GenStrategies concludes 09/30/24)		
A. Residential		
1. Base Rate by meter size		
a. 5/8" X 3/4"	\$16.83	\$16.50
b. 1"	\$16.83	\$16.50
c. 1 1/2"	\$16.83	\$16.50
d. 2"	\$16.83	\$16.50
2. Tier Rate usage per 000's gallons		
a. 0-10,000	\$5.00	\$4.90
b. 10,001-20,000	\$6.68	\$6.55
c. 20,001-30,000	\$8.67	\$8.50
d. Over 30,000	\$10.20	\$10.00
B. Non-Residential		
1. Base Rate by meter size		
a. 5/8" X 3/4"	\$16.83	\$16.50
b. 1"	\$26.62	\$26.10
c. 1 1/2"	\$43.00	\$42.16
d. 2"	\$62.62	\$61.39
e. 3"	\$87.31	\$85.60
f. 4"	\$116.38	\$114.10
g. 6" and above	\$291.01	\$285.30
2. Tier Rate usage per 000's gallons		
a. 0-10,000	\$5.00	\$4.90
b. 10,001-20,000	\$6.68	\$6.55
c. 20,001-30,000	\$8.67	\$8.50
d. Over 30,000	\$10.20	\$10.00
C. Irrigation		
1. Base Rate by meter size		
a. 5/8" X 3/4"	\$16.83	\$16.50
b. 1"	\$26.62	\$26.10
c. 1 1/2"	\$43.00	\$42.16
d. 2"	\$62.62	\$61.39
e. 3"	\$87.31	\$85.60
f. 4"	\$116.38	\$114.10
g. 6" and above	\$291.01	\$285.30
2. Tier Rate usage per 000's gallons		
a. 0-10,000	\$5.00	\$4.90
b. 10,001-20,000	\$6.68	\$6.55
c. 20,001-30,000	\$8.67	\$8.50
d. Over 30,000	\$10.20	\$10.00
XIV. WATER SERVICE CONNECTION FEES		
D. Fire Hydrant Meter		
1. Deposit (refundable, but must stay on the account while account is active)	\$2,000.00	\$1,500.00
3. Minimum monthly billing	\$100.00	\$25.00
G. Personnel onsite meter review - after two trips in a 12-month period	See L. Trip fee charge	See K. Trip fee charge
M. Meter-related		
5. Meter register replacement	\$254.31	\$212.00
6. Meter register with antenna connection	\$323.43	N/A
7. Octave encoder & Allegro module with antenna replacement	\$343.00	\$497.79



SUMMARY OF CHANGES

The City of
SACHSE

MASTER FEE SCHEDULE

	Proposed FY 2023	Prior Year FY 2022 (As Amended 7/18/22)
XV. WASTE WATER RATE SCHEDULE		
A. Residential		
1. Water Meter	\$13.83	\$13.43
2. Volume charge per 1,000 gallons	\$7.70	\$7.48
B. Non-Residential		
1. Per water meter size		
a. 5/8" X 3/4"	\$24.74	\$22.00
b. 1"	\$39.37	\$35.00
c. 1 1/2"	\$56.24	\$50.00
d. 2"	\$75.36	\$73.16
e. 4"	\$78.73	\$70.00
f. 6"	\$78.73	\$70.00
g. 8"	\$101.23	\$90.00
2. Volume charge per 1,000 gallons	\$8.15	\$7.91



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	6. Consider ratifying the property tax increase in the budget for Fiscal Year 2022-2023.
Access	Public
Type	Action, Discussion
Preferred Date	Sep 06, 2022
Recommended Action	Approve ratification of the property tax increase in the budget for Fiscal Year 2022-2023.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

According to Texas Local Government Code Section 102.007(c), "Adoption of a budget that will require raising more revenue from property taxes than in the previous year requires a separate vote of the governing body to ratify the property tax increase reflected in the budget. A vote under this subsection is in addition to and separate from the vote to adopt the budget or a vote to set the tax rate required by Chapter 26 (Assessment), Tax Code, or other law."

Per the Budget Cover Page, the proposed 2022-2023 Fiscal Year Budget calls for \$3,042,887 more in property tax revenue than the previous year's budget. The associated calculation includes revenues calculated from new construction, includes Tax Increment Financing (TIF) District revenue, and assumes a 100% collection rate.

POLICY CONSIDERATIONS

This action is a required step in adoption of the Budget and Tax Rate.

RECOMMENDATION

Approve ratification of the property tax increase in the budget for Fiscal Year 2022-2023.

[Presentation_Property Tax Ratification.pdf \(54 KB\)](#)

[Budget Cover Page.pdf \(116 KB\)](#)

Property Tax Ratification

City Council

September 6, 2022



SACHSE

Property Tax Ratification

- Texas Local Government Code Section 102.007(c)
 - Adopting budget raising more revenue from property taxes than previous year requires separate vote from governing body
- Budget Cover Page shows \$3M revenue increase
 - Calculation includes:
 - New construction
 - Tax Increment Financing (TIF) District revenue
 - 100% collection rate assumption



City of Sachse

Fiscal Year 2022-2023

Budget Cover Page

This budget will raise more revenue from property taxes than last year's budget by an amount of \$3,042,887, which is a 15.74 percent increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,837,950.

The members of the governing body voted on the budget as follows:

FOR:

AGAINST:

PRESENT and not voting:

ABSENT:

Property Tax Rate Comparison

	2022-2023	2021-2022
Property Tax Rate:	\$0.650416/100	\$0.700734/100
No-New-Revenue Tax Rate:	\$0.650416/100	\$0.700735/100
No-New-Revenue Maintenance & Operations Tax Rate:	\$0.467640/100	\$0.510301/100
Voter-Approval Tax Rate:	\$0.780381/100	\$0.787231/100
Debt Rate:	\$0.209877/100	\$0.218830/100

Total debt obligation for City of Sachse secured by property taxes: \$6,970,433



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	7. Consider an ordinance levying ad valorem taxes for year 2022 (Fiscal Year 2022-2023) at a rate of \$0.650416 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Sachse as of January 1, 2022.
Access	Public
Type	Action, Discussion
Preferred Date	Sep 06, 2022
Recommended Action	Approve an ordinance levying ad valorem taxes for the year 2022 (Fiscal Year 2022-2023) at a rate of \$0.650416 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Sachse as of January 1, 2022.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

Public Content

BACKGROUND

The proposed rate is not greater than the no-new-revenue tax rate. This means that the City of Sachse is not proposing to increase property taxes for the 2022 tax year.

The tax rate consists of two components, the Debt Service (I&S) rate of \$0.194207 which is unchanged from the previous year; and the Maintenance & Operation (M&O) rate of \$0.456209, which is \$0.50318 lower than the previous year.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Approve an ordinance levying ad valorem taxes for the year 2022 (Fiscal Year 2022-2023) at a rate of \$0.650416 per one hundred dollars (\$100) assessed valuation on all taxable property within the corporate limits of the City of Sachse as of January 1, 2022, to provide revenue for the payment of current expenses; providing for an interest and sinking fund for all outstanding debts of the City of Sachse; providing for due and delinquent dates together with penalties and interest; providing a severability clause; providing a repealing clause; and providing an effective date.

[Ordinance Ad Valorem Taxes for Fiscal Year 2022-2023.pdf \(79 KB\)](#)

[Sachse Notice of Meeting to Vote on Tax Rate FY22-23.pdf \(135 KB\)](#)

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, LEVYING AD VALOREM TAXES FOR THE YEAR 2022 (FISCAL YEAR 2022-2023) AT A RATE OF \$0.650416 PER ONE HUNDRED DOLLARS (\$100) ASSESSED VALUATION ON ALL TAXABLE PROPERTY WITHIN THE CORPORATE LIMITS OF THE CITY OF SACHSE AS OF JANUARY 1, 2022, TO PROVIDE REVENUE FOR THE PAYMENT OF CURRENT EXPENSES; PROVIDING FOR AN INTEREST AND SINKING FUND FOR ALL OUTSTANDING DEBT OF THE CITY OF SACHSE; PROVIDING FOR DUE AND DELINQUENT DATES TOGETHER WITH PENALTIES AND INTEREST; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. There is hereby levied for the tax year 2022 on all taxable property, real, personal and mixed, situated within the corporate limits of the City of Sachse, Texas, and not exempt by the Constitution of the State and valid State laws, a tax of \$0.650416 on each One Hundred Dollars (\$100) assessed valuation of taxable property, and shall be, apportioned and distributed as follows:

- (a) For the purpose of defraying the current expenditures of the municipal government of the City of Sachse, a tax of \$0.456209 on each and every One Hundred Dollars (\$100) assessed value on all taxable property; and
- (b) For the purpose of creating a sinking fund to pay the interest and principal maturities of all outstanding debt of the City of Sachse, not otherwise provided for, a tax of \$0.194207 on each One Hundred Dollars (\$100) assessed value of taxable property within the City of Sachse, and shall be applied to the payment of interest and maturities of all such outstanding debt of the City.

SECTION 2. All ad valorem taxes shall become due and payable on October 1, 2022, and all ad valorem taxes for the year shall become delinquent if not paid prior to February 1, 2023. There shall be no discount for payment of taxes prior to February 1, 2023. A delinquent tax shall incur all penalty and interest authorized by law, to wit:

- (a) A penalty of six percent on the amount of the tax for the first calendar month it is delinquent, plus one percent for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.
- (b) Provided, however, a tax delinquent on July 1, 2023, incurs a total penalty of twelve percent of the amount of delinquent tax without regard to the number of months the tax has been delinquent. A delinquent tax shall also accrue interest at the rate of one percent for each month or portion of a month the tax remains

unpaid. Taxes for the year 2022 and taxes for all future years that become delinquent on or after February 1 but not later than May 1, that remain delinquent on July 1 of the year in which they become delinquent, incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and 33.07, as amended. Taxes assessed against tangible personal property for the year 2021 and for all future years that become delinquent on or after February 1 of a year incur an additional penalty on the later of the date the personal property taxes become subject to the delinquent tax attorney's contract, or 60 days after the date the taxes become delinquent, such penalty to be in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 33.11. Taxes for the year 2022 and taxes for all future years that remain delinquent on or after June 1 under Texas Property Tax Code Sections 26.07(f), 26.15(e), 31.03, 31.031, 31.032 or 31.04 incur an additional penalty in the amount of twenty percent (20%) of taxes, penalty and interest due, pursuant to Texas Property Tax Code Section 6.30 and Section 33.08, as amended.

SECTION 3. The taxes are payable at the Dallas County Tax Office if the property is located in Dallas County; or, at the Collin County Tax Office if the property is located in Collin County.

SECTION 4. The City shall have available all the rights and remedies provided by law for the enforcement of the collection of taxes levied under this ordinance.

SECTION 5. The tax roll as presented to the City Council, together with any supplements thereto, be and the same are hereby approved.

SECTION 6. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 7. All ordinances of the City of Sachse, Texas, in conflict with the provisions of this ordinance be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 8. This ordinance shall take effect immediately from and after its passage, as the law and charter in such cases provide.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas this the 6th day of September, 2022.

APPROVED:

Jeff Bickerstaff
Mayor

DULY ENROLLED:

Leah K Granger
City Secretary

APPROVED AS TO FORM:

Joseph J. Gorfida, Jr.
City Attorney

NOTICE OF MEETING TO VOTE ON TAX RATE

A tax rate of \$0.650416 per \$100 valuation has been proposed by the governing body of the City of Sachse.

PROPOSED TAX RATE	\$0.650416 per \$100
NO-NEW-REVENUE TAX RATE	\$0.650416 per \$100
VOTER-APPROVAL TAX RATE	\$0.780381 per \$100

The no-new-revenue tax rate is the tax rate for the 2022 tax year that will raise the same amount of property tax revenue for the City of Sachse from the same properties in both the 2021 tax year and the 2022 tax year.

The voter-approval rate is the highest tax rate that the City of Sachse may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is not greater than the no-new-revenue tax rate. This means that the City of Sachse is not proposing to increase property taxes for the 2022 tax year.

A PUBLIC MEETING TO VOTE ON THE PROPOSED TAX RATE WILL BE HELD ON September 6, 2022 at 6:30 pm at 3815-B Sachse Road, Sachse, TX 75048.

The proposed tax rate is also not greater than the voter-approval tax rate. As a result, the City of Sachse is not required to hold an election to seek voter approval of the rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the City Council of the City of Sachse at their offices or by attending the public meeting mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED AS
FOLLOWS:

$$\text{Property tax amount} = (\text{tax rate}) \times (\text{taxable value of your property}) / 100$$

FOR the proposal:

Michelle Howarth
Chance Lindsey
Lindsay Buhler

Frank Millsap
Jeff Bickerstaff
Matt Prestenberg

AGAINST the proposal:

PRESENT and not voting:

ABSENT: Brett Franks

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by the City of Sachse last year to the taxes proposed to be imposed on the average residence homestead by the City of Sachse this year.

	2021	2022	Change
Total tax rate (per \$100 of value)	\$0.700734	\$0.650416	Decrease of \$0.050318 per \$100, or 7.18%
Average homestead taxable value	\$299,665	\$340,289	Increase of \$40,624, or 13.56%
Tax on average homestead	\$2,099.85	\$2,213.29	Increase of \$113.44, or 5.40%
Total tax levy on all properties	\$19,331,866	\$22,374,753	Increase of \$3,042,887, or 15.74%

For assistance with tax calculations, please contact the tax assessor for City of Sachse at 972-495-1212 or visit www.cityofsachse.com for more information.



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	8. Consider authorizing the City Manager to negotiate and enter into a contract in an amount not to exceed Three Hundred Fifteen Thousand and No/100 Dollars (\$315,000.00) with Holbrook Asphalt Co. for the purpose of Roadway Improvements, Preservation, and Maintenance.
Access	Public
Type	Action, Discussion
Preferred Date	Sep 06, 2022
Fiscal Impact	Yes
Dollar Amount	315,000.00
Budgeted	Yes
Budget Source	Street Maintenance and Operation Funds
Recommended Action	Authorize the City Manager to negotiate and enter into a contract in an amount not to exceed Three Hundred Fifteen Thousand and No/100 Dollars (\$315,000.00) with Holbrook Asphalt Co. for the purpose of roadway improvements, preservation, and maintenance.
Goals	Strategically invest in the City's existing and future infrastructure.

Public Content

BACKGROUND

New technology and methods for asphalt preservation have evolved throughout the years and have recently come into the market. Staff has explored alternatives to pavement management and preservation to extend the longevity of good pavement sections and to be fiscally responsible with limited funding. Integrated Pavement Solutions (IPS) and Holbrook Asphalt Co. have developed a method to rehabilitate and preserve asphalt pavement as an alternative to the traditional overlay or remove/replace practice.

Streets were evaluated based on PASER Scores to help identify the best candidates for this type of treatment.

OVERVIEW

Staff has identified several roadways as potential candidates for asphalt preservation. Each street was individually reviewed and selected based on its condition and ability to meet the selection criteria. The selected streets had many small areas repaired and cracks sealed. Streets within Sachse South Estates, 5th Street District, Pecan Grove Drive, Abilene Drive, Coral Lane, and Sable Lane have been selected. This project includes preserving approximately 75,000 square yards of asphalt street pavement. The project will help extend the life of pavement that is in good condition or better.

This contract is fully funded with FY 21-22 General Fund Street Maintenance and Operations budget.

POLICY CONSIDERATIONS

It is the responsibility of the City of Sachse to maintain, upgrade, and improve public roads as necessary in the City of Sachse. Chapter 791 of the Texas Government Code, also known as the Interlocal Cooperation Act, and Chapter 271.102 of the Texas Local Government Code, authorize all local governments to contract with each other to perform governmental functions or services including administrative functions normally associated with the operation of

government such as purchasing of necessary equipment, goods, and services. The City Council has approved the Master Interlocal Cooperative Purchasing Agreement with the City of Hurst for the purchase of necessary equipment, goods, and services. Contract pricing from the City of Hurst may be utilized by the City of Sachse for asphalt roadway improvements and preservation.

RECOMMENDATION

Authorize the City Manager to negotiate and enter into a contract in the amount not to exceed Three Hundred Fifteen Thousand and No/100 Dollars (\$315,000.00) with Holbrook Asphalt Co. for the purpose of Roadway Improvements, Preservation, and Maintenance.

[Presentation_HA5 Preservation.pdf \(831 KB\)](#)

[Texas 2021-2022 Research Brochure.pdf \(4,257 KB\)](#)

[Sachse Materials.pdf \(12,360 KB\)](#)

2022 Asphalt Street Preservation Project Award

City Council
September 6, 2022



Overview

- Project Description
- Product Images
- Project Location
- Staff Recommendation
- Next Steps



Project Description

- New technology and methods for asphalt preservation have evolved throughout the years and have recently come into the market. Staff has explored alternatives to pavement management and preservation to extend the longevity of good sections of pavement and to be fiscally responsible with limited funding.
- Integrated Pavement Solutions (IPS) and Holbrook Asphalt Co. have developed a method to rehabilitate and preserve asphalt pavement as an alternative to the traditional overly or remove/replace practice.
- This project will help extend the life of our asphalt roads that are in good conditions or better.



Project Description

- Streets were evaluated based on PASER Scores to help identify the best candidates for this type of treatment.
- Staff drove numerous streets that could be considered. Some of the originally planned streets did not meet the criteria and were removed.
- The remaining streets had small areas repaired and any cracks sealed.
- This project includes the preservation of approximately 75,000 square yards of asphalt street pavement.
- Selected Streets:
 - Sachse South Estates
 - 5th Street District
 - Coral Lane and Sable Lane
 - Abilene Drive
 - Pecan Grove Drive



Product Images

STREETS LAST LONGER & COST LESS TO OWN

Premium Polymer Emulsion Sealer
(4 years after installation)

HA5 High Density Mineral Bond
(4 years after installation)

Magnified Section

Side-by-side performance comparison

HOW HA5 IMPACTS ASPHALT AGING

Untreated Asphalt

Conventional Sealers

HA5 High Density Mineral Bond

"Using conventional as well as leading-edge testing methods to identify the age hardening of the asphalt binders, researchers have identified a 67% delay in the age hardening of the asphalt binder with HA5 installed as a pavement preservation strategy. This ability to reduce flexibility loss supports an in-field case study where after just a four-year period a side-by-side comparison identified cracking to be reduced by nearly 9 times with HA5 installed."

"Transportation Research 2020" Dr. Shakir Shatnawi, Ph.D., P.E. Former State Pavement Engineer and Division Chief at Caltrans with 30 years of experience in pavement design, management, and preservation.

CORE SAMPLE COMPARISONS

Pavement Installed 1999

Type II Slurry

Pavement Installed 1999

Chip Seal

Pavement Installed 1995

HA5 High Density Mineral Bond

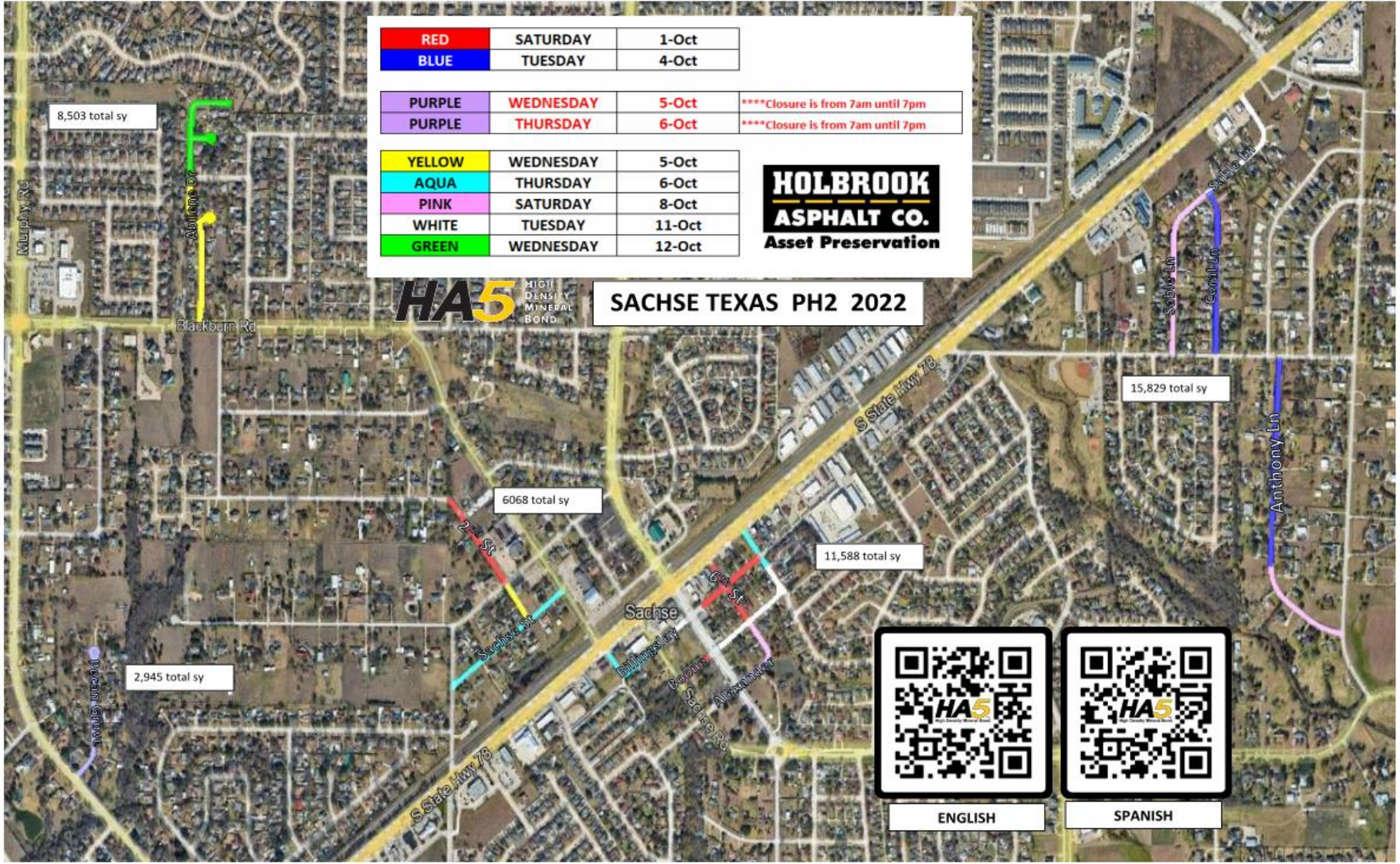
The HA5 treatment is 4 years older than the other two treatments, and it still maintained a like new condition many years after application with visible oils keeping the asphalt resistant to oxidative aging from air, water and UV ray.



Project Location



Project Location



Next Steps

- Letters will be provided to residents prior to any work.
- Information can be found in English and Spanish via QR Code.

NOTICE: 

Your Street Will Be Closing
Wednesday October 5th **AND** Thursday October 6th
****See over for map of your street's specific day of closure****

WHY IS MY ROAD CLOSING?
Roads in your subdivision are having a pavement preservation treatment installed that will help significantly extend the life of asphalt streets. The benefits of properly maintained streets include higher property values, a smoother/safer ride, and reduced costs to the community by prolonging the need for replacement.

WHAT IF MY CAR IS PARKED ON A ROAD THAT IS CLOSED?
Work will commence at 7:00 AM and the streets being treated will be closed for approximately 12 hours. A tow truck will be called for any cars parked on the streets scheduled to be treated that day. Please do not park within 50 feet of any street being worked on. Towing expenses will be the owner's responsibility.

WHAT IF I DRIVE ON THE ROAD WHILE CLOSED?
You will be liable for damage to your vehicle and to repair the area of road you have driven on. Minimum repair cost is \$750 to repair the installed surface treatment. In the event of a life threatening emergency, emergency vehicles will not be stopped from driving on the treated surface.

ALL OUTSIDE WATER MUST BE TURNED OFF
Water may damage the installation of the surface treatment. Please do not have sprinklers, hoses, etc... set to come on 24 hours before the road closure, during the road closure, or 24 hours after the road closure. Damage due to outdoor water use will result in the same minimum repair cost of \$750 to repair the installed surface treatment.

WEATHER CANCELLATION PROCEDURES:
If your street is cancelled due to weather, **THAT DAY** will be rescheduled. All other days will proceed as scheduled. You will receive notification of your new closure date 2-3 days prior to the newly rescheduled date. You will not receive a cancellation notice (if we have removed the barricades, you can bring your cars back in) and you will not receive immediate notice of your new date. If you require earlier notification of your rescheduled closure date, please call the office number and we will be happy to let you know of any approved dates.

Project Contacts
HOLBROOK OFFICE @ TBD
Ryan Jones @ 801-668-4447
Tom Bunnell @ 435-749-1373

HOLBROOK ASPHALT CO.
Asset Preservation



City of Sachse:

The area highlighted in PURPLE will be CLOSED
On Wednesday October 5th
FROM 7AM UNTIL 7PM

AND AGAIN ON

Thursday October 6th
FROM 7AM UNTIL 7PM

for asphalt resurfacing.
Please plan accordingly.



Next Steps

- Staff will set up and coordinate with Holbrook Asphalt Co. on finalizing schedule and preparation of staging area.
- Upon approval, construction will begin in the next few weeks.



Staff Recommendation

- Authorize the City Manager to negotiate and enter into a contract in the amount not to exceed Three Hundred Fifteen Thousand and No/100 Dollars (\$315,000.00) with Holbrook Asphalt Co. for the purpose of roadway improvements, preservation, and maintenance.
- This contract will be funded from budgeted FY 20-21 Street Maintenance and Operations Funds.



STREETS LAST LONGER & COST LESS TO OWN

Premium Polymer Emulsion Sealer
(4 years after installation)

Magnified Section

HA5 High Density Mineral Bond
(4 years after installation)

Side-by-side
performance comparison



HA5TM High Density Mineral Bond

The tested and proven reliable choice for preserving our roadways

A breakthrough that is changing the aging characteristics of asphalt, and confirmed by a university testing, is igniting enthusiasm for a profound reduction in pavement life-cycle costs.

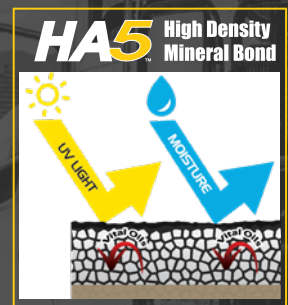
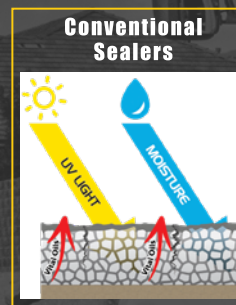
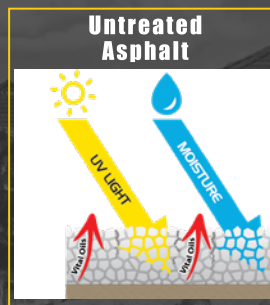
RESEARCH PROVES HA5 DELAYS AGE HARDENING

67%

DELAY IN ASPHALT AGING



HOW HA5 IMPACTS ASPHALT AGING

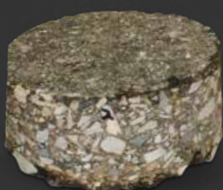


"Using conventional as well as leading-edge testing methods to identify the age hardening of the asphalt binders, researchers have identified a 67% delay in the age hardening of the asphalt binder with HA5 installed as a pavement preservation strategy. This ability to reduce flexibility loss supports an in-field case study where after just a four-year period a side-by-side comparison identified cracking to be reduced by nearly 9 times with HA5 installed."

"Transportation Research 2020" Dr. Shakir Shatnawi, Ph.D., P.E. Former State Pavement Engineer and Division Chief at Caltrans with 30 years of experience in pavement design, management, and preservation.

CORE SAMPLE COMPARISONS

Pavement Installed
1999



Type II Slurry

Pavement Installed
1999



Chip Seal

Pavement Installed
1995

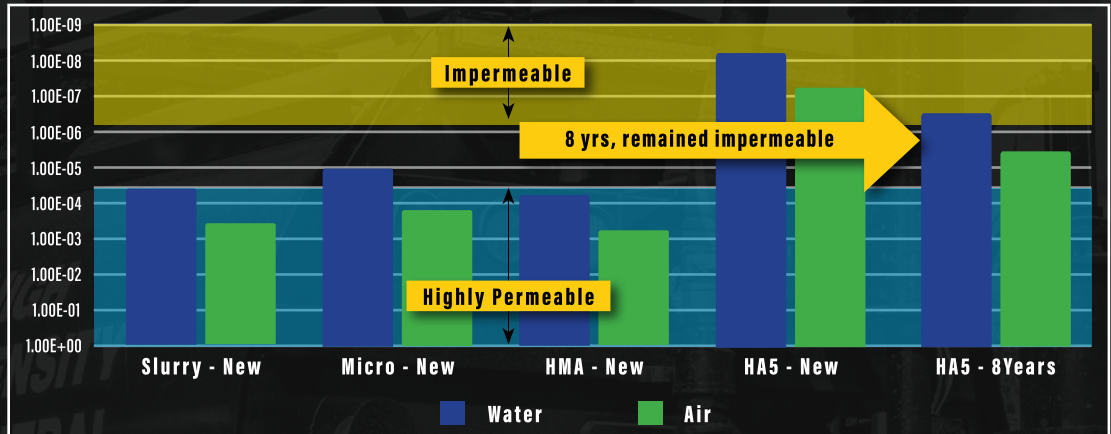


HA5 High Density Mineral Bond

The HA5 treatment is 4 years older than the other two treatments, and it still maintained a like new condition many years after application with visible oils keeping the asphalt resistant to oxidative aging from air, water and UV ray.



AIR & WATER PERMEABILITY COMPARISON



Research on binder elasticity and pavement permeability proves that asphalt treated with HA5 significantly increases the useful life of asphalt pavement and therefore dramatically lowers the cost of transportation infrastructure.

ROI

Primary Treatment Strategy	Avg PCI	(Subdivision Public Acceptance Rating) PAR	\$/Centerline Mile*	Cost of Ownership Savings
1. Do Nothing	70	4	\$5,642,846.54	0%
2. Partial Recon/ Surface removal	73	4	\$3,612,576.63	36%
3. Mill & Overlay	76	6	\$3,099,706.96	45%
4. Thin Overlay	75	6	\$2,961,391.49	48%
5. Seal Coat/Mastic Sealer	79	7	\$2,639,047.53	53%
6. FOG/Rejuvenator	81	7	\$2,590,647.40	54%
7. Type II Slurry	86	4	\$1,281,249.01	77%
8. Micro Surface	80	5	\$1,247,331.18	78%
9. Chip Seal	80	2	\$1,115,431.75	80%
10. High Density Mineral Bond (HA5)	88	9	\$954,838.49	83%

- Highest Return on Investment (ROI)
- Highest Pavement Condition Index (PCI)
- Highest Public Acceptance Rating (PAR)

Every agency's design specifications and goals are different but HA5 has proven its effectiveness at extending design life no matter what your goals look like.



Data analysis provided by Scot Gordon, PE, IAM, President, Roadway Asset Services, LLC. Scot has a Bachelor's and Master's degree in civil engineering from Texas A&M University with 30 years experience involving design of major highway infrastructure, evaluation and research of pavements, soil stabilization, and pavement management plan development.



Fort Worth, TX



Amarillo, TX



Georgetown, TX



Odessa, TX/Midland, TX



Corpus Christi, TX



Round Rock, TX



Barton Creek, TX



San Angelo, TX



Austin, TX



Vaquero Club/West Lake HOA's



Hurst, TX



Dallas, TX



Kent Nobis

Integrated Pavement Solutions (IPS)

214-935-2042

kent@preserveasphalt.com



Schertz, TX



Converse, TX





NOTICE:



Your Street Will Be Closing

Wednesday October 5th **AND** Thursday October 6th

****See over for map of your street's specific day of closure****

WHY IS MY ROAD CLOSING?

Roads in your subdivision are having a pavement preservation treatment installed that will help significantly extend the life of asphalt streets. The benefits of properly maintained streets include higher property values, a smoother/safer ride, and reduced costs to the community by prolonging the need for replacement.

WHAT IF MY CAR IS PARKED ON A ROAD THAT IS CLOSED?

Work will commence at 7:00 AM and the streets being treated will be closed for approximately 12 hours. A tow truck will be called for any cars parked on the streets scheduled to be treated that day. Please do not park within 50 feet of any street being worked on. Towing expenses will be the owner's responsibility.

WHAT IF I DRIVE ON THE ROAD WHILE CLOSED?

You will be liable for damage to your vehicle and to repair the area of road you have driven on. Minimum repair cost is \$750 to repair the installed surface treatment. In the event of a life threatening emergency, emergency vehicles will not be stopped from driving on the treated surface.

ALL OUTSIDE WATER MUST BE TURNED OFF

Water may damage the installation of the surface treatment. Please do not have sprinklers, hoses, etc... set to come on 24 hours before the road closure, during the road closure, or 24 hours after the road closure. Damage due to outdoor water use will result in the same minimum repair cost of \$750 to repair the installed surface treatment.

WEATHER CANCELLATION PROCEDURES:

If your street is cancelled due to weather, THAT DAY will be rescheduled. All other days will proceed as scheduled. You will receive notification of your new closure date 2-3 days prior to the newly rescheduled date. You will not receive a cancellation notice (if we have removed the barricades, you can bring your cars back in) and you will not receive immediate notice of your new date. If you require earlier notification of your rescheduled closure date, please call the office number and we will be happy to let you know of any approved dates.

Project Contacts

HOLBROOK OFFICE @ TBD

Ryan Jones @ 801-668-4447

Tom Bunnell @ 435-749-1373



City of Sachse:

**The area highlighted in
PURPLE will be CLOSED
On Wednesday October 5th
FROM 7AM UNTIL 7PM**

AND AGAIN ON

**Thursday October 6th
FROM 7AM UNTIL 7PM**

**for asphalt resurfacing.
Please plan accordingly.**



AVISO:

Tu Calle Se Cerrara



Miercoles, 5 de octubre Y Jueves, 6 de octubre

****Consulte el mapa del dia especifico del cierre de su calle****

POR QUE SE CIERRA MI CALLE?

Las carreteras en su subdivisión están teniendo un tratamiento de preservación de pavimento instalado que ayudará a extender significativamente la vida de las calles de asfalto. Los beneficios de las calles con mantenimiento adecuado incluyen valores de propiedad más altos, un viaje más suave / seguro y costos reducidos para la comunidad al prolongar la necesidad de reemplazo.

QUE PASA SI MI COCHE ESTA ESTACIONADO EN UNA CALLE CERRADA?

El trabajo comenzará a las 7:00 a.m. y las calles que serán tratadas estarán cerradas por 24 horas. Se llamará a una grúa para cualquier automóvil estacionado en las calles programadas para ser tratadas ese día. Por favor, no se estacione a menos de 50 pies de cualquier calle en la que se esté trabajando. Los gastos de remolque serán responsabilidad del propietario.

QUE PASA SI MANEJO EN LA CALLE CERRADA?

Usted será responsable de los daños a su vehículo y de reparar el área de la calle que ha manejado. El costo mínimo de reparación es de \$ 750 para reparar el tratamiento de superficie instalado. En caso de una emergencia que ponga en peligro la vida, no se impedirá que los vehículos de emergencia conduzcan sobre la superficie tratada.

TODA AGUA DE AFUERA DEBE SER APAGADA

El agua puede dañar la instalación del tratamiento de la superficie. Por favor, no tenga rociadores, mangueras, etc ... configurado para venir 24 horas antes del cierre de la carretera, durante el cierre de la carretera, o 24 horas después del cierre de la carretera. Si su HOA es responsable del agua del paisajismo, se asegurarán de que esté apagada. Los daños ocasionados por el uso de agua al aire libre resultarán en el mismo costo de reparación de \$ 750 mínimo para reparar el tratamiento de superficie instalado

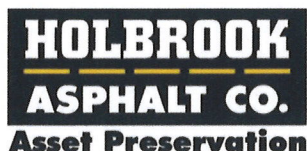
SI EL TIEMPO CAUSA UN ALTO AL PROYECTO, SU CALLE PUEDE ESTAR OBLIGADA A CERRAR OTRO DÍA. SI ESTO SUCEDE, RECIBIRÁ OTRA NOTIFICACIÓN UNA VEZ QUE SE HAYA APROBADO UNA FECHA PARA LA COMPROBACIÓN.

Project Contacts

HOLBROOK OFFICE @ 865-500-2421

Ryan Jones @ 801-668-4447

Tom Bunnell @ 435-749-1373



City of Sachse:

**El área resaltada en
MORADO estará CERRADA
Miércoles, 5 de octubre
Desde las 7am hasta las 7pm**

Y OTRA VEZ EN

**Jueves, 6 de octubre
Desde las 7am hasta las 7pm**

**Para la repavimentacion de asfalto.
Por favor plane en consecuencia.**



SACHSE TEXAS 2022

TENTATIVE SCHEDULE

RED	WEDNESDAY	21-Sep
BLUE	FRIDAY	23-Sep
YELLOW	TUESDAY	27-Sep
AQUA	WEDNESDAY	28-Sep

HA5™
HIGH
DENSITY
MINERAL
BOND

HOLBROOK
ASPHALT CO.
Asset Preservation

1,852 total sy

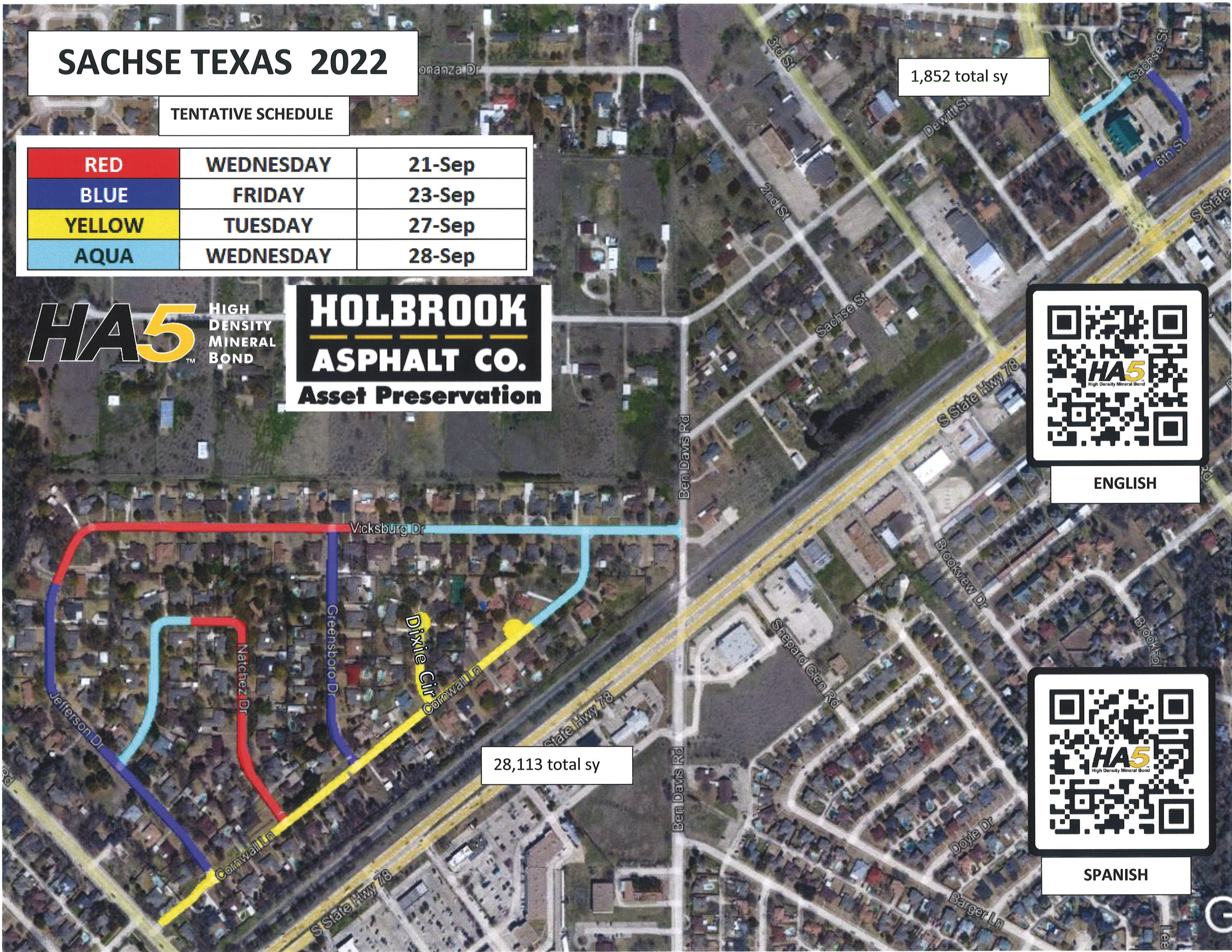


ENGLISH



SPANISH

28,113 total sy



RED	SATURDAY	1-Oct
BLUE	TUESDAY	4-Oct

PURPLE	WEDNESDAY	5-Oct	****Closure is from 7am until 7pm
PURPLE	THURSDAY	6-Oct	****Closure is from 7am until 7pm

YELLOW	WEDNESDAY	5-Oct
AQUA	THURSDAY	6-Oct
PINK	SATURDAY	8-Oct
WHITE	TUESDAY	11-Oct
GREEN	WEDNESDAY	12-Oct

HOLBROOK
ASPHALT CO.
Asset Preservation

HA5 HIGH DENSITY MINERAL BOND

SACHSE TEXAS PH2 2022

8,503 total sy

6068 total sy

2,945 total sy

11,588 total sy

15,829 total sy



ENGLISH



SPANISH

Google Earth



Agenda Item Details

Meeting	Sep 06, 2022 - City Council Meeting
Category	E. Regular Agenda Items
Subject	9. Consider authorizing the City Manager to execute a Construction Manager at Risk (CMAR) contract with Steele & Freeman Inc. for the new Animal Shelter project.
Access	Public
Type	Action, Discussion
Fiscal Impact	Yes
Budgeted	Yes
Budget Source	2021 Bond Funds
Recommended Action	Authorize the City Manager to execute a Construction Manager at Risk (CMAR) contract with Steele & Freeman Inc. for the new Animal Shelter project.

Public Content

BACKGROUND

Staff has negotiated a Construction Manager at Risk (CMAR) contract with Steele & Freeman Inc. pertaining to the design, development, and construction of a new Animal Shelter for the City of Sachse.

OVERVIEW

Chief Sylvester will provide an overview of the significant provisions within the contract, associated fees, and next steps.

The project architect, Mr. Ron Hobbs, and representatives from Steele & Freeman Inc. will be in attendance and available for questions as needed.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Authorize the City Manager to execute a Construction Manager at Risk (CMAR) contract with Steele & Freeman Inc. for the new Animal Shelter project.

[Presentation_Animal Shelter CMAR Contract.pdf \(172 KB\)](#)

[Steele & Freeman, Inc._Contract Documents_Sachse Animal Shelter.pdf \(7,653 KB\)](#)

Animal Shelter Project CMAR Contract

City Council
September 6, 2022



Overview

- Background
- Major Contract Provisions
- Next Steps

Background

- Based on the Request for Qualifications submittal, Steele & Freeman Inc. was selected to continue development of project
- Staff, architect, and Steele & Freeman personnel have met to discuss project goals, initial building concepts, importance of budget, and generalized processes going forward
- Staff has negotiated a Construction Manager at Risk (CMAR) contract for Council's consideration
- The American Institute of Architects (AIA) standardized contract was used as a foundation
 - Benchmark standard in construction industry
 - Edited by City Attorney, reviewed by City Manager, Architect, Steele & Freeman Inc.



Major Contract Provisions

- Designation of activities within pre-construction phase
 - *(No cost to City for pre-construction activities)**
- Project Design
- Sub-Contractor Bidding
- Cost Estimating
- Development of Project Schedule
- Development of Guaranteed Maximum Price (GMP)
 - GMP incorporates Cost of Work, Contingency, and Construction Manager fee
 - Construction Manager Fee = 4% GMP, Overhead \$368,000, and Insurance/Bond fees
 - City may negotiate, accept, or reject GMP proposal with no penalty or fee



Major Provisions Cont.

- Designation of activities during construction phase
 - Oversight and reporting processes and responsibilities
 - Site staff and responsibilities
 - Site security and cleanliness
 - Sub-contractor selection
 - Cost control measures
 - Any cost savings revert to City as a credit against GMP
 - Phased payment process
 - Defines weather related delays
 - \$1,000 per day penalty beyond substantial completion date
 - Contract termination/suspension options



Next Steps

- Initiation of pre-construction process inclusive of:
 - Design development
 - Designation of preferred materials and options
 - Development of initial project schedule
 - Cost estimating
- Staff will follow-up with City Council regarding proposed design

Questions



The City of
SACHSE



Sachse Animal Shelter

September 6, 2022



STEELE & FREEMAN, INC.

CONSTRUCTION MANAGERS

1301 Lawson Road • Fort Worth, Texas 76131

Office 817-232-4742 • Fax 817-232-9113

www.steelefreeman.com



- AIA A133 – 2019 TAB 1
Standard Form Agreement



- AIA A133 - 2019 TAB 2
Exhibit "B"
Insurance and Bonds



- AIA A201 – 2017 TAB 3
General Conditions



Table of Contents

Contract Documents

Sachse Animal Shelter

Construction Manager-at-Risk

Sachse Animal Shelter
6436 Sachse Rd.
Sachse, Texas 75048



STEELE & FREEMAN, INC.
CONSTRUCTION MANAGERS

Document A133™ – 2019

Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

AGREEMENT made as of the Sixth day of September in the year 2022
(In words, indicate day, month, and year.)

BETWEEN the Owner:
(Name, legal status, address, and other information)

City of Sachse
3815 Sachse Road
Sachse, Texas 75048

and the Construction Manager:
(Name, legal status, address, and other information)

Steele & Freeman, Inc.
1301 Lawson Road
Fort Worth, Texas 76131

for the following Project:
(Name, location, and detailed description)

Sachse Animal Shelter
6436 Sachse Road
Sachse, Texas 75048

The Architect:
(Name, legal status, address, and other information)

Ron Hobbs Architecture & Interior Design, LLP
614 W. Main Street, Suite 200
Garland, Texas 75040

The Owner and Construction Manager agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

TABLE OF ARTICLES

1	INITIAL INFORMATION
2	GENERAL PROVISIONS
3	CONSTRUCTION MANAGER'S RESPONSIBILITIES
4	OWNER'S RESPONSIBILITIES
5	COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES
6	COMPENSATION FOR CONSTRUCTION PHASE SERVICES
7	COST OF THE WORK FOR CONSTRUCTION PHASE
8	DISCOUNTS, REBATES, AND REFUNDS
9	SUBCONTRACTS AND OTHER AGREEMENTS
10	ACCOUNTING RECORDS
11	PAYMENTS FOR CONSTRUCTION PHASE SERVICES
12	DISPUTE RESOLUTION
13	TERMINATION OR SUSPENSION
14	MISCELLANEOUS PROVISIONS
15	SCOPE OF THE AGREEMENT

EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT

EXHIBIT B INSURANCE AND BONDS

ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Section 1.1.

(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")

§ 1.1.1 The Owner's program for the Project, as described in Section 4.1.1:

(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)

The project consists of the construction and improvements for a new Animal Shelter. The Project site is 6436 Sachse Road, Sachse, Texas 75048.

§ 1.1.2 The Project's physical characteristics:

(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)

§ 1.1.3 The Owner's budget for the Guaranteed Maximum Price, as defined in Article 6:

(Provide total and, if known, a line item breakdown.)

Guaranteed Maximum Price to be provided in A133 Exhibit A

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

- .1 Design phase milestone dates, if any:
To Be Determined as the project design is developed.
- .2 Construction commencement date:
To Be Determined as the project design is developed.
- .3 Substantial Completion date or dates:
To Be Determined as the project design is developed.
- .4 Other milestone dates:
To Be Determined as the project design is developed.

(Paragraphs deleted)

§ 1.2 The Owner and Construction Manager may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Construction Manager shall appropriately adjust the Project schedule, the Construction Manager's services, and the Construction Manager's compensation. The Owner shall adjust the Owner's budget for the Guaranteed Maximum Price and the Owner's anticipated design and construction milestones, as necessary, to accommodate material changes in the Initial Information.

§ 1.3 Neither the Owner's nor the Construction Manager's representative shall be changed without ten days' prior notice to the other party, unless a change or replacement becomes necessary due to circumstances outside the parties' control, such as death or termination of employment.

ARTICLE 2 GENERAL PROVISIONS

§ 2.1 The Contract Documents

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 3.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 3.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern. An enumeration of the Contract Documents, other than a Modification, appears in Article 15.

§ 2.1.1 Precedent of Contract Documents

If, and to the extent of, any inconsistency, ambiguity, discrepancy or error in the Contract Documents, the Construction Manager shall immediately seek clarification from the Architect and notify the Owner that clarification has been requested. In the event that the Architect fails to clarify such discrepancy, within a reasonable time under the circumstances, the Construction Manager shall proceed with the Work with the written permission from the Owner, and give precedence to the Contract Documents in the following descending order of priority:

- .1 Agreement, AIA Document A101-2017, as amended by the parties for the Project.
- .2 Contract Modifications signed by Contractor and Owner.
- .3 General Conditions, AIA Document A201-2017, as amended by the parties for the Project.
- .4 Addenda, with those of later date having precedence over those of earlier date.
- .5 Drawings and Specifications.

§ 2.2 Relationship of the Parties

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner to furnish efficient construction administration, management services, and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner's interests. The Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents when requested in advance and in writing in accordance with the Texas Government Code Chapter 2251.

§ 2.3 General Conditions

§ 2.3.1 For the Preconstruction Phase, AIA Document A201™–2017, General Conditions of the Contract for Construction, shall apply as follows: Section 1.5, Ownership and Use of Documents; Section 1.7, Digital Data Use and Transmission; Section 1.8, Building Information Model Use and Reliance; Section 2.2.4, Confidential Information; Section 3.12.10, Professional Services; Section 10.3, Hazardous Materials; Section 13.1, Governing Law. The term "Contractor" as used in A201–2017 shall mean the Construction Manager.

§ 2.3.2 For the Construction Phase, the general conditions of the contract shall be as set forth in A201–2017, which document is incorporated herein by reference. The term "Contractor" as used in A201–2017 shall mean the Construction Manager.

ARTICLE 3 CONSTRUCTION MANAGER'S RESPONSIBILITIES

The Construction Manager's Preconstruction Phase responsibilities are set forth in Sections 3.1 and 3.2, and in the applicable provisions of A201–2017 referenced in Section 2.3.1. The Construction Manager's Construction Phase responsibilities are set forth in Section 3.3. The Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase to commence prior to completion of the Preconstruction Phase, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

§ 3.1 Preconstruction Phase

§ 3.1.1 Extent of Responsibility

The Construction Manager shall exercise reasonable care in performing its Preconstruction Services. The Owner and Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of services and information furnished by the Construction Manager. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

§ 3.1.2 The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other. Additionally, the Construction Manager will work with the Owner and Architect to establish the general parameters of the Construction Manager's plans for management, budget, and schedule for the Work, each in terms of the other. Such parameters shall be agreed upon meetings held with the Parties as needed for the purpose.

§ 3.1.3 Consultation

§ 3.1.3.1 The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work.

§ 3.1.3.2 The Construction Manager shall advise the Owner and Architect on, without limitation, proposed site use and improvements, selection of materials, building systems, and equipment. The Construction Manager shall also provide recommendations to the Owner and Architect, consistent with the Project requirements, without limitation, on constructability; availability of materials and labor; actions designed to minimize adverse effects of materials or labor shortages; time requirements for procurement, installation and construction; prefabrication; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle

data, and possible cost reductions. The Construction Manager shall consult with the Architect regarding professional services to be provided by the Construction Manager during the Construction Phase.

§ 3.1.3.3 The Construction Manager shall assist the Owner and Architect in establishing building information modeling and digital data protocols for the Project, using AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

§ 3.1.4 Project Schedule

When Project requirements in Section 4.1.1 have been sufficiently identified, the Construction Manager shall prepare and periodically update a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities; and identify items that affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered in advance of construction; and the occupancy requirements of the Owner. As design proceeds, the Construction Manager shall update the Project schedule to indicate, in increasing detail and without limitation, proposed sequences and durations of the Preconstruction Phase activities and the activities necessary to complete the Work during the Construction Phase. This schedule will include, at minimum, the following milestones:

- .1 Dates for receipt and approval of pertinent information by the Owner, governmental agencies and other stakeholders;
- .2 Owner's submittal dates of information agreed to be required by the Construction Manager and Architect;
- .3 Preparation and processing of shop drawings and samples;
- .4 Delivery of materials or equipment requiring long-lead-time procurement;
- .5 Owner's occupancy requirements showing portions of both the Work and the Project having occupancy priority; and
- .6 Proposed dates of Substantial Completion and Final Payment.

If the updated Project schedule indicates that previously approved schedules may not be met, the Construction Manager shall make appropriate recommendations for acceleration, concurrency of activities, and other alternatives to the Owner and Architect to maintain the most recently approved target dates for the Work.

§ 3.1.5 Phased Construction

The Construction Manager, in consultation with the Architect, shall provide recommendations with regard to accelerated or fast-track scheduling, procurement, and sequencing for phased construction. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities, and procurement and construction scheduling issues.

§ 3.1.6 Cost Estimates

§ 3.1.6.1 Based on the preliminary design, any updates to the preliminary design, and other design criteria prepared by the Architect, the Construction Manager shall prepare, for the Architect's review and the Owner's approval, preliminary estimates of the Cost of the Work or the cost of program requirements using area, volume, or similar conceptual estimating techniques. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

§ 3.1.6.2 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update, at appropriate intervals agreed to by the Owner, Construction Manager and Architect, an estimate of the Cost of the Work with increasing detail and refinement. The Construction Manager shall include in the estimate those costs to allow for the further development of the design, price escalation, and market conditions, until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. The estimate shall be provided for the Architect's review and the Owner's approval. The Construction Manager shall inform the Owner and Architect in the event that the estimate of the Cost of the Work exceeds, or appears likely to exceed, the latest approved Project budget, and make recommendations for corrective action.

§ 3.1.6.3 If the Architect is providing cost estimating services as a Supplemental Service, and a discrepancy exists between the Construction Manager's cost estimates and the Architect's cost estimates, the Construction Manager and the Architect shall work together to reconcile the cost estimates.

§ 3.1.7 As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall consult with the Owner and Architect and make recommendations regarding constructability and schedules, for the Architect's review and the Owner's approval.

§ 3.1.8 The Construction Manager shall provide recommendations and information to the Owner and Architect regarding equipment, materials, services, and temporary Project facilities.

§ 3.1.9 The Construction Manager shall provide a staffing plan for Preconstruction Phase services for the Owner's review and approval.

§ 3.1.10 If the Owner identified a Sustainable Objective in Article 1, the Construction Manager shall fulfill its Preconstruction Phase responsibilities as required in AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.

§ 3.1.11 Subcontractors and Suppliers

(Paragraph deleted)

§ 3.1.11.1 The Construction Manager shall furnish to the Owner and Architect for their information and approval a list of possible Subcontractors and suppliers to possibly furnish materials, services or equipment, from whom competitive proposals will be requested for each principal portion of the Work. Approval by the Owner or Architect of all or a portion of such list or their request for the Construction Manager to consider additional Subcontractors or suppliers shall not relieve the Construction Manager of its obligation to prequalify all Subcontractors and suppliers later solicited for bids, or any other responsibility for the performance of the Construction Manager or any Subcontractor or supplier under this Agreement.

§ 3.1.11.2 The Construction Manager shall develop bidders' interest in the Project.

§ 3.1.11.3 The processes described in Article 9 shall apply if bid packages will be issued during the Preconstruction Phase.

§ 3.1.12 Procurement

The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Owner, after review and acceptance by the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them as if procured by the Construction Manager. If such long-lead-time items are proposed to be procured by the Owner, they shall be procured on Owner's terms and conditions, which shall be provided to the Construction Manager for review.

§ 3.1.12.1 Selection by Competitive Bid:

Except as otherwise agreed in writing by both parties hereto, the Construction Manager must publicly advertise for bids or proposals and receive competitive bids or proposals from any and all trade contractors or subcontractors for the performance of all major elements of the work other than the minor work that may be included in the general conditions.

§ 3.1.13 Compliance with Laws

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi-governmental authorities.

§ 3.1.14 Other Preconstruction Services

Insert a description of any other Preconstruction Phase services to be provided by the Construction Manager, or reference an exhibit attached to this document

(Describe any other Preconstruction Phase services, such as providing cash flow projections, development of a project information management system, early selection or procurement of subcontractors, etc.)

Approvals by Regulatory Agencies

In accordance with the most recently updated Project schedule, the Construction Manager shall monitor transmittal of documents to regulatory agencies for review and shall advise the Owner and Architect of potential delays and problems in completing such reviews, offer recommendations for mitigating their impact, and shall compile and convey the regulatory agencies' comments to the Architect.

§ 3.2 Guaranteed Maximum Price Proposal

§ 3.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Owner's and Architect's review, and the Owner's acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, the Construction Manager's contingency described in Section 3.2.4, and the Construction Manager's Fee described in Section 6.1.2.

§ 3.2.1.1 The Guaranteed Maximum Price shall be submitted by the Construction Manager in response to Section 3.2.1 above to the Owner and Architect not more than thirty (30) days after receipt by the Construction Manager of the Owner's request for the Guaranteed Maximum Price. Owner, at its sole option and discretion, may reject the Guaranteed Maximum Price proposal or any of them in the case of multiple proposals, or attempt to renegotiate the proposal with Construction Manager (with the right to cease negotiations at any time and reject the proposal). Construction Manager shall not withdraw its Guaranteed Maximum Price proposal and its proposal shall be irrevocable and open to acceptance by Owner for Ninety (90) days after Owner's receipt of such. Owner's rejection of Guaranteed Maximum Price proposal shall in no way entitle Construction Manager to make any claim for compensation or damages due to such rejection, all of which claims are hereby **waived and released**.

§ 3.2.2 To the extent that the Contract Documents are anticipated to require further development, the Guaranteed Maximum Price includes the costs attributable to such further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include changes in scope, systems, kinds and quality of materials, finishes, or equipment, all of which, if required, shall be incorporated by Change Order.

§ 3.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- .2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 3.2.2;
- .3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, including allowances; the Construction Manager's contingency set forth in Section 3.2.4; and the Construction Manager's Fee;
- .4 The anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based;
- .5 A date by which the Owner must accept the Guaranteed Maximum Price;
- .6 Documentation and detail supporting the Cost of the Work (e.g. detailed quantities, unit costs, quotations, Subcontractors proposals, etc.);
- .7 A separate listing of any previously agreed upon Allowances and their basis; and
- .8 A detailed listing of the further information required from the Owner and Architect and their required issuance dates upon which the date of Substantial Completion is based.

§ 3.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include a contingency for the Construction Manager's exclusive use to cover those costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order.

§ 3.2.4.1 Construction Manager shall also include in the Guaranteed Maximum Price a separate line item labeled "Owner's Contingency" in an amount specified by the Owner, if any. This Owner's Contingency is for the Owner's exclusive use in absorbing the increased scope of Cost of the Work items (if any) within the Construction Manager's Guaranteed Maximum Price. Any use of the Owner's Contingency requires approval by Change Order, showing both the amount reallocated to Cost of the Work, and the balance remaining in the Owner's Contingency

§ 3.2.5 The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner or Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

§ 3.2.6 If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

§ 3.2.7 The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the execution of the Guaranteed Maximum Price Amendment, unless the Owner provides prior written authorization for such costs.

§ 3.2.8 The Owner shall authorize preparation of revisions to the Contract Documents that incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish such revised Contract Documents to the Construction Manager. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment and the revised Contract Documents.

§ 3.2.9 The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 3.2.10 In determining the proposed Guaranteed Maximum Price and proposed Contract Time, the Construction Manager shall take into account the level of completeness of the proposed Contract Documents and exercise the best skill and efforts of the Construction Manager to make:

- .1 Appropriate judgments and inferences in connection with the requirements of such documents;
- .2 Such site visits and investigations of existing and observable conditions necessary to allow therefore;
- .3 All inquiries of the Architect and Owner necessary to clarify the documents; and
- .4 Appropriate judgments and inferences in connection with the requirements of such documents to calculate and firmly establish both the proposed Contract Sum shown in the proposed Guaranteed Maximum Price and the proposed Contract Time represented in the updated and proposed Project Schedule.

§ 3.2.11 Construction Manager warrants, represents, covenants, and agrees that all of the services to be performed by Construction Manager under or pursuant to this Agreement (including submission of the proposed Guaranteed Maximum Price and proposed Contract Time) shall be of the standard and quality which prevail among similar businesses and organizations of superior knowledge and skill engaged in providing similar services in major United States urban areas under the same or similar circumstances and involving a project such as the Project.

§ 3.3 Construction Phase

§ 3.3.1 General

§ 3.3.1.1 For purposes of Section 8.1.2 of A201–2017, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 3.3.1.2 The Construction Phase shall commence upon the Owner's execution of the Guaranteed Maximum Price Amendment or, prior to acceptance of the Guaranteed Maximum Price proposal, by written agreement of the parties. The written agreement shall set forth a description of the Work to be performed by the Construction Manager, and any insurance and bond requirements for Work performed prior to execution of the Guaranteed Maximum Price Amendment.

§ 3.3.2 Administration

§ 3.3.2.1 The Construction Manager shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. The Construction Manager shall prepare and promptly distribute minutes of the meetings to the Owner and Architect.

§ 3.3.2.2 Upon the execution of the Guaranteed Maximum Price Amendment, the Construction Manager shall prepare and submit to the Owner and Architect a construction schedule for the Work and a submittal schedule in accordance with Section 3.10 of A201–2017.

§ 3.3.2.3 Monthly Report

The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner.

§ 3.3.2.4 Daily Logs

The Construction Manager shall keep, and make available to the Owner and Architect, upon request, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the work, accidents, injuries, and other information required by the Owner.

§ 3.3.2.5 Cost Control

The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect, and shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 3.3.2.3 above.

§ 3.3.2.6 Project Personnel

.1 The Construction Manager shall furnish only skilled and properly trained staff for the performance of the Work. Contractor shall provide documentation identifying the key members of the Construction Manager's staff to the Owner upon commencement of the Work.

.2 Such key members of the Construction Manager's staff shall not be changed without the written consent of the Owner, unless such person becomes unable to perform any required duties due to death, disability, or termination of employment with the Construction Manager. If a key member is no longer capable of performing in their capacity, the Owner and Construction Manager shall agree on a mutually acceptable substitute.

.3 During the performance of the Work, the Construction Manager shall keep a competent superintendent at the Project site, who is fully authorized to act on behalf of the Construction Manager. Notice from the Owner or the Architect to such superintendent, in connection with defective work, instructions for performance of the Work, or any and all other issues shall be considered notice of such issues to the Construction Manager.

§ 3.3.2.7 Observation, Coordination of Other Independent Consultants

Technical inspection and testing provided by the Architect or Owner's other consultants shall be coordinated by the Construction Manager. The Construction Manager shall be provided a copy of all inspection and testing reports, preferably on the day the results of the inspection or test are available. The Owner shall provide or contract for the construction materials engineering, testing, and inspection services and the verification testing services necessary for acceptance of the Work by the Owner. The Construction Manager is not responsible for providing, nor does the Construction Manager control the actual performance of technical inspection and testing. The Construction Manager is performing a coordination function and is not acting in a manner so as to assume responsibility or liability, in whole or in part, for all or any part of such inspection and testing performed by the Architect, Owner, or the Owner's other consultants.

§ 3.3.2.8 Review and Incorporation of Time Extension Requests

The Construction Manager shall, prior to the issuance of a Change Order Request to the Owner and Architect, determine, diligently validate, and negotiate on behalf of the Owner the least proposed effect of time extensions requested by the Subcontractor on the Project schedule. If such Change Order Request is approved by Change Order, the Construction

Manager shall verify that the Work and any adjustment of time required by such approval has been promptly incorporated into the Construction Manager's Project Schedule and that of the affected Subcontractor(s).

§ 3.3.2.9 Project Schedule

The Construction Manager shall adjust and update the Project schedule frequently and distribute updated copies not less than monthly to the Owner and Architect for review, and subject to such review, for the Owner's approval. All adjustments to the Project schedule shall be made for the benefit of the Owner.

§ 3.3.2.10 Subcontractor's Construction Schedule

The Construction Manager shall review each Subcontractor's construction schedule and shall verify that the schedule is prepared in accordance with the requirements of the Contract Documents and that its established completion dates comply with the requirements of the Construction Manager.

§ 3.3.2.11 Operation and Maintenance Materials

The Construction Manager shall receive and carefully review all operation and maintenance manuals, warranties and guarantees for materials and equipment installed in the Project Subcontractors, suppliers and manufacturers, as required by the Contract Documents. The Construction Manager shall approve those in compliance with the Contract Documents, and promptly reject in writing those not acceptable.

§ 3.3.2.12 Organize and Index Operations and Maintenance Materials

Prior to final completion of the Work, the Construction Manager shall compile the approved editions of the Subcontractor's, Supplier's, and manufacturer's operations and maintenance manuals, warranties, and guarantees, prepare electronically accessible records of, and bind hard copies of, such documents in an organized manner.

§ 3.3.2.13 Occupancy Permit

The Construction Manager shall assist the Owner in obtaining Occupancy Permits, both a Temporary and a Final, by, without limitation, coordinating the appropriate governmental officials during inspections of the Work; preparing and submitting documentation to governmental agencies; coordinating final testing and distributing results of such testing; and other activities necessary to obtain such Occupancy Permits.

ARTICLE 4 OWNER'S RESPONSIBILITIES

§ 4.1 Information and Services Required of the Owner

§ 4.1.1 The Owner shall provide information with reasonable promptness, regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements.

§ 4.1.2 Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. After execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request such information as set forth in A201-2017 Section 2.2.

§ 4.1.3 The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Article 7, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality.

§ 4.1.4 **Structural and Environmental Tests, Surveys and Reports.** During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall carefully scrutinize such information for consistency with other information about the Work and exercise proper precautions relating to the safe performance of the Work.

§ 4.1.4.1 The Owner shall furnish tests, inspections, and reports, required by law and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 4.1.4.2 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; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and other necessary data with respect 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.

§ 4.1.4.3 The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 4.1.5 During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services.

§ 4.1.6 If the Owner identified a Sustainable Objective in Article 1, the Owner shall fulfill its responsibilities as required in AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, attached to this Agreement.

§ 4.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager. Except as otherwise provided in Section 4.2.1 of A201–2017, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 4.2.1 **Legal Requirements.** The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 4.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in AIA Document B133™–2019, Standard Form of Agreement Between Owner and Architect, Construction Manager as Constructor Edition, including any additional services requested by the Construction Manager that are necessary for the Preconstruction and Construction Phase services under this Agreement. The Owner shall provide the Construction Manager with a copy of the scope of services in the executed agreement between the Owner and the Architect, and any further modifications to the Architect's scope of services in the agreement.

ARTICLE 5 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

§ 5.1 Compensation

§ 5.1.1 For the Construction Manager's Preconstruction Phase services described in Sections 3.1 and 3.2, the Owner shall compensate the Construction Manager as follows:

(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)

No Charge (\$0.00)

§ 5.1.2 The hourly billing rates for Preconstruction Phase services of the Construction Manager and the Construction Manager's Consultants and Subcontractors, if any, are set forth below.

(If applicable, attach an exhibit of hourly billing rates or insert them below.)

Not Applicable

Individual or Position

Rate

§ 5.1.2.1 Hourly billing rates for Preconstruction Phase services include all costs to be paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, and shall remain unchanged unless the parties execute a Modification.

§ 5.1.3 If the Preconstruction Phase services covered by this Agreement have not been completed within Not Applicable (N/A) months of the date of this Agreement, through no fault of the Construction Manager, the Construction Manager's compensation for Preconstruction Phase services shall be equitably adjusted.

§ 5.2 Payments

§ 5.2.1 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

§ 5.2.2 Payments are due and payable

(Paragraphs deleted)

within thirty (30) days of the Construction Manager's approvable invoice. Amounts unpaid shall bear interest at the legal rate allowed by Texas Government Code Ch. 2251

ARTICLE 6 COMPENSATION FOR CONSTRUCTION PHASE SERVICES

§ 6.1 Contract Sum

§ 6.1.1 The Owner shall pay the Construction Manager the Contract Sum in current funds for the Construction Manager's performance of the Contract after execution of the Guaranteed Maximum Price Amendment. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Construction Manager's Fee.

§ 6.1.2 The Construction Manager's Fee:

(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)

The Construction Manager's Fee shall be 4.00% of the GMP.

The Overhead Fee shall be a lump sum amount of \$368,000.00 to include on-site field staff, field project office, office supplies, postage/shipping/courier service, copy machine/paper, telephone/data/internet/fax service, personal computers, and vehicle allowance for field staff.

Builder's Risk Insurance	0.16% of the GMP
General/Umbrella Liability Insurance	0.52% of the GMP
Payment and Performance Bonds	1.13% of the GMP
Subcontractor Default Insurance	1.80% of the Enrolled Subcontractors/Suppliers

§ 6.1.3 The method of adjustment of the Construction Manager's Fee for changes in the Work:

Four Percent (4.00%) for any changes in excess of the Original GMP

§ 6.1.4 Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

10% Overhead and 5% Profit

§ 6.1.5 Rental rates for Construction Manager-owned equipment shall not exceed one hundred percent (100 %) of the standard rental rate paid at the place of the Project.

§ 6.1.6 Liquidated damages, if any:

(Insert terms and conditions for liquidated damages, if any.)

The Construction Manager shall be liable for and shall pay to the Owner the sums hereinafter stipulated as liquidated damages for each calendar day of delay until the Work is substantially completed: ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00)

Init.

§ 6.1.7 Other:

(Insert provisions for bonus, cost savings or other incentives, if any, that might result in a change to the Contract Sum.)

The Construction Manager shall not participate in savings to the cost of work. Any savings incurred through cost of work shall be recognized through a credit to the GMP.

§ 6.2 Guaranteed Maximum Price

The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, subject to additions and deductions by Change Order as provided in the Contract Documents. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Construction Manager without reimbursement by the Owner.

§ 6.3 Changes in the Work

§ 6.3.1 The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Construction Manager may be entitled to an equitable adjustment in the Contract Time as a result of changes in the Work.

§ 6.3.1.1 The Architect may order minor changes in the Work as provided in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 6.3.2 Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Article 7 of AIA Document A201–2017, General Conditions of the Contract for Construction.

§ 6.3.3 Adjustments to subcontracts awarded on the basis of a stipulated sum shall be determined in accordance with Article 7 of A201–2017, as they refer to "cost" and "fee," and not by Articles 6 and 7 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior written consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3.4 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in Article 7 of AIA Document A201–2017 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 6.1.2 of this Agreement.

§ 6.3.5 If no specific provision is made in Section 6.1.3 for adjustment of the Construction Manager's Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Section 6.1.3 will cause substantial inequity to the Owner or Construction Manager, the Construction Manager's Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 7 COST OF THE WORK FOR CONSTRUCTION PHASE

§ 7.1 Costs to Be Reimbursed

§ 7.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. The Cost of the Work shall include only the items set forth in Sections 7.1 through 7.7.

§ 7.1.2 Where, pursuant to the Contract Documents, any cost is subject to the Owner's prior approval, the Construction Manager shall obtain such approval in writing prior to incurring the cost.

§ 7.1.3 Costs shall be at rates not higher than the standard rates paid at the place of the Project, except with prior approval of the Owner.

§ 7.2 Labor Costs

§ 7.2.1 Wages or salaries of construction workers directly employed by the Construction Manager to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops.

§ 7.2.2 Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site and performing Work are included under the lump sum overhead fee in accordance with Article 6.1.2.

(Paragraphs deleted)

§ 7.2.3 Wages and salaries of the Construction Manager's supervisory or administrative personnel engaged at factories, workshops or while traveling, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

§ 7.2.4 Costs paid or incurred by the Construction Manager, as required by law or collective bargaining agreements, for taxes, insurance, contributions, assessments and benefits and, for personnel not covered by collective bargaining agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, but not merit bonuses or profit-sharing, provided such costs are based on wages and salaries included in the Cost of the Work under Sections 7.2.1 through 7.2.3. Charges for such costs shall not exceed the Construction Manager's actual cost and, as a result, when computing amounts chargeable for such costs Construction Manager shall give proper consideration to what portion of such charges are solely attributable to the Work and the effect of any annual or other periodic limitations on any such charges.

§ 7.2.5 If agreed rates for labor costs, in lieu of actual costs, are provided in this Agreement, the rates shall remain unchanged throughout the duration of this Agreement, unless the parties execute a Modification.

§ 7.2.6 The Owner shall have the right to audit the Construction Manager's actual labor costs, burdens, and related expenditures before final payment, and adjust the Owner's payment to the Construction Manager for variations found accordingly.

§ 7.2.7 Statutory Requirements

§ 7.2.7.1 Pursuant to Chapter 2258, Texas Government Code, all contractors and any Subcontractor involved in the construction of a public work project shall pay not less than the prevailing rates as per diem wages in the locality at the time of construction to all laborers, workmen and mechanics employed by them in the execution of this contract. Construction Manager shall assure that these requirements are met for the Project and shall insure that every contract or subcontract relating to the Work requires, on behalf of Owner, that the prevailing wage rates be paid.

§ 7.2.7.2 The Construction Manager shall assist the Owner in determining the general prevailing rate required by Chapter 2258.022, Texas Government Code by conducting a survey of the per diem wage rates received by classes of workers employed on projects of a character similar to the contract work in the political subdivision in which the Work is to be performed. This survey shall specifically exclude the use of United States Department of Labor Davis-Bacon Act wage rate information.

§ 7.3 Subcontract Costs

Payments made by the Construction Manager to Subcontractors in accordance with the requirements of the subcontracts and this Agreement.

§ 7.4 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 7.4.1 Costs, including transportation and storage at the site, of materials and equipment incorporated, or to be incorporated, in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall be properly stored at the site, or in accordance with the Owner's instructions, and shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Construction Manager. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work. Construction Manager shall use its best efforts and judgment to avoid purchasing excess materials without the prior approval of the Owner.

§ 7.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 7.5.1 Costs of transportation, storage, installation, dismantling, maintenance, and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment, and tools, that are not fully consumed, shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value. Any such

items used but not consumed, which are paid for by the Owner, shall become the property of the Owner and shall be delivered to the Owner upon completion of the Work in accordance with instructions furnished by the Owner. If the Owner elects, however, the Construction Manager shall purchase any items from the Owner at a purchase price equal to the original cost charged to the Owner, less the reduction in fair market value resulting directly from any use of such item in connection with the Work or such other price which is mutually acceptable for the Owner and the Construction Manager. Upon demand by the Owner, the Construction Manager shall furnish the Owner with any information and documentation necessary to verify the period of time for which items were used in connection with the Work.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site, and the costs of transportation, installation, dismantling, minor repairs, and removal of such temporary facilities, machinery, equipment, and hand tools. Rates and quantities of equipment owned by the Construction Manager, or a related party as defined in Section 7.8, shall be subject to the Owner's prior approval. The total rental cost of any such equipment may not exceed the purchase price of any comparable item.

§ 7.5.2.1 The Construction Manager shall obtain bids for all machinery and equipment to be rented from no less than two (2) responsible suppliers other than the Construction Manager itself, or a related party as defined in Section 7.8. The Owner shall, with the advice of the Construction Manager and Construction Manager, determine which bid is to be accepted. Construction Manager shall disclose to the Owner and Construction Manager if any rental arrangements include a lease to purchase component as a result of which rental payments chargeable to Owner as costs are applied, in whole or in part, to Construction Manager's acquisition of such rented equipment, in which event the rental rate otherwise provided for shall be reduced by fifty percent (50%).

§ 7.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 7.5.4 Costs of the Construction Manager's site office, including general office equipment and supplies.

§ 7.5.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior approval.

§ 7.6 Miscellaneous Costs

§ 7.6.1 [Intentionally Deleted]

§ 7.6.1.1 Costs for self-insurance, for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior approval.

§ 7.6.1.2 Costs for insurance through a captive insurer owned or controlled by the Construction Manager, with the Owner's prior approval.

§ 7.6.2 Sales, use, or similar taxes, imposed by a governmental authority, that are related to the Work and for which the Construction Manager is liable.

§ 7.6.3 Fees and assessments for the building permit, and for other permits, licenses, and inspections, for which the Construction Manager is required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents; except those related to defective or nonconforming Work for which reimbursement is excluded under Article 13 of AIA Document A201-2017 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process, or product, required by the Contract Documents.

§ 7.6.5.1 [Intentionally Deleted]

§ 7.6.6 [Intentionally Deleted]

§ 7.6.7 Costs of document reproductions and delivery charges.

§ 7.6.8 [Intentionally Deleted]

§ 7.6.9 [Intentionally Deleted]

§ 7.6.10 [Intentionally Deleted]

§ 7.6.11 [Intentionally Deleted]

§ 7.7 Other Costs and Emergencies

§ 7.7.1 Other costs incurred in the performance of the Work, with the Owner's prior approval.

§ 7.7.2 Costs incurred in taking action to prevent threatened damage, injury, or loss, in case of an emergency affecting the safety of persons and property, as provided in Article 10 of AIA Document A201–2017, and to the extent not (1) caused by the Construction Manager, a subcontractor, or anyone for whom either is responsible, or (2) capable of being prevented through timely notice of an unsafe condition to the Owner.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors, or suppliers, provided that such damaged or nonconforming Work was not caused by the negligence of, or failure to fulfill a specific responsibility by, the Construction Manager, or the failure of the Construction Manager to adequately supervise the Work of the Construction Manager, Subcontractors, or suppliers, and only to the extent that the cost of repair or correction is not recoverable by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

§ 7.7.4 The costs described in Sections 7.1 through 7.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201–2017 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded by the provisions of Section 7.9.

§ 7.8 Related Party Transactions

§ 7.8.1 For purposes of this Section 7.8, the term "related party" shall mean any party or entity related to or affiliated with the Construction Manager or in which the Construction Manager has direct or indirect ownership or control, including without limitation: (1) a parent, subsidiary, affiliate, or other entity having common ownership of, or sharing common management with, the Construction Manager; (2) any entity in which any stockholder in, or management employee of, the Construction Manager holds an equity interest in excess of ten percent in the aggregate; (3) any entity which has the right to control the business or affairs of the Construction Manager; (4) any person, or any member of the immediate family of any person, who has the right to control the business or affairs of the Construction Manager, or (5) any party or entity with an excess of ten percent (10%) interest in the Construction Manager in the aggregate.

§ 7.8.2 If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner, in writing, of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction in writing, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods, or service, from the related party, as a Subcontractor, according to the terms of Article 9. If the Owner fails to authorize the transaction in writing, the Construction Manager shall procure the Work, equipment, goods, or service from some person or entity other than a related party according to the terms of Article 9.

§ 7.9 Costs Not To Be Reimbursed

§ 7.9.1 The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 7.2, or as may be provided in Article 14;
- .2 Bonuses, profit sharing, incentive compensation, and any other discretionary payments, paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, unless the Owner has provided prior approval;
- .3 Expenses of the Construction Manager's principal office and offices other than the site office;
- .4 Overhead and general expenses, except as may be expressly included in Sections 7.1 to 7.7;

- .5 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- .6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence of, or failure to fulfill a specific responsibility of the Contract by, the Construction Manager, Subcontractors, and suppliers, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable;
- .7 Any cost not specifically and expressly described in Sections 7.1 to 7.7;
- .8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded;
- .9 Costs for services incurred during the Preconstruction Phase
- .10 Services and expenses of the estimating, personnel, accounting, budget control, audit and management information systems (other than pre-construction services) relating to accounting in Construction Manager's office and even if at the site, except as specifically identified herein;
- .11 Interest on Construction Manager's capital or on money borrowed by Construction Manager, including the capital employed by Construction Manager in the performance of the Work.
- .12 Amounts required to be paid by Construction Manager for Federal and/or State income, franchise taxes or other business taxes, but not including any applicable sales taxes;
- .13 Legal, accounting, or other similar professional services provided by or to Construction Manager, in regard to disputes, arbitrations, litigations or other such proceedings with Subcontractors, with municipal authorities, with Owner, the Architect or any other person or entity relating to the Project or otherwise;
- .14 Sales, entertainment, and meal expenses; and
- .15 Costs related to Construction Manager's indemnification obligations.

ARTICLE 8 DISCOUNTS, REBATES, AND REFUNDS

§ 8.1 Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included the amount to be paid, less such discount, in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds, and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained. The Construction Manager shall not obtain for its own benefit any discounts, rebates or refunds in connection with the Work from any source including but not limited to its Subcontractors, vendors, or other suppliers of goods, insurance or other services without providing the Owner with at least thirty (30) days prior written notice of the potential discount, rebate or refund and an opportunity to furnish funds if and when necessary to obtain such discount, rebate or refund on behalf of the Owner in accordance with the requirements of this Section 8.1.

§ 8.2 Amounts that accrue to the Owner in accordance with the provisions of Section 8.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 9 SUBCONTRACTS AND OTHER AGREEMENTS

§ 9.1 Those portions of the Work that the Construction Manager does not customarily perform with the Construction Manager's own personnel shall be performed under subcontracts or other appropriate agreements with the Construction Manager. The Owner may designate specific persons from whom, or entities from which, the Construction Manager shall obtain bids. The Construction Manager shall obtain bids from Subcontractors, and from suppliers of materials or equipment fabricated especially for the Work, who are qualified to perform that portion of the Work in accordance with the requirements of the Contract Documents. The Construction Manager shall deliver such bids to the Architect and Owner with an indication as to which bids the Construction Manager intends to accept. The Owner then has the right to review the Construction Manager's list of proposed subcontractors and suppliers in consultation with the Architect and, subject to Section 9.1.1, to object to any subcontractor or supplier. Any advice of the Architect, or approval or objection by the Owner, shall not relieve the Construction Manager of its responsibility to perform the Work in accordance with the Contract Documents. The Construction Manager shall not be required to contract with anyone to whom the Construction Manager has reasonable objection.

§ 9.1.1 When a specific subcontractor or supplier (1) is recommended to the Owner by the Construction Manager; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Construction Manager may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the

difference between the bid of the person or entity recommended to the Owner by the Construction Manager and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 9.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the Owner's prior written approval. If a subcontract is awarded on the basis of cost plus a fee, the Construction Manager shall provide in the subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Article 10.

ARTICLE 10 ACCOUNTING RECORDS

The Construction Manager shall keep full and detailed records and accounts related to the Cost of the Work, and exercise such controls, as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, job cost reports, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, Subcontractor's invoices, purchase orders, vouchers, memoranda, and other data relating to this Contract. The Construction Manager shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law. All records shall be maintained in accordance with generally accepted accounting procedures consistently applied. Subcontractors retained by the Construction Manager on a cost-plus basis shall have the same obligation to retain records and permit audits, inspections and copying as required of the Construction Manager under this Agreement.

ARTICLE 11 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

§ 11.1 Progress Payments

§ 11.1.1 Based upon Applications for Payment, including all supporting documentation as hereinafter provided, submitted to the Architect and Owner by the Construction Manager, and Certificates for Payment issued by the Architect, subject to review and approval by the Owner, the Owner shall make progress payments on account of the Contract Sum, to the Construction Manager, as provided below and elsewhere in the Contract Documents.

§ 11.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 11.1.3 Provided that an Application for Payment is received by the Architect not later than the last day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the last day of the following month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than thirty (30) days after the Architect receives the Application for Payment.

(Federal, state or local laws may require payment within a certain period of time.)

§ 11.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that payments already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, plus payrolls for the period covered by the present Application for Payment, less that portion of the progress payments attributable to the Construction Manager's Fee.

§ 11.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among: (1) the various portions of the Work; (2) any contingency for costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order; and (3) the Construction Manager's Fee.

§ 11.1.5.1 The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. The schedule of values shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 11.1.5.2 The allocation of the Guaranteed Maximum Price under this Section 11.1.5 shall not constitute a separate guaranteed maximum price for the Cost of the Work of each individual line item in the schedule of values.

§ 11.1.5.3 When the Construction Manager allocates costs from a contingency to another line item in the schedule of values, the Construction Manager shall submit supporting documentation to the Architect.

§ 11.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work and for which the Construction Manager has made payment or intends to make payment prior to the next Application for Payment, by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 11.1.7 In accordance with AIA Document A201–2017 and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 11.1.7.1 The amount of each progress payment shall first include:

- .1 That portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the most recent schedule of values;
- .2 That portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction or, if approved in writing in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified; and
- .4 The Construction Manager's Fee, computed upon the Cost of the Work described in the preceding Sections 11.1.7.1.1 and 11.1.7.1.2 at the rate stated in Section 6.1.2 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work included in Sections 11.1.7.1.1 and 11.1.7.1.2 bears to a reasonable estimate of the probable Cost of the Work upon its completion.

§ 11.1.7.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;
- .3 Any amount for which the Construction Manager does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Construction Manager intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017;
- .5 The shortfall, if any, indicated by the Construction Manager in the documentation required by Section 11.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .6 Retainage withheld pursuant to Section 11.1.8.

§ 11.1.8 Retainage

§ 11.1.8.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

Five Percent (5.00%)

§ 11.1.8.1.1 The following items are not subject to retainage:

(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

Not Applicable

Init.

§ 11.1.8.2 Reduction or limitation of retainage, if any, shall be as follows:
(If the retainage established in Section 11.1.8.1 is to be modified prior to Substantial Completion of the entire Work, insert provisions for such modification.)

§ 11.1.8.3 Except as set forth in this Section 11.1.8.3, upon Substantial Completion of the Work, the Construction Manager may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 11.1.8. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:
(Insert any other conditions for release of retainage, such as upon completion of the Owner's audit and reconciliation, upon Substantial Completion.)

Not Applicable

§ 11.1.9 If final completion of the Work is materially delayed through no fault of the Construction Manager, the Owner shall pay the Construction Manager any additional amounts in accordance with Article 9 of AIA Document A201–2017.

§ 11.1.10 Except with the Owner's prior written approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and suitably stored at the site.

§ 11.1.11 The Owner and the Construction Manager shall agree upon a mutually acceptable procedure for review and approval of payments to Subcontractors, and the percentage of retainage held on Subcontracts, and the Construction Manager shall execute subcontracts in accordance with those agreements.

§ 11.1.12 In taking action on the Construction Manager's Applications for Payment the Architect shall be entitled to rely on the accuracy and completeness of the information furnished by the Construction Manager, and such action shall not be deemed to be a representation that (1) the Architect has made a detailed examination, audit, or arithmetic verification, of the documentation submitted in accordance with Section 11.1.4 or other supporting data; (2) that the Architect has made exhaustive or continuous on-site inspections; or (3) that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits, and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

§ 11.2 Final Payment

§ 11.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract, except for the Construction Manager's responsibility to correct Work as provided in Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment;
- .3 a final Certificate for Payment has been issued by the Architect in accordance with Section 11.2.2.2; and
- .4 a complete release of all claims arising out of, related to or connected with Construction Manager's performance of Work under this Agreement, and any claims of Subcontractors, subject to any claims reserved in accordance with the terms of the General Conditions and an affidavit that so far as Construction Manager has knowledge or information, the release includes and covers all materials and services over which Construction Manager has control for which a claim could be filed, subject to any claims reserved in accordance with the terms of the General Conditions.

§ 11.2.2 Within 30 days of the Owner's receipt of the Construction Manager's final accounting for the Cost of the Work, the Owner shall conduct an audit of the Cost of the Work or notify the Architect that it will not conduct an audit.

§ 11.2.2.1 If the Owner conducts an audit of the Cost of the Work, the Owner shall, within 10 days after completion of the audit, submit a written report based upon the auditors' findings to the Architect.

§ 11.2.2.2 Within seven days after receipt of the written report described in Section 11.2.2.1, or receipt of notice that the Owner will not conduct an audit, and provided that the other conditions of Section 11.2.1 have been met, the Architect will either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Article 9 of AIA Document A201–2017. The time periods stated in this Section 11.2.2 supersede those stated in Article 9 of AIA Document A201–2017. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting.

§ 11.2.2.3 If the Owner's auditors' report concludes that the Cost of the Work, as substantiated by the Construction Manager's final accounting, is less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Article 15 of AIA Document A201–2017. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager.

§ 11.2.3 The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

§ 11.2.4 If, subsequent to final payment, and at the Owner's request, the Construction Manager incurs costs, described in Sections 7.1 through 7.7, and not excluded by Section 7.9, to correct defective or nonconforming Work, the Owner shall reimburse the Construction Manager for such costs, and the Construction Manager's Fee applicable thereto, on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price. If adjustments to the Contract Sum are provided for in Section 6.1.7, the amount of those adjustments shall be recalculated, taking into account any reimbursements made pursuant to this Section 11.2.4 in determining the net amount to be paid by the Owner to the Construction Manager.

§ 11.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

(Paragraph deleted)

ARTICLE 12 DISPUTE RESOLUTION

§ 12.1 Initial Decision Maker

§ 12.1.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 12 and Article 15 of A201–2017. However, for Claims arising from or relating to the Construction Manager's Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 12.1.2 of this Agreement shall not apply.

§ 12.1.2 The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017 for Claims arising from or relating to the Construction Manager's Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

§ 12.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

(Check the appropriate box.)

☐ Arbitration pursuant to Article 15 of AIA Document A201–2017

☒ Litigation in a court of competent jurisdiction

☐ Other: *(Specify)*

If the Owner and Construction Manager do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 13 TERMINATION OR SUSPENSION

§ 13.1 Termination Prior to Execution of the Guaranteed Maximum Price Amendment

§ 13.1.1 If the Owner and the Construction Manager do not reach an agreement on the Guaranteed Maximum Price, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner.

§ 13.1.2 In the event of termination of this Agreement pursuant to Section 13.1.1, the Construction Manager shall be compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination, in accordance with the terms of this Agreement. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.3 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days' written notice to the Construction Manager for the Owner's convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days' written notice to the Owner, for the reasons set forth in Article 14 of A201–2017.

§ 13.1.4 In the event of termination of this Agreement pursuant to Section 13.1.3, the Construction Manager shall be equitably compensated for Preconstruction Phase services and Work performed prior to receipt of a notice of termination. In no event shall the Construction Manager's compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.5 If the Owner terminates the Contract pursuant to Section 13.1.3 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 13.1.4:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services; and
- .4 Subtract the difference between the Construction Manager's expected cost to complete the remaining unperformed Work plus its anticipated fee on that remaining unperformed Work from the actual cost incurred by the Owner to complete the Construction Manager's Work plus any fee paid for the completion of the remaining Work.

§ 13.1.6 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.1.5.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager

under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

§ 13.1.6.1 If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse or indemnify the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement and the Owner will pay the Construction Manager the costs necessarily incurred by the Construction Manager because of such termination.

§ 13.1.6 Nothing in this Article 13 or in the Contract Documents shall be construed to constitute or authorize a pass through or assignment of the Construction Manager's rights or remedies, at law or in equity, to any Subcontractor, Supplier, or any other related party. For all purposes, the Contract Documents shall not be construed to create any privity of contract between the Owner and any Subcontractor(s), Supplier(s), Related Party, or any other third-party providing services related to this Project

§ 13.2 Termination or Suspension Following Execution of the Guaranteed Maximum Price Amendment

§ 13.2.1 Termination

The Contract may be terminated by the Owner or the Construction Manager as provided in Article 14 of AIA Document A201–2017.

§ 13.2.2 Termination by the Owner for Cause

§ 13.2.2.1 If the Owner terminates the Contract for cause as provided in Article 14 of AIA Document A201–2017, the amount, if any, to be paid to the Construction Manager under Article 14 of AIA Document A201–2017 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee, computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract the costs and damages incurred, or to be incurred, by the Owner under Article 14 of AIA Document A201–2017.

§ 13.2.2.2 The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.2.1.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders.

§ 13.2.3 Termination by the Owner for Convenience

If the Owner terminates the Contract for convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Construction Manager a termination fee as follows:

(Insert the amount of or method for determining the fee, if any, payable to the Construction Manager following a termination for the Owner's convenience.)

§ 13.3 Suspension

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Article 14 of AIA Document A201–2017, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 6.1 and 6.3.5 of this Agreement.

ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Terms in this Agreement shall have the same meaning as those in A201–2017. Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 14.2 Successors and Assigns

§ 14.2.1 The Owner and Construction Manager, respectively, bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 14.2.2 of this Agreement, and in Section 13.2.2 of A201–2017, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 14.2.2 The Owner may, without consent of the Construction Manager, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Construction Manager shall execute all consents reasonably required to facilitate the assignment.

§ 14.3 Insurance and Bonds

§ 14.3.1 Preconstruction Phase

The Construction Manager shall maintain the following insurance for the duration of the Preconstruction Services performed under this Agreement. If any of the requirements set forth below exceed the types and limits the Construction Manager normally maintains, the Owner shall reimburse the Construction Manager for any additional cost.

§ 14.3.1.1 Commercial General Liability with policy limits of not less than two-million dollars (\$ 2,000,000.00) for each occurrence and two-million dollars (\$ 2,000,000.00) in the aggregate for bodily injury and property damage.

§ 14.3.1.2 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager with policy limits of not less than one-million dollars (\$ 1,000,000.00) per accident for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles, along with any other statutorily required automobile coverage.

§ 14.3.1.3 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided that such primary and excess or umbrella liability insurance policies result in the same or greater coverage as the coverages required under Sections 14.3.1.1 and 14.3.1.2, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ 14.3.1.4 Workers' Compensation at statutory limits and Employers Liability with policy limits not less than one-million dollars (\$ 1,000,000.00) each accident, one-million dollars (\$ 1,000,000.00) each employee, and one-million dollars (\$ 1,000,000.00) policy limit.

§ 14.3.1.5 Professional Liability covering negligent acts, errors and omissions in the performance of professional services, with policy limits of not less than one million dollars (\$ 1,000,000.00).

§ 14.3.1.6 Other Insurance

(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Coverage	Limits
Payment and Performance Bond	100% of the total amount of the contract

§ 14.3.1.7 **Additional Insured Obligations.** To the fullest extent permitted by law, the Construction Manager shall cause the primary and excess or umbrella policies for Commercial General Liability and Automobile Liability to include the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions. The additional insured coverage shall be primary and non-contributory to any of the Owner's insurance policies and shall apply to both ongoing and completed operations.

§ 14.3.1.8 The Construction Manager shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 14.3.1.

§ 14.3.2 Construction Phase

After execution of the Guaranteed Maximum Price Amendment, the Owner and the Construction Manager shall purchase and maintain insurance as set forth in AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, Exhibit B, Insurance and Bonds, and elsewhere in the Contract Documents.

§ 14.3.2.1 The Construction Manager shall provide bonds as set forth in AIA Document A133™–2019 Exhibit B, and elsewhere in the Contract Documents.

§ 14.4 Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given in accordance with AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, if completed, or as otherwise set forth below:

(If other than in accordance with AIA Document E203–2013, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

§ 14.5 Other provisions:

§ 14.5.1 The Construction Manager represents and warrants the following to the Owner (in addition to any other representation and warranties contained in the Contract Documents) as a material inducement to the Owner to execute this Agreement, which representations and warranties shall survive the execution and delivery of this Agreement, any termination of this Agreement, and final completion of the Work:

- .1 The Construction Manager and its Subcontractors are financially solvent, capable of obtaining adequate insurance, able to pay all debts as they mature and possessed of sufficient working capital to complete the Work and perform all obligations hereunder;
- .2 The Construction Manager is able to furnish the physical infrastructure, tools, materials, supplies, equipment and supervision, and labor required to complete the Work and perform its obligations hereunder and has sufficient experience and competence to do so;
- .3 The Construction Manager is authorized to do business at the Project's location, and within the State of Texas, and is properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over the Construction Manager and over the Work and the Project;
- .4 The Construction Manager's execution of this Agreement and performance thereof is within the Construction Manager's duly-authorized powers;
- .5 The Construction Manager's duly-authorized representative has visited the site of the Project and is familiar with the local conditions under which the Work is to be performed and has correlated its observations with the requirements of the Contract Documents;
- .6 The Construction Manager possesses a high level of experience and expertise in the business administration, construction, construction management and superintendence of projects of this size, complexity and nature of this particular Project and will perform the Work with the care, skill and diligence of such a contractor;
- .7 The foregoing warranties are in addition to, and not in lieu of, any and all other liability imposed upon the Contractor by law with respect to the Construction Manager's duties, obligations, and performance hereunder; and

.8 The Construction Manager acknowledges that the Owner is relying upon the Construction Manager's skill and experience in connection with the proper, timely and diligent prosecution of the Work.

§ 14.5.2 In the event any provision contained in this Agreement conflicts with any provision contained in the Contract Documents, the more stringent provision for the Construction Manager, as interpreted by the Owner, shall govern.

§ 14.5.3 The Construction Manager shall provide sufficient supporting documentation in form and with a level of detail wholly acceptable to the Owner and Construction Manager to substantiate any Application for Payment, request for Change to the Contract Sum or Contract Time, and all contract Allowances provided within the Construction Manager's Contract Sum for this scope of work. Failure to timely provide all supporting documentation, in and of itself, may result in rejection of the Application for Payment or requested change to the Contract Sum or Contract Time, or payment for work charged to the Allowance(s).

§ 14.5.4 Time limits set out in or under this Agreement are solely for the protection and benefit of the Owner and create no third-party beneficiary rights in any other party.

§ 14.5.5 Notices. All notices, consents, approvals, demands, requests or other communications provided for or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given or served when delivered by hand delivery or when deposited in the U.S. mail by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Owner: City of Sachse
Attn: Gina Nash, City Manager
3815 Sachse Rd.
Sachse, Texas 75048

With an additional copy to: Joseph Gorfida, Jr, City Attorney
Nichols, Jackson, Dillard, Hager & Smith, LLP
500 N. Akard St, Suite 1800
Dallas, Texas 75201
(214) 965-9900 Main
(214) 965-0010 Fax

If to Construction Manager: Steele & Freeman, Inc.
Attn: _____
1301 Lawson Road
Fort Worth, Texas 76131

§ 14.5.6 All Exhibits referred to in this Agreement are, by reference, incorporated herein for all purposes.

§ 14.5.7 The numbering and captions of the sections are set forth only for convenience and reference and are not intended in any way to define, limit, or describe the scope or intent of this Agreement.

§ 14.5.8 The parties agree that they will execute any further instrument or instruments, and that they will perform any act or acts, which are or may become necessary to effectuate any of the terms or provisions of this Agreement.

§ 14.5.9 Nothing contained in this Agreement shall create a contractual relationship with a cause of action in favor of a third party against either the Owner or Construction Manager.

§ 14.5.10 This Agreement has been created jointly and ambiguity cannot be construed against either party.

§ 14.5.11 Construction Manager understands that certain information, including this Agreement, are public records available for public inspection and copying under the Texas Open Records Act., Texas Government Code Ch. 552, as amended, and other applicable laws.

§ 14.5.12 [Intentionally Deleted]

§ 14.5.13 No term or condition of the Agreement shall be construed or interpreted as a waiver, express or implied, of any of the governmental or sovereign immunities, rights, benefits, or protections of the Owner.

§ 14.5.14 Construction Manager warrants that the products, processes, techniques and methodologies provided by Construction Manager shall not infringe upon the copyright, patent or other proprietary rights of others.

§ 14.5.15 Construction Manager certifies and warrants that no gratuities, kickbacks or contingency fees were paid in connection with this Agreement, nor were any fees, commissions, gifts or other considerations made contingent upon the award of this Agreement. Construction Manager warrants that to the best of Construction Manager's knowledge, there exists no actual or potential conflict of interest, and no financial or substantial interest as may be prohibited by Texas law.

§ 14.5.16 Construction Manager shall comply with the disclosure and reporting requirements in Local Government Code Chapters 171 and 176, and Texas Government Code Sec. 2252.908. Under Sec. 2252.908, if approval of the Owner's City Council is required to award this Agreement or if this Agreement has a value of at least \$1,000,000, the Owner may not enter into the Agreement unless the Construction Manager submits a disclosure of interested parties to the Owner at the time the executed Agreement is presented to the Owner. The disclosure must be made on the form prescribed by the Texas Ethics Commission and the Owner is required to submit a copy of the disclosure statement to the Texas Ethics Commission not later than the 30th day after the disclosure is received by the Owner.

§ 14.5.17 In case any provision hereof shall, for any reason, be held invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof, and this Contract shall be construed as if such invalid or unenforceable provision had not been included herein.

§ 14.5.18 Construction Manager understands and agrees that time is of the essence.

§ 14.5.19 This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties hereto.

§ 14.5.20 Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

§14.5.21 Boycott Israel; Boycott Energy Companies; and Prohibition of Discrimination against Firearm Entities and Firearm Trade Associations.

- .1 Construction Manager verifies that it does not Boycott Israel and agrees that during the term of the Agreement will not Boycott Israel as that term is defined in Texas Government Code Section 808.001, as amended.
- .2 Construction Manager verifies that it does not Boycott Energy Companies and agrees that during the term of this Agreement will not Boycott Energy Companies as that term is defined in Texas Government Code Section 809.001, as amended.
- .3 Construction Manager verifies that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association as those terms are defined in Texas Government Code Section 2274.001, as amended; and (ii) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association
- .4 This section does not apply if Construction Manager is a sole proprietor, a non-profit entity, or a governmental entity; and only applies if: (i) Construction Manager has ten (10) or more fulltime employees and (ii) this Agreement has a value of \$100,000.00 or more to be paid under the terms of this Agreement.

ARTICLE 15 SCOPE OF THE AGREEMENT

§ 15.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

Init.

§ 15.2 The following documents comprise the Agreement:

- .1 AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price
- .2 AIA Document A133™–2019, Exhibit A, Guaranteed Maximum Price Amendment, if executed
- .3 AIA Document A133™–2019, Exhibit B, Insurance and Bonds
- .4 AIA Document A201™–2017, General Conditions of the Contract for Construction, as amended
- .5 AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, dated as indicated below:
(Insert the date of the E203-2013 incorporated into this Agreement.)

- .6 Other Exhibits:
(Check all boxes that apply.)

☐ AIA Document E234™–2019, Sustainable Projects Exhibit, Construction Manager as Constructor Edition, dated as indicated below:
(Insert the date of the E234-2019 incorporated into this Agreement.)

☐ Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
----------	-------	------	-------

- .7 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201–2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Construction Manager’s bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)

Specifications and Drawings
Owner’s Request for Proposal
Construction Manager’s Response to Request for Proposal

This Agreement is entered into as of the day and year first written above.

OWNER (Signature)

(Printed name and title)

CONSTRUCTION MANAGER (Signature)

Michael D. Freeman, President

(Printed name and title)

Init.



AIA Document A133™ – 2019 Exhibit B

Insurance and Bonds

This Insurance and Bonds Exhibit is part of the Agreement, between the Owner and the Construction Manager, dated the 6th day of September in the year 2022
(In words, indicate day, month and year.)

for the following **PROJECT**:
(Name and location or address)

Sachse Animal Shelter
6436 Sachse Road
Sachse, Texas 75048

THE OWNER:
(Name, legal status, and address)

City of Sachse
3815 Sachse Road
Sachse, Texas 75048

THE CONSTRUCTION MANAGER:
(Name, legal status, and address)

Steele & Freeman, Inc.
1301 Lawson Road
Fort Worth, Texas 76131

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- B.1 GENERAL**
- B.2 OWNER'S INSURANCE**
- B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS**
- B.4 SPECIAL TERMS AND CONDITIONS**

ARTICLE B.1 GENERAL

The Owner and Construction Manager shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term General Conditions refers to AIA Document A201™–2017, General Conditions of the Contract for Construction.

ARTICLE B.2 OWNER'S INSURANCE

§ B.2.1 General

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under this Article B.2 and, upon the Construction Manager's request, provide a copy of the property insurance policy or policies required by Section B.2.3. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is intended to be used in conjunction with AIA Document A201™–2017, General Conditions of the Contract for Construction. Article 11 of A201™–2017 contains additional insurance provisions.

§ B.2.2 Liability Insurance

The Owner shall be responsible for purchasing and maintaining the Owner's usual general liability insurance.

§ B.2.3 Required Property Insurance

§ B.2.3.1 Unless this obligation is placed on the Construction Manager pursuant to Section B.3.3.2.1, the Owner shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. The Owner's property insurance coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion and thereafter as provided in Section B.2.3.1.3, unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Construction Manager, Subcontractors, and Sub-subcontractors in the Project as insureds. This insurance shall include the interests of mortgagees as loss payees.

§ B.2.3.1.1 Causes of Loss. The insurance required by this Section B.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:

(Indicate below the cause of loss and any applicable sub-limit.)

Cause of Loss	Sub-Limit
Limit for Frame or Joisted Masonry Construction	\$2,000,000.00
Earthquake Limit	\$5,000,000.00
Flood Limit Outside 100 Yr. Plain. Inside 100 Yr. Plain excluded.	\$5,000,000.00
Soft Cost Limit	\$1,000,000.00
Transit Limit	\$500,000.00
Temporary Offsite Storage Limit	\$1,000,000.00

§ B.2.3.1.2 Specific Required Coverages. The insurance required by this Section B.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Construction Manager's services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:

(Indicate below type of coverage and any applicable sub-limit for specific required coverages.)

Coverage	Sub-Limit
----------	-----------

§ B.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall continue the insurance required by Section B.2.3.1 or, if necessary, replace the insurance policy required under Section B.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Work set forth in Section 12.2.2 of the General Conditions.

§ B.2.3.1.4 Deductibles and Self-Insured Retentions. If the insurance required by this Section B.2.3 is subject to deductibles or self-insured retentions, the Owner shall be responsible for all loss not covered because of such deductibles or retentions.

§ B.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner's occupancy or use of any completed or partially completed portion of the Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section B.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Construction Manager shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

§ B.2.3.3 Insurance for Existing Structures

If the Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner shall purchase and maintain, until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, "all-risks" property insurance, on a replacement cost basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section B.2.3.1, notwithstanding the undertaking of the Work. The Owner shall be responsible for all co-insurance penalties.

§ B.2.4 Optional Extended Property Insurance.

The Owner shall purchase and maintain the insurance selected and described below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)

- ☐ **§ B.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance**, to reimburse the Owner for loss of use of the Owner's property, or the inability to conduct normal operations due to a covered cause of loss.
- ☐ **§ B.2.4.2 Ordinance or Law Insurance**, for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.
- ☐ **§ B.2.4.3 Expediting Cost Insurance**, for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.
- ☐ **§ B.2.4.4 Extra Expense Insurance**, to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.
- ☐ **§ B.2.4.5 Civil Authority Insurance**, for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.
- ☐ **§ B.2.4.6 Ingress/Egress Insurance**, for loss due to the necessary interruption of the insured's business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.
- ☐ **§ B.2.4.7 Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Work, arising out of physical loss or damage covered by the required property insurance: including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

§ B.2.5 Other Optional Insurance.

The Owner shall purchase and maintain the insurance selected below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance.)

- [] § B.2.5.1 Cyber Security Insurance for loss to the Owner due to data security and privacy breach, including costs of investigating a potential or actual breach of confidential or private information.
(Indicate applicable limits of coverage or other conditions in the fill point below.)

- [] § B.2.5.2 Other Insurance
(List below any other insurance coverage to be provided by the Owner and any applicable limits.)

Coverage

Limits

ARTICLE B.3 CONSTRUCTION MANAGER'S INSURANCE AND BONDS

§ B.3.1 General

§ B.3.1.1 **Certificates of Insurance.** The Construction Manager shall provide certificates of insurance acceptable to the Owner evidencing compliance with the requirements in this Article B.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section B.3.2.1 and Section B.3.3.1. The certificates will show the Owner as an additional insured on the Construction Manager's Commercial General Liability and excess or umbrella liability policy or policies.

§ B.3.1.2 **Deductibles and Self-Insured Retentions.** The Construction Manager shall disclose to the Owner any deductible or self-insured retentions applicable to any insurance required to be provided by the Construction Manager.

§ B.3.1.3 **Additional Insured Obligations.** To the fullest extent permitted by law, the Construction Manager shall cause the commercial general liability coverage to include (1) the Owner, the Architect, and the Architect's consultants as additional insureds for claims caused in whole or in part by the Construction Manager's negligent acts or omissions during the Construction Manager's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Construction Manager's negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, CG 20 32 07 04.

§ B.3.2 Construction Manager's Required Insurance Coverage

§ B.3.2.1 The Construction Manager shall purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:
(If the Construction Manager is required to maintain insurance for a duration other than the expiration of the period for correction of Work, state the duration.)

§ B.3.2.2 Commercial General Liability

§ B.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of not less than two-million dollars (\$ 2,000,000.00) each occurrence, two-million dollars (\$ 2,000,000.00) general aggregate, and two-million dollars (\$ 2,000,000.00) aggregate for products-completed operations hazard, providing coverage for claims including

- .1 damages because of bodily injury, sickness or disease, including occupational sickness or disease, and death of any person;
- .2 personal injury and advertising injury;
- .3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
- .4 bodily injury or property damage arising out of completed operations; and
- .5 the Construction Manager's indemnity obligations under Section 3.18 of the General Conditions.

§ B.3.2.2.2 The Construction Manager's Commercial General Liability policy under this Section B.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

- .1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.
- .2 Claims for property damage to the Construction Manager's Work arising out of the products-completed operations hazard where the damaged Work or the Work out of which the damage arises was performed by a Subcontractor.
- .3 Claims for bodily injury other than to employees of the insured.
- .4 Claims for indemnity under Section 3.18 of the General Conditions arising out of injury to employees of the insured.
- .5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.
- .6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.
- .7 Claims related to residential, multi-family, or other habitational projects, if the Work is to be performed on such a project.
- .8 Claims related to roofing, if the Work involves roofing.
- .9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco or similar exterior coatings or surfaces, if the Work involves such coatings or surfaces.
- .10 Claims related to earth subsidence or movement, where the Work involves such hazards.
- .11 Claims related to explosion, collapse and underground hazards, where the Work involves such hazards.

§ B.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Construction Manager, with policy limits of not less than one-million dollars (\$ 1,000,000.00) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance and use of those motor vehicles along with any other statutorily required automobile coverage.

§ B.3.2.4 The Construction Manager may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section B.3.2.2 and B.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ B.3.2.5 Workers' Compensation at statutory limits.

§ B.3.2.6 Employers' Liability with policy limits not less than one-million dollars (\$ 1,000,000.00) each accident, one-million dollars (\$ 1,000,000.00) each employee, and one-million dollars (\$ 1,000,000.00) policy limit.

§ B.3.2.7 Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Work involves hazards arising from work on or near navigable waterways, including vessels and docks

§ B.3.2.8 If the Construction Manager is required to furnish professional services as part of the Work, the Construction Manager shall procure Professional Liability insurance covering performance of the professional services, with policy

limits of not less than one-million dollars (\$ 1,000,000.00) per claim and one-million dollars (\$ 1,000,000.00) in the aggregate.

§ B.3.2.9 If the Work involves the transport, dissemination, use, or release of pollutants, the Construction Manager shall procure Pollution Liability insurance, with policy limits of not less than not-applicable (\$ N/A) per claim and not-applicable (\$ N/A) in the aggregate.

§ B.3.2.10 Coverage under Sections B.3.2.8 and B.3.2.9 may be procured through a Combined Professional Liability and Pollution Liability insurance policy, with combined policy limits of not less than one-million dollars (\$ 1,000,000.00) per claim and one-million dollars (\$ 1,000,000.00) in the aggregate.

§ B.3.2.11 Insurance for maritime liability risks associated with the operation of a vessel, if the Work requires such activities, with policy limits of not less than not-applicable (\$ N/A) per claim and not-applicable (\$ N/A) in the aggregate.

§ B.3.2.12 Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits of not less than not-applicable (\$ N/A) per claim and not-applicable (\$ N/A) in the aggregate.

§ B.3.3 Construction Manager's Other Insurance Coverage

§ B.3.3.1 Insurance selected and described in this Section B.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Construction Manager shall maintain the required insurance until the expiration of the period for correction of Work as set forth in Section 12.2.2 of the General Conditions, unless a different duration is stated below:

(If the Construction Manager is required to maintain any of the types of insurance selected below for a duration other than the expiration of the period for correction of Work, state the duration.)

§ B.3.3.2 The Construction Manager shall purchase and maintain the following types and limits of insurance in accordance with Section B.3.3.1.

(Select the types of insurance the Construction Manager is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. Where policy limits are provided, include the policy limit in the appropriate fill point.)

- [] **§ B.3.3.2.1** Property insurance of the same type and scope satisfying the requirements identified in Section B.2.3, which, if selected in this Section B.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section B.2.3.1.3 and Section B.2.3.3. The Construction Manager shall comply with all obligations of the Owner under Section B.2.3 except to the extent provided below. The Construction Manager shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Construction Manager shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the General Conditions unless otherwise set forth below:

(Where the Construction Manager's obligation to provide property insurance differs from the Owner's obligations as described under Section B.2.3, indicate such differences in the space below.

Additionally, if a party other than the Owner will be responsible for adjusting and settling a loss with the insurer and acting as the trustee of the proceeds of property insurance in accordance with Article 11 of the General Conditions, indicate the responsible party below.)

- [] **§ B.3.3.2.2 Railroad Protective Liability Insurance**, with policy limits of not less than (\$) per claim and (\$) in the aggregate, for Work within fifty (50) feet of railroad property.

- [] **§ B.3.3.2.3 Asbestos Abatement Liability Insurance**, with policy limits of not less than (\$) per claim

and (\$) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.

- [] **§ B.3.3.2.4** Insurance for physical damage to property while it is in storage and in transit to the construction site on an "all-risks" completed value form.
- [] **§ B.3.3.2.5** Property insurance on an "all-risks" completed value form, covering property owned by the Construction Manager and used on the Project, including scaffolding and other equipment.
- [] **§ B.3.3.2.6 Other Insurance**
(List below any other insurance coverage to be provided by the Construction Manager and any applicable limits.)

Coverage

Limits

§ B.3.4 Performance Bond and Payment Bond

The Construction Manager shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:
(Specify type and penal sum of bonds.)

Type	Penal Sum (\$0.00)
Payment Bond	100% of GMP
Performance Bond	100% of GMP

Payment and Performance Bonds shall be AIA Document A312™, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312™, current as of the date of this Agreement.

ARTICLE B.4 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:



AIA®

Document A201® – 2017

General Conditions of the Contract for Construction

for the following PROJECT:

(Name and location or address)

Sachse Animal Shelter
6436 Sachse Road
Sachse, Texas 75048

THE OWNER:

(Name, legal status and address)

City of Sachse
3815 Sachse Road
Sachse, Texas 75048

THE ARCHITECT:

(Name, legal status and address)

Ron Hobbs Architecture & Interior Design, LLP
614 W. Main Street, Suite 200
Garland, Texas 75040

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ADDITIONS AND DELETIONS:

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This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

For guidance in modifying this document to include supplementary conditions, see AIA Document A503™, Guide for Supplementary Conditions.

Init.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Basic Definitions

§ 1.1.1 The Contract Documents

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement, and Modifications or addendums issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Architect.

§ 1.1.2 The Contract

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. After execution of the original Contract document, the Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties.

§ 1.1.3 The Work

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 The Project

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by Separate Contractors.

§ 1.1.5 The Drawings

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

§ 1.1.6 The Specifications

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 Instruments of Service

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 Initial Decision Maker

The Initial Decision Maker is the person identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2. The Initial Decision Maker shall not show partiality to the Owner or Contractor and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 1.1.9 Miscellaneous Other Words

§ 1.1.9.1 Business Day

The term "business day" is a day when the Owner's main administrative offices are scheduled to be open for normal business purposes, unless closed by the Owner's mayor or City Manager for adverse weather conditions or other reason.

§ 1.1.9.2 Calendar Day

A calendar day is a day on the Gregorian calendar. The Contract Time is established in calendar days. Extensions of time granted, if any, will be converted to calendar days.

§ 1.2 Correlation and Intent of the Contract Documents

§ 1.2.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results. Where a conflict occurs between or within standards, specifications, and drawings, the more stringent or higher quality requirements shall apply. The precedence and coordination of the Contract Documents are as follows:

- (a) Any addenda and modifications to the Drawings and Specifications take precedence over any earlier Contract Documents.
- (b) Should there be a conflict within the Specifications, or within the Drawings, or between the Drawings and Specification, the Architect shall decide which stipulation will provide the best installation and the decision shall be final.
- (c) The Drawing and Specifications are intended to coordinate with each other. Anything shown on the Drawings but not mentioned in the Specification or vice-versa, or anything not expressly set forth in either, but which is reasonably implied, shall be furnished as though specifically shown and mentioned in both without any extra charge.
- (d) The Drawings, for purposes of clearness and legibility, are essentially diagrammatic, and although the sizes and locations of equipment are shown to scale wherever possible, the Contractor, Subcontractors, and Sub-subcontractors are required to familiarize themselves with all the Work required by the Contract Documents. Each Contractor, Subcontractor, and Sub-subcontractor shall properly coordinate his/her work with that of all other Multiple Prime Contractors and the Owner's other contractors. It is not within the scope of the Drawings to show all necessary offsets, obstructions or structural conditions. It shall be the responsibility of each Contractor to plan, coordinate, and install his/her work in such a manner so as to conform to the structure. Any conflict within the Drawings shall be referred to the Architect for disposition prior to the installation of any affected work.
- (e) Figured dimensions contained in the Contract Documents shall be accurately followed, even though they differ from scaled measurements. No work shown on the plans, the dimensions of which are not figured, shall be executed until instructions have been obtained from the Architect as to the dimensions to be used. Larger scale Drawings shall have preference over smaller scale drawings, but discrepancies shall be referred to the Architect for interpretation.

§ 1.2.1.1 The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

§ 1.2.1.2 During the course of the Work, should any conflict be found in or between the Contract Documents, the Contractor shall be deemed to have included in the Cost of the Work the greater quantity or better quality, or the most stringent requirements, unless Contractor shall have obtained, before the submission of Contractor's Proposal, an interpretation in writing from the Architect as to what shall govern. The Architect, in case of such conflict, may interpret or construe the document so as to obtain the most substantial and complete performance of the Work consistent with the Contract Documents and reasonably inferable therefrom, in the best interest of the Owner, and the Architect's interpretation shall be final. The terms and conditions of this clause shall not relieve any party of any other obligation under the Contract Documents

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 Capitalization

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 Interpretation

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service

§ 1.5.1 The Instruments of Service are the product of work made for hire. Upon payment of all amounts due Contractor hereunder, all deliverables, materials and reports prepared by the Contractor and Architect in connection with this Agreement shall become the property of the Owner. Owner shall have the right to publish, disclose, distribute and otherwise use such deliverables, materials and reports only for those purposes for which they were intended. Subject to the foregoing, Contractor shall, upon completion of the services, or earlier termination, provide the Owner with the deliverables, drawings, reports, maps, and materials prepared by Contractor as set forth in the Contract Documents in electronic "PDF" format as requested by the Owner or as required in the Contract Documents. Disputes between the parties shall not impact this transfer of ownership, neither will a termination of this Agreement.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service provided to them, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner, Architect, and the Architect's consultants.

§ 1.5.3 Submittal or distribution of the Instruments of Service or any portion thereof to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Owner's reserved rights.

§ 1.6 Notice

§ 1.6.1 Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission if a method for electronic transmission is set forth in the Agreement.

§ 1.6.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

(Paragraphs deleted)

§ 1.7 [INTENTIONALLY DELETED]

§ 1.8 [INTENTIONALLY DELETED].

ARTICLE 2 OWNER

§ 2.1 General

§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing an individual to represent the Owner; however, such representative shall have the authority to bind the Owner only to the extent expressly authorized by Owner and shall have no implied authority. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor, within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of, or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein.

§ 2.1.2 The Contractor acknowledges that no lien rights exist with respect to the public property.

§ 2.2 [INTENTIONALLY DELETED]

§ 2.2.1 [INTENTIONALLY DELETED]

§ 2.2.2 [INTENTIONALLY DELETED]

§ 2.2.3 [INTENTIONALLY DELETED]

§ 2.2.4 [INTENTIONALLY DELETED]

§ 2.3 Information and Services Required of the Owner

§ 2.3.1 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.3.2 The Owner shall retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 2.3.3 If the employment of the Architect terminates, the Owner shall employ a successor whose status under the Contract Documents shall be that of the Architect.

§ 2.3.4 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site.

§ 2.3.5 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services.

§ 2.3.6 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.4 Owner's Right to Stop the Work

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity. This right shall be in addition to and not in restriction of the Owner's right under Section 12.2.

§ 2.5 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seventy-two (72) hour period after receipt of verbal notification by the Architect to an officer of the Contractor, or within forty-eight (48) hours after receipt of notice from the Owner or Architect to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect and the Architect may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including Owner's expenses and compensation for the

Architect's additional services made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15.

ARTICLE 3 CONTRACTOR

§ 3.1 General

§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative.

§ 3.1.2 The Contractor shall perform the Work in accordance with the Contract Documents and in a good and workmanlike manner, except to the extent the Contract Documents expressly specify a higher degree of finish or workmanship.

§ 3.1.3 The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 Review of Contract Documents and Field Conditions by Contractor

§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents. Prior to execution of the Agreement, the Contractor and each Subcontractor have evaluated and satisfied themselves as to the conditions and limitations under which the Work is to be performed, including, without limitation, (i) the location, condition, layout, and nature of the Project site and surrounding areas and generally prevailing climatic conditions; (ii) anticipated labor supply and costs; (iii) availability and cost of materials, tools, and equipment; and (iv) other similar issues. The Owner and Architect assume no responsibility or liability for the physical condition or safety of the Project site or any improvements located on the Project site. Except as set forth in Section 10.3, the Contractor shall be solely responsible for providing a safe place for the performance of the Work. The Owner and Architect shall not be required to make any adjustment in either the Contract Sum or the Contract Time in connection with any failure by the Contractor or any Subcontractor to have complied with the requirements of this Section 3.2.1.

§ 3.2.2 Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.3.4, shall take and verify field measurements of any existing conditions related to that portion of the Work, and shall observe and verify the impact of any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. If the Contractor performs any construction activity knowing it involves a recognized error, inconsistency or omission in the Contract Documents without such notice to the Architect, the Contractor shall assume appropriate responsibility for such performance and shall bear an appropriate amount of the attributable costs for correction per Section 12.2. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

- .1 The exactness of grades, elevations, dimensions, or locations given on any Drawings issued by the Architect, or the Work installed by other contractors, is not guaranteed by the Architect or the Owner.
- .2 The Contractor shall, therefore, satisfy itself as to the accuracy of all grades, elevations, dimensions, or locations. Any errors due to the Contractor's failure to so verify shall be promptly rectified by the Contractor without any additional cost to the Owner.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner, subject to Section 15.1.7, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.2.5 Contractor shall use reasonable efforts to perform all Work in such a manner as to avoid damaging any utility lines, cables, pipes, or pipelines on the property. Contractor shall be responsible for, and shall repair at its own expense, any damage done to lines, cables, pipes and pipelines identified to Contractor.

§ 3.2.6 The Owner and Contractor agree that the Contract Documents may not be free from errors, inconsistencies, or omissions, and further agree that the Owner makes no warranty as to the completeness or accuracy of the Contract Documents, either express or implied. Execution of the Contract by the Contractor is a representation that the Contractor has thoroughly reviewed and familiarized itself with the Contract Documents and that the Contractor is not aware of any errors, inconsistencies, or omissions therein which would delay Contractor's performance of the Work.

§ 3.2.7 The Contractor shall use the AIA Document G716-2004 "Request for Information" form unless otherwise provided in the Contract Documents.

§ 3.3 Supervision and Construction Procedures

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work under the Contract. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.3.4 The Contractor shall carefully check its own work and that of Subcontractors as the Work is being performed.

§ 3.3.5 During the finishing stages of the project, the Contractor shall make frequent inspections of the Work, with the applicable Subcontractor(s) involved, if any, with seven (7) days advance notice to the Architect, and the Contractor shall identify incorrect and faulty Work.

§ 3.3.6 The Contractor shall ensure that incorrect or faulty Work is corrected immediately.

§ 3.3.7 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract

Documents either by activities or duties of the Architect in their administration of the Contract, or by tests, inspections or approvals required or performed by persons other than the Contractor.

§ 3.4 Labor and Materials

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.1.1 Prevailing Wages

The Project is subject to the Texas Government Code, Chapter 2258, Prevailing Wage Rates. This statute requires the Contractor and any Subcontractors to pay not less than the prevailing rates of per diem wages in the locality at the time of construction to all laborers, workmen, and mechanics employed by them in the execution of the contract.

§ 3.4.1.2 In accordance therewith, Contractor shall assist the Owner in determining the general prevailing rate required by Chapter 2258.022, Texas Government Code by conducting a survey of the per diem wage rates received by classes of workers employed on projects of a character similar to the contract work in the political subdivision in which the Work is to be performed. Contractor and all contractors and subcontractors shall not pay less than the rates determined using the prevailing wage rate as determined by the United States Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.), and its subsequent amendments, to a worker employed for execution of the Work under this Contract, without regard to whether the work is done under public supervision or direction.

§ 3.4.2 Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.4.4 The Contractor shall only employ or use labor in connection with the Work capable of working harmoniously with all trades, crafts, and any other individuals associated with the Project. The Contractor shall also use best efforts to minimize the likelihood of any strike, work stoppage, or other labor disturbance.

- .1 If the Work is to be performed by trade unions, the Contractor shall make all necessary arrangements to reconcile, without delay, damage, or cost to the Owner and without recourse to the Architect or the Owner, any conflict between the Contract Documents and any agreements or regulations of any kind at any time in force among members or councils that regulate or distinguish the activities that shall not be included in the work of any particular trade.
- .2 In case the progress of the Work is affected by any undue delay in furnishing or installing any items or materials or equipment required under the Contract Documents because of such conflict involving any such labor agreement or regulation, the Owner may require that other material or equipment of equal kind and quality be provided pursuant to a Change Order or Construction Change Directive.

§ 3.5 Warranty

§ 3.5.1 The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. THE CONTRACTOR SHALL DEFEND AND HOLD THE OWNER HARMLESS AGAINST ANY CLAIM, DEMAND,

LOSS OR DAMAGE BY ANY BREACH OF THIS WARRANTY, AND CONTRACTOR ACKNOWLEDGES IT SHALL NOT LIMIT SUCH WARRANTY BY THE PROVISIONS OF SECTION 12.2.

§ 3.5.2 All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4.

§ 3.6 Taxes

The Contractor shall not include in the Contract Price or any Modification any amount for sales use or similar taxes for which 1) a Texas municipality such as the Owner is exempt, and 2) the Owner has provided the Contractor with a tax exemption certificate or other documentation necessary to establish the Owner's exemption from such taxes.

§ 3.7 Permits, Fees, Notices and Compliance with Laws

§ 3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, regardless of whether such work is in accordance with Contract Documents, and without notice to the Architect that the Contract Documents are at variance with applicable laws, ordinances, rules, or regulations, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction. Applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities shall take full and complete precedence over anything contained in the Drawings, Specifications, or other Contract Documents, except where the Contract Documents call for Work or materials of higher standards than those required by codes or ordinances, in which case, the Contract Documents shall govern. Nothing contained in the Contract Documents shall be construed as authority for the Contractor to violate any applicable codes or ordinances in effect at the site.

§ 3.7.4 Concealed or Unknown Conditions

Contractor acknowledges that there may exist at the Project site certain soil and geological conditions and/or surface physical conditions which are not disclosed in the Contract Documents, and which have been known to or may be reasonably anticipated to occur in the area or be related to any past use of the Project site, including, without limitation, the presence of rock and its hardness, geologic formations, differing soils, and surface structures, equipment or other impediments, either natural or man-made (collectively, "Subsurface Conditions"). Owner makes no representations or warranties regarding Subsurface Conditions at the Project site, or of the accuracy or continuity of conditions which may be noted in any reports furnished or made available to Contractor. Contractor covenants and agrees that any such reports are furnished or made available by Owner to Contractor for information purposes only, and Contractor acknowledges that Owner is not responsible for the content thereof. Contractor shall be responsible for inspecting the site and determining the existence or likelihood of any Subsurface Conditions which may affect the Contract Time or the Contract sum, or both. The Contract Time and Contract Sum bid by Contractor shall be deemed to include all costs of and time to complete all Work associated with or attributable to Subsurface Conditions, and Contractor shall not be entitled to submit a claim for or to obtain an extension of the Contract Time or increase in the Contract Sum due to the existence of Subsurface Conditions. Except as provided above with respect to Subsurface Conditions, if conditions are encountered at the site which are concealed physical conditions which were not known to the Contractor and which differ substantially from those indicated in Contract Documents, then the Contractor shall notify the Owner and the Architect of such conditions promptly before conditions are disturbed, and no more than three (3) days after first observation of the conditions. The Architect will promptly investigate such conditions and report its findings to the Owner. If the Owner and the Contractor cannot agree on an adjustment to the Contract Sum or Contract Time, if warranted, the adjustment shall be subject to mediation pursuant to Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall

continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 3.8 Allowances

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

- .1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

§ 3.8.4 When performing Work under allowances, where reasonably possible, Contractor shall solicit and receive no fewer than three (3) written proposals and shall provide the Work as directed by the Architect, upon Owner's written approval, on the basis of the best value for the Owner.

§ 3.9 Superintendent

§ 3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. The Contractor shall not replace the Superintendent prior to Final Completion of the Work unless 1) the Superintendent shall cease to be employed by the Contractor or its subsidiaries or affiliated companies, or 2) the Owner agrees to such replacement in writing prior to the replacement. The Superintendent may not be employed on any other project prior to Final Completion of the Work. From Substantial Completion to Final Completion, the Superintendent shall be on-site as necessary to ensure that Final Completion occurs within thirty (30) days of Substantial Completion.

§ 3.9.2 The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Architect may notify the Contractor, stating whether the Owner or the Architect (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 3.9.3 The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, which shall not unreasonably be withheld or delayed.

(Paragraph deleted)

§ 3.9.4 Contractor shall furnish a list to the Architect of all engineers, consultants, job-site superintendents, Subcontractors and suppliers involved in the Construction. The Architect shall provide such information to the Owner.

- .1 The Owner may reject or require removal of any engineer, consultant, job-site superintendent, or employee of the Contractor, Subcontractor, or Sub-subcontractor involved in the Project.
- .2 Contractor shall provide an adequate staff for the proper coordination and expedition of the Work. Owner reserves the right to require Contractor to dismiss from the Work any employee or employees that Owner may deem incompetent, careless, insubordinate, or in violation of any provision in these Contract Documents. This provision is applicable to Subcontractors, Sub-subcontractors, and their employees.

§ 3.9.5 The Owner shall be notified not less than 24 hours before any time that Superintendent will not be present at the site for any reason, except illness. If the reason is due to illness, then Owner shall be notified at the beginning of the day. Owner shall be notified of the identity of the acting superintendent.

§ Contractor's Construction and Submittal Schedules

§ 3.10.1 The Contractor shall prepare and submit a Contractor's construction schedule for the Work in accordance with the procedures set forth in the Contract Documents.

§ 3.10.2 The Contractor, promptly after being awarded the Contract, shall submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits current under the Contract Documents. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project.

§ 3.10.3 Upon review and acceptance by the Owner and the Architect of the milestone dates, the Construction schedule shall be deemed part of the Contract Documents. If not accepted, the construction schedule shall be promptly revised by the Contractor in accordance with the recommendations of the Owner and the Architect and resubmitted for acceptance. The Contractor shall monitor the progress of the Work for conformance with the requirements of the construction schedule and shall promptly advise the Owner of any delays or potential delays. The construction schedule shall be updated to reflect actual conditions. In the event that any progress reports indicate any delays, the Contractor shall propose an affirmative plan to correct the delay, including overtime and/or additional labor, if necessary. In no event shall any progress report constitute an adjustment of the Contract Time, any Milestone Date, or the Contract Sum unless any such adjustment is agreed to by the Owner and authorized pursuant to Change Order

§ 3.10.4 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 Documents and Samples at the Site

The Contractor shall make available, at the Project site, the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and the approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner, and delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

§ 3.11.1 Contractor shall make the following items reasonable available at the Project Site for inspection upon request from the Owner, Architect, or their respective agents: job records, including but not limited to, invoices, payment records, payroll records, daily reports, logs, diaries and job meeting minutes.

§ 3.12 Shop Drawings, Product Data and Samples

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment, or workmanship, and establish standards by which the Work will be judged.

§ 3.12.4 Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of Separate Contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar submittals, until the respective submittal has been approved by the Architect.

§ 3.12.8 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's approval of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals, by the Architect's approval thereof.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such notice, the Architect's approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures. The Contractor shall not be required to provide professional services in violation of applicable law.

§ 3.12.10.1 If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional, and who shall comply with reasonable requirements of the Owner regarding qualifications and insurance coverages. Shop Drawings, and other submittals related to the Work, designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 3.12.10.2 If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

§ 3.13 Use of Site

The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.13.1 The Contractor shall be responsible for the mitigation and/or abatement of all noise, dust, fumes, traffic or other by-product of construction activity that, in the opinion of the Owner or the Architect, have an adverse effect on the quality of life or productivity for Project stakeholders, the Owner's current operations, or the Owner's employees. Such mitigation and/or abatement shall be performed in manner and with a result completely and wholly acceptable to the Owner and Architect.

§ 3.13.2 The Contractor shall, at a minimum, secure the site by erecting and maintaining a chain link fence around the perimeter of the construction site. This fence shall remain intact until such time the site becomes secure in the opinion of the Contractor, as a result of construction progress (by way of example, and without limitation, completion of site grading and backfill, installation of doors and windows, etc.).

§ 3.13.3 The Contractor shall furnish and maintain sufficient sanitary facilities for its own forces and those of any Subcontractor or Sub-subcontractor. The facilities of any existing, nearby buildings will not be available for construction use.

§ 3.13.4 During the performance of the Work, the Contractor, its Subcontractors, Sub-subcontractors, suppliers and their employees agree they shall:

- .1 Use such entrances to the construction site that may be designated by the Owner;
- .2 Perform the Work at such times of the day and days of the week as may be designated by the Owner; and
- .3 Accept that these entrances and times may be reviewed and changed from time to time by the Owner.

§ 3.13.5 The Contractor shall notify all public utility companies a minimum of two (2) business days prior to the commencement of any work by it or its Subcontractors in the vicinity of the utilities. No work shall commence until the utilities have been located and staked by the utility company or written consent from the Owner to proceed has been given to the Contractor. If the utility service must be interrupted, the Contractor shall, at Contractor's sole cost and expense, notify the head of the local administrative services (by way of example only, and without limitation, the city manager, the mayor, the city or county clerk, etc. as applicable) and the utility users affected by the interruption. Such notice shall consist of direct written communication, publication in a local newspaper, and/or announcement on local radio or television stations, whichever is most reasonably calculated to give the most effective notice to such utility users.

§ 3.13.6 The Contractor shall exercise due diligence in seeing that all equipment, material, and supplies are delivered in advance of the time they are needed on the job, and shall properly store and protect same at the Contractor's expense.

§ 3.13.7 Notwithstanding any other provision herein, the Contractor shall take all necessary measures to store materials on site for which payment has been requested by the Contractor or been made by the Owner so that they shall not deteriorate, be damaged or be stolen, which includes, but is not limited to, all of the following:

- .1 Only materials and equipment that are to be used directly in the Work shall be brought to and stored on the Project site by the Contractor.
- .2 Protection of construction materials and equipment stored at the Project site from fire, weather, burglary, pilferage, vandalism and mischief, damage, and all other adversity; and the care and protection of materials and Work installed in the building is solely the responsibility of the Contractor.
- .3 The Contractor shall bear sole responsibility for the restoration of damaged Work and replacement of damaged or stolen materials at no additional cost to the Owner.
- .4 After equipment is no longer required for the Work, it shall be promptly removed from the Project site.

§ 3.14 Cutting and Patching

§ 3.14.1 The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

§ 3.15 Cleaning Up

§ 3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract and shall, not less than two times each week, clean up by removing rubbish, including old and surplus materials. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials from and about the Project, and shall clean, sweep, mop, brush and polish, as appropriate, the interior of the improvements, including but not limited to, any floors, carpeting, ducts, fixtures, and ventilation units operated during construction. Contractor shall clean exterior gutters, drainage, walkways, driveways and roofs of debris.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 Access to Work

The Contractor shall provide the Owner and Architect with access to the Work in preparation and progress wherever located.

§ 3.16.1 Upon request of the Architect or Owner, the Contractor shall accompany the Architect or Owner on an inspection of the Work.

§ 3.17 Royalties, Patents and Copyrights

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications, or other documents prepared by the Owner or Architect. However, if an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect.

§ 3.18 Indemnification

§ 3.18.1 TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR HEREBY WAIVES AND RELEASES ALL CLAIMS AGAINST AND SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE OWNER, OWNER'S CONSULTANTS, THE ARCHITECT, THE ARCHITECT'S CONSULTANTS, AND THEIR RESPECTIVE OFFICERS, ELECTED OFFICIALS, AGENTS AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, AND EXPENSES, INCLUDING ATTORNEY'S FEES, ARISING OUT OF, OR RESULTING FROM THE PERFORMANCE OF THE WORK, PROVIDED THAT ANY SUCH CLAIM, DAMAGE, LOSS OR EXPENSE: 1) IS ATTRIBUTABLE TO BODILY OR PERSONAL INJURY, SICKNESS, DISEASE, OR DEATH, OR THE INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY (OTHER THAN THE WORK ITSELF) INCLUDING THE LOSS OF USE RESULTING THEREFROM, AND 2) IS CAUSED IN WHOLE OR IN PART BY ANY WILLFUL OR NEGLIGENT ACT OR OMISSION OF THE CONTRACTOR, ANY SUBCONTRACTOR, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM OR ANYONE FOR WHOM ANY OF THEM MAY BE LIABLE, REGARDLESS OF WHETHER OR NOT CAUSED IN PART BY THE NEGLIGENT ACTS OR OMISSIONS OF OWNER, OWNER'S CONSULTANTS, THE ARCHITECT AND THE ARCHITECT'S CONSULTANTS, WHERE THAT NEGLIGENCE IS A CONCURRING CAUSE OF THE INJURY, DEATH, OR DAMAGE. HOWEVER, THE INDEMNITY PROVIDED FOR IN THIS

SECTION HEREIN SHALL HAVE NO APPLICATION TO ANY CLAIM, LOSS, DAMAGE, CAUSE OF ACTION, SUIT, OR LIABILITY WHERE THE INJURY, DEATH, OR DAMAGE RESULTS FROM THE SOLE NEGLIGENCE OF OWNER, OWNER'S CONSULTANTS, ARCHITECT OR ARCHITECT'S CONSULTANTS UNMIXED WITH THE FAULT OF ANY OTHER PERSON OR ENTITY; PROVIDED THAT WHERE THE NEGLIGENCE OF OWNER, OR ARCHITECT IS A CONCURRING CAUSE, CONTRACTOR'S OBLIGATION TO INDEMNIFY IS LIMITED TO THE AMOUNT NECESSARY TO CAUSE THE RELATIVE LIABILITY OF OWNER, ARCHITECT AND CONTRACTOR TO REFLECT THE COMPARATIVE NEGLIGENCE FINDINGS OF THE TRIER OF FACT OR AS AGREED IN A SETTLEMENT AGREEMENT TO WHICH OWNER, ARCHITECT AND CONTRACTOR ARE ALL PARTIES.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a Subcontractor under insurance policies, workers' compensation acts, disability benefit acts, or other employee benefit acts.

§ 3.18.3 CONTRACTOR SHALL BE RESPONSIBLE FOR, AND SHALL HOLD OWNER, OWNER'S CONSULTANTS, THE ARCHITECT, THE ARCHITECT'S CONSULTANTS, AND THEIR RESPECTIVE OFFICERS, ELECTED OFFICIALS, AGENTS AND EMPLOYEES FREE AND HARMLESS FROM LIABILITY RESULTING FROM LOSS OF OR DAMAGE TO CONTRACTOR'S OR ITS SUBCONTRACTORS' CONSTRUCTION TOOLS AND EQUIPMENT AND RENTED ITEMS WHICH ARE USED OR INTENDED FOR USE IN PERFORMING THE WORK, REGARDLESS OF WHETHER SUCH LOSS OR DAMAGE IS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OF OWNER, OWNER'S CONSULTANTS, THE ARCHITECT, OR THE ARCHITECT'S CONSULTANTS. THIS PROVISION SHALL APPLY, WITHOUT LIMITATION, TO LOSS OR DAMAGE OCCURRING AT THE WORK SITE OR WHILE SUCH ITEMS ARE IN TRANSIT TO OR FROM THE WORK SITE AND IS IN ADDITION TO CONTRACTOR'S OBLIGATIONS UNDER SECTION 3.18.1. IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT THE INDEMNITY PROVIDED FOR IN THIS SECTION AS TO CONTRACTOR'S OR ITS SUBCONTRACTOR'S TOOLS AND EQUIPMENT AND RENTAL ITEMS, IS AN AGREEMENT BY CONTRACTOR TO INDEMNIFY AND PROTECT OWNER FROM THE CONSEQUENCES OF OWNER'S OWN NEGLIGENCE, AND THAT OF OWNER'S CONSULTANTS, THE ARCHITECT, AND ARCHITECT'S CONSULTANTS WHETHER THAT NEGLIGENCE IS THE SOLE OR CONCURRING CAUSE OF THE LOSS OR DAMAGE, PROVIDED HOWEVER, THAT WHERE THE NEGLIGENCE OF OWNER OR ARCHITECT IS A CONCURRING CAUSE, CONTRACTOR'S OBLIGATION TO INDEMNIFY IS LIMITED TO THE AMOUNT NECESSARY TO CAUSE THE RELATIVE LIABILITY OF OWNER, ARCHITECT AND CONTRACTOR TO REFLECT THE COMPARATIVE NEGLIGENCE FINDINGS OF THE TRIER OF FACT OR AS AGREED IN A SETTLEMENT AGREEMENT TO WHICH OWNER, ARCHITECT AND CONTRACTOR ARE ALL PARTIES.

§ 3.18.4 THE PROVISIONS OF ARTICLE 3.18 IN ITS ENTIRETY SHALL SURVIVE THE COMPLETION, TERMINATION OR EXPIRATION OF THIS AGREEMENT.

ARTICLE 4 ARCHITECT

§ 4.1 General

§ 4.1.1 The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement.

§ 4.1.2 [INTENTIONALLY DELETED]

§ 4.2 Administration of the Contract

§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date Owner's contract with the Architect terminates. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, as the Work progresses and when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

§ 4.2.3 On the basis of the site visits, the Architect will keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work. The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of, and will not be responsible for acts or omissions of, the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 Communications

The Owner and Contractor shall include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise relating to the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner. The Contract Documents may specify other communication protocols.

§ 4.2.5 Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data, and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect'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, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.1.2, 3.3, 3.5, 3.9, and 3.12. The Architect's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component. The Architect shall promptly report in writing to the Contractor and Owner any errors, inconsistencies and omissions discovered by the Architect in the Shop Drawings, Product Data and Samples, so as to keep from delaying the Work or the activities of the Owner, Contractor, or other contractors.

§ 4.2.8 The Architect will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the

Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more Project representatives to assist in carrying out the Architect's responsibilities at the site. The Owner shall notify the Contractor of any change in the duties, responsibilities and limitations of authority of the Project representatives.

§ 4.2.11 The Architect will interpret matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 4.2.12 Interpretations and opinion of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either, and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS

§ 5.1 Definitions

§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a Separate Contractor or the subcontractors of a Separate Contractor.

§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 Award of Subcontracts and Other Contracts for Portions of the Work

§ 5.2.1 Unless otherwise stated in the Contract Documents, the Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. Failure of the Architect to provide notice within the 14-day period shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution.

§ 5.3 Subcontractual Relations

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work that the Contractor, by these Contract Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies, and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.3.1 Neither the Owner nor the Architect shall be obligated to pay or to insure the payment of any monies to Subcontractors or vendors by the Contractor.

§ 5.4 Contingent Assignment of Subcontracts

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation may, in the Owner's sole discretion be equitably adjusted for increases in cost resulting from the suspension.

§ 5.4.3 Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity.

ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS

§ 6.1 Owner's Right to Perform Construction and to Award Separate Contracts

§ 6.1.1 The term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to those of this Contract, including those provisions of the Conditions of the substantially similar to those of this Contract.

§ 6.1.2 When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

§ 6.1.3 The Owner shall provide for coordination of the activities of the Owner's own forces and of each Separate Contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised.

§ 6.1.4 Unless otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces or with Separate Contractors, the Owner or its Separate Contractors shall have the same obligations and rights that the Contractor has under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6, and Articles 10, 11, and 12.

§ 6.2 Mutual Responsibility

§ 6.2.1 The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

§ 6.2.2 If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not apparent.

§ 6.2.3 The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction. The Owner shall be responsible to the Contractor for costs the Contractor incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Work or defective construction.

§ 6.2.4 The Contractor shall promptly remedy damage that the Contractor wrongfully causes to completed or partially completed construction or to property of the Owner or Separate Contractor as provided in Section 10.2.5.

§ 6.2.5 The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

§ 6.3 Owner's Right to Clean Up

If a dispute arises among the Contractor, Separate Contractors, and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and the Architect will allocate the cost among those responsible.

ARTICLE 7 CHANGES IN THE WORK

§ 7.1 General

§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, Contractor, and Architect. A Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor. An order for a minor change in the Work may be issued by the Architect alone.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

§ 7.2 Change Orders

§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor, and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

§ 7.2.2 Acceptance of a disbursement from any allowance fund, contingency fund, or acceptance of a Change Order by the Contractor shall constitute full accord and satisfaction for any and all claims whether direct or indirect, including but not limited to impact, delay, or acceleration damages, arising from the subject matter of the disbursement or Change Order.

§ 7.2.3 Change Orders Requiring City Council Approval

The Contract Sum may not be increased because of a Change Order unless additional money for increased costs is appropriated for that purpose from available funds or is provided for by the authorization of the issuance of time warrants. The approval of the City Council of the Owner is required if a Change Order involves a decrease or an increase of \$50,000.01 or more. The original Contract Sum also may not be increased under this Section 7.2 by more than twenty-five percent (25.0%). The original Contract Sum may not be increased by more than twenty-five percent (25%) for any reason; nor may it be decreased by more than twenty-five percent (25%) without the consent of the Contractor, as provided in Texas Local Government Code Sec. 252.048. After the Change Order is submitted by the Contractor under this Section 7.2, the additional time required to obtain City Council approval shall not be factored into any past or future claim for delays or calculated as a part of the Change Order request.

§ 7.3 Construction Change Directives

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

- .1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2 Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed fee; or
- .4 As provided in Section 7.3.4.

§ 7.3.4 If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.4 shall be limited to the following:

- .1 Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Architect;
- .2 Costs of materials, supplies, and equipment, including cost of transportation, whether incorporated or consumed;
- .3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4 Costs of premiums for all bonds and insurance, permit fees, and applicable sales, use, or similar taxes, directly related to the change; and
- .5 Costs of supervision and field office personnel directly attributable to the change only if the adjustment causes an extension of the Contract Time.

§ 7.3.5 If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

§ 7.3.6 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any,

provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.7 A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.8 The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for Work completed under the Construction Change Directive in Applications for Payment. The Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of either party to disagree and assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner and Contractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

§ 7.4 Minor Changes in the Work

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall notify the Architect and shall not proceed to implement the change in the Work. If the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

§ 7.5 Supporting Information

Notwithstanding the above, requests for an adjustment in the Contract Sum or adjustment in the Contract Time shall be in a form and accompanied by supporting information with a level of detail wholly acceptable to the Owner and Architect. The Contractor shall also comply with all provisions of Articles 8 and 15 with respect to claims. The required information shall be provided by the Contractor in less than twenty-one (21) days from the Contractor's request for an adjustment in the Contract Sum or Contract Time. Failure to timely provide this information in the proper form may be, in and of itself, grounds for rejection of the request, at the sole discretion of the Owner or Architect

ARTICLE 8 TIME

§ 8.1 Definitions

§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

§ 8.1.3.1 Unless otherwise agreed in writing by Owner, Contractor agrees that Final Completion shall occur not more than forty-five (45) days after the date of Substantial Completion.

§ 8.1.4 The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 Progress and Completion

§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement, the Contractor stipulates that the Contract Time is a reasonable period for performing the Work.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, commence the Work prior to the effective date of insurance required to be furnished by the Contractor. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 Delays and Extensions of Time

§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, adverse weather conditions described in Section 8.3.4 and documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control; (4) by delay authorized by the Owner pending mediation and binding dispute resolution; or (5) by other causes that the Contractor asserts, and the Architect determines, justify delay, then the Contract Time shall be extended for such reasonable time as the Architect may determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Agreement does not permit recovery of damages for delay by the Contractor for delay, disruption or acceleration. Contractor agrees that Contractor shall be fully compensated for all delays solely by an extension of time. .

§ 8.3.4 The Contractor may be granted an extension of time, in accordance with Section 8.3.1, because of adverse weather conditions as defined herein.

For the purpose of this Agreement, "adverse weather conditions" shall mean calendar days per month (i) in excess of the number of days shown in the final column, "Average Number of Days w/ 0.01 or More Inches," under the table entitled "PRECIPITATION" provided in this section 8.3.4, on which rainfall exceeds 0.01 inch, inclusive of drying days following such rainfall and (ii) in excess of the number of days shown in the final column, "Average Number of Days 32°F or Below," under the table entitled "TEMPERATURE" provided in this Section 8.3.4, on which temperature is below 32°F.

Adverse weather conditions as used herein means unusually severe weather which is beyond the normal weather recorded and expected for the locality and/or the season or seasons of the year. Normal weather shall be determined based on records for the closest station of the United States National Weather Service.

PRECIPITATION

Month	Normal (inches)	Maximum Record (inches)	Minimum Record (inches)	24-Hour Maximum (inches)	Average Number of Days w/ 0.01 or More Inches
Jan.	2.5.	9.07-1932	T-1986	4.27-2012	7
Feb.	2.76	11.31-2018	0.01-1918, 1916	4.72-2018	6
Mar.	3.30	7.39-2002	0.02-1925	4.39-1977	7
Apr.	3.22	17.64-1922	0.11-1987	4.55-1957	8
May	4.78	16.96-2015	0.22-1911	5.34-1989	9
Jun.	3.70	11.58-1928	T-1952, 1934	3.98-2017	6
Jul.	2.08	11.13-1973	0-1993	4.01-2004	5
Aug.	2.18	10.33-1915	0-2000	4.05-1976	5
Sep.	2.72	12.69-2018	T-2019	8.11-2018	7
Oct.	4.37	15.66-2018	T-1975, 1924	5.91-1959	6
Nov.	2.53	9.86-2015	0-1903	4.78-2015	6
Dec.	2.84	8.75-1991	T-1950	4.22-1991	7

TEMPERATURE

Month	Normal (°F)	Normal High (°F)	Normal Low (°F)	Record High (°F)	Record Low (°F)	Average Days 32°F and Below
Jan.	46.3	56.5	36.1	93°-1911	-2°-1949	10.6
Feb.	50.5	60.9	40.1	96°-1904	-8°-1899	6.2
Mar.	58.2	68.6	47.8	100°-1916, 1911	10°-1943	1.9
Apr.	65.6	76.1	55.2	101°-2006	29°-1989	0.0
May	74	83.6	64.5	107°-1927	34°-1903	0.0
Jun.	81.9	91.5	72.2	113°-1980	48°-1903	0.0
Jul.	85.7	95.6	75.8	110°-1998	56°-1924	0.0
Aug.	85.7	95.8	75.7	112°-1936, 1909	55°-1915	0.0
Sep.	78.5	88.6	68.5	111°-2000	40°-1942, 1908	0.0
Oct.	67.7	78.4	57.1	106°-1951	24°-1917	0.1
Nov.	56.4	66.6	46.2	94°-2017	19°-1950	2.3
Dec.	48.1	57.9	38.3	90°-1951	-1°-1989	8.1

Weather Conditions: The information in the following tables was compiled from the records of the first order U.S. Weather Bureau Station at Downtown Fort Worth 1998-1940, Fort Worth Meacham Field 1940 -1953, Greater Southwest International Airport 1953 - 1974, Dallas - Fort Worth International Airport 1974 - present. (See also National Weather Service Web site: https://www.weather.gov/fwd/dfw_records_normals)

Physical Data: Information and data furnished or referred to are furnished for the Contractor's information; however, it is to be expressly understood that the Owner will not be responsible for any interpretation or conclusion drawn therefrom by the Contractor.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 Contract Sum

§ 9.1.1 The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents. All costs of overtime Work required by the Contract Time and the nature of the Work, as set forth in or inferable from the Contract Documents, except costs of emergencies covered in Section 10.4, shall be and are included in the Contract.

§ 9.1.2 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Where the Contract is based on a stipulated sum or Guaranteed Maximum Price, the Contractor shall submit a schedule of values to the Architect before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and unless objected to by the Architect or Owner, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment.

§ 9.3 Applications for Payment

§ 9.3.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2, for completed portions of the Work. The application shall be notarized, if required, and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and suppliers, and shall reflect retainage if provided for in the Contract Documents. The form of Application for Payment, duly notarized, shall be a current authorized edition of AIA Document G702-1992, Application and Certificate for Payment, supported by a current authorized edition of AIA Document G703-1992, Continuation Sheet.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or supplier, unless such Work has been performed by others whom the Contractor intends to pay.

§ 9.3.1.3 Contractor agrees that, for the purposes of Texas Government Code Section 2251.042, receipt of the Application for Payment by the Architect shall not be construed as receipt of an invoice by the Owner. Contractor further agrees that Owner's receipt of the Architect's Certificate for Payment shall be construed as a receipt of an invoice by the Owner, for purposes of Texas Government Code Section 2251.042.

§ 9.3.2 Except as otherwise agreed in writing, executed by the Owner and Contractor prior to delivery of material and equipment, the Contractor is not entitled to payment for material and equipment delivered and stored on site or off site. The Owner may, in its sole discretion, agree to make payment for materials stored on site or off site and may, as a condition precedent to the grant of such consent, establish reasonable procedures and requirements (including provision of additional insurance at Contractor's sole expense) with which Contractor must comply.

§ 9.3.3 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or encumbrances, in favor of the Contractor, Subcontractors, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work. **CONTRACTOR SHALL INDEMNIFY AND HOLD OWNER HARMLESS FROM ANY LIENS, CLAIMS, SECURITY INTERESTS, OR ENCUMBRANCES FILED BY THE CONTRACTOR, SUBCONTRACTOR, OR ANYONE CLAIMING BY, THROUGH OR UNDER THE CONTRACTOR OR SUBCONTRACTOR FOR ITEMS COVERED BY PAYMENTS MADE BY THE OWNER TO CONTRACTOR.**

§ 9.3.4 In each Request for Payment, Contractor shall certify that there are no known mechanics' or materialmen's liens outstanding at the date of this requisition.

§ 9.4 Certificates for Payment

§ 9.4.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the

Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Architect determines is properly due, and notify the Contractor and Owner of the Architect's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion, and to specific qualifications expressed by the Architect. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed construction means, methods, techniques, sequences, or procedures; (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 9.5 Decisions to Withhold Certification

§ 9.5.1 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or suppliers for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a Separate Contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
- .7 repeated failure to carry out the Work in accordance with the Contract Documents.
- .8 delay beyond the times set forth elsewhere in the Contract Documents including but not limited to the submission for approval of the schedule of values, cost breakdowns on proposal requests, progress schedule, list of Subcontractors and insurance requirements;
- .9 evidence of financial inability to perform the Contract fully;
- .10 failure to submit record documents required by the Contract; or
- .11 failure of the Contractor to perform any other obligations of the Contract.

§ 9.5.2 When either party disputes the Architect's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, that party may submit a Claim in accordance with Article 15.

§ 9.5.3 When the reasons for withholding certification are removed, certification will be made for amounts previously withheld. The Owner shall not be held in default by reason of withholding payment as provided for in Section 9.5.1.

§ 9.5.4 If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Contractor shall reflect such payment on its next Application for Payment.

§ 9.6 Progress Payments

§ 9.6.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect. Owner shall notify Contractor within twenty-one (21) days if Owner disputes the Architect's Certificate of Payment, pursuant to Texas Government Code section 2251.042 et seq, listing the specific reasons for nonpayment. Payments to the Contractor shall not be construed as releasing the Contractor or his surety from any obligations under the Contract Documents.

§ 9.6.2 The Contractor shall pay each Subcontractor, Sub-subcontractor, and supplier, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor, Sub-subcontractor, and supplier is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. Contractor's failure to make payments within such time shall constitute a material breach of this Contract. The Contractor shall, by appropriate agreement with each Subcontractor, Sub-subcontractor, and supplier, require each to make payments to in a similar manner.

§ 9.6.3 The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

§ 9.6.4 The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.

§ 9.6.5 The Contractor's payments to suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 The Contractor shall, as a condition precedent to any obligation of the Owner under the Contract Documents, provide to the Owner payment and performance bonds in full penal amount of the Contract in accordance with Texas Government Code Chapter 2253.

§ 9.6.8 Provided the Owner has fulfilled its payment obligations under the Contract Documents, the Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 9.7 Failure of Payment

If the Architect does not issue a Certificate for Payment, through no fault of the Contractor, within seven days after receipt of the Contractor's Application for Payment, or if the Owner does not pay the Contractor within seven days after the date established in the Contract Documents, the amount certified by the Architect, then the Contractor may, upon seven additional days' notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.8 Substantial Completion

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use, provided, however, as a condition precedent to Substantial Completion, the Owner has received all certificates of occupancy and any other permits, approvals, licenses, and other documents from any governmental authority having jurisdiction thereof necessary for the beneficial occupancy of the Project (or if the same cannot be

delivered for reasons not the fault or responsibility of the Contractor, nevertheless all Contractor's obligations necessary to the issuance of such certificates, permits, approvals, or licenses will have been performed.) Without limiting the foregoing, in general, the only remaining Work following Substantial Completion shall be minor in nature, so that the Owner can occupy the Project on the date and the completion of the Work by the Contractor would not materially interfere or hamper the Owner's normal business operations.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

- .1 If in Architect's opinion during the inspection, the Project, or the designated portion thereof which Owner has agreed to accept separately, is not sufficiently complete to warrant inspection, then Architect may terminate the inspection and notify the Contractor that the Project is not ready for inspection. If for such reasons, Architect is required to make additional inspections, the Owner may deduct the cost of Architect's additional services made necessary thereby from any payments due the Contractor. The Architect's compensation shall be determined in accordance with the applicable provisions of the Agreement between Owner and Architect.
- .2 Except with the consent of the Owner, the Architect will perform no more than one (1) inspection to determine whether the Work has attained Substantial Completion in accordance with the Contract Documents. The Owner shall be entitled to deduct from the Contract Sum amounts paid to the Architect, Engineer, Consultant, or service provider for any additional inspections.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate.

§ 9.8.6 Retainage is not due to the Contractor until thirty-one (31) days after Final Completion of the Work as set out in Section 9.10. After the Certificate of Substantial Completion is accepted by Owner, the Owner may, in its sole discretion and upon acceptance and consent of surety, make payment of retainage on all or part of the Work accepted.

§ 9.9 Partial Occupancy or Use

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner and Contractor or, if no agreement is reached, by decision of the Architect.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor, and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

§ 9.10 Final Completion and Final Payment

§ 9.10.1 When all of the Work is finally completed and the Contractor is ready for a final inspection, it shall notify the Owner and the Architect thereof in writing. Thereupon, the Architect and Owner will make final inspection of the Work and, if the Work is complete in full accordance with the Contract Documents, and this Contract has been fully performed, the Architect will promptly issue a final Certificate for Payment certifying to the Owner that the Project is complete and the Contractor is entitled to the remainder of the unpaid Contract Price, less any amount withheld pursuant to this Contract. Except with the consent of the Owner, the Architect will perform no more than one inspection to determine whether the Work has attained Final Completion in accordance with the Contract Documents. If the Architect is unable to issue its final Certificate for Payment and is required to repeat its final inspection of the Work, the Contractor shall bear the cost of the repeat final inspection(s) which cost may be deducted by the Owner from the Contractor's final payment.

§ 9.10.2 The Contractor shall not be entitled to final payment unless and until it submits to the Architect its affidavit that the payrolls, invoices for materials and equipment, and other liabilities connected with the Work for which the Owner or the Owner's property might be responsible have been fully paid or otherwise satisfied; releases and waivers of liens from all Subcontractors of the Contractor and of any and all other parties required by the Architect of the Owner; such other provisions as Owner may request; and consent of surety to final payment. If any third party fails or refuses to provide a release of claims or waiver of lien as required by Owner, the Contractor shall furnish a bond satisfactory to the Owner to discharge any such lien or indemnify the Owner from liability.

§ 9.10.3 The Owner shall make final payment of all sums due the Contractor no more than thirty-one (31) days after the Architect's execution and Owner's approval of a final Certificate of Payment. The Final Payment shall not constitute a waiver of any claims by the Owner.

§ 9.10.4

(Paragraphs deleted)

[INTENTIONALLY DELETED]

§ 9.10.5 Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

§ 9.11 Audit

Contractor agrees to maintain adequate books, payrolls, and records satisfactory to the Owner in connection with any and all Work performed hereunder. Contractor agrees to retain all such books, payrolls, and records (including data stored electronically) for a period of not less than three (3) years after completion of the Work. At all reasonable times, Owner and its duly authorized representatives shall have access to all personnel of Contractor and all such books, payrolls and records, and shall have the right to audit the same.

§ 9.11 Liquidated Damages

§ 9.11.1 Should the Contractor fail to substantially complete the Work on, or before, the original date set forth in the Contract, (or on or before the corrected date as granted by extensions to Contract Time), the Owner may at its sole discretion permit the Contractor to proceed, and in such case, there shall be deducted from any monies due or which may become due the Contractor, a sum as specified herein, for each and every calendar day that the Work shall remain uncompleted. This sum shall be considered, not as penalty, but as the cost(s) for substantial losses suffered by the public and the Owner. Liquidated damages are intended to compensate the Owner for the Contractor's failure to meet the deadlines set forth herein, and shall not excuse the Contractor from liability from any other breach of requirements of the Contract Documents, including any failure of the Work to conform to applicable requirements. The Contractor agrees that the sums in Section 9.11.2 are reasonable in light of the anticipated or actual harm caused by the breach, the difficulties of the proof of loss, and the inconvenience or non-feasibility of otherwise obtaining an adequate remedy.

Contractor further acknowledges and agrees that Liquidated Damages may be owing even though no Event of Default has occurred.

§ 9.11.2 Contractor shall pay as liquidated damages to the Owner in the amount of \$1,000.00 per day for each calendar day that expires after the date set forth in the Contract for Final Completion of the Work.

§ 9.11.3 The parties acknowledge, covenant, and agree that the daily basis and the amount set forth above for liquidated damages are reasonable because of the unique nature of the Project as a benefit to the public; the fact that inconvenience to the public will be one of the significant impacts of any failure by the Contractor to timely complete the Work; and that it is impracticable and extremely difficult to ascertain and determine the actual losses which would accrue to the Owner and the public

§ 9.11.4 Permitting the Contractor to continue and finish the Work, or any portion thereof, after the time fixed for the Final Completion of the Work, shall in no way operate as a waiver on the part of the Owner of any of its rights under the Contract. The Contractor acknowledges the Owner receives no benefits from early completion of the Project or the Work, therefore all rights, if any, to an early completion bonus or other increases in the Contract Sum for such early completion are hereby waived by the Contractor.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 Safety Precautions and Programs

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

- .1 Contractor's and all Subcontractors' Safety Programs shall comply with all applicable requirements of the Occupational Safety and Health Act of 1970, and all other applicable state, local, or federal laws or regulations.

§ 10.2 Safety of Persons and Property

§ 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to of the following:

- .1 employees on the Work, Owner's employees and other persons on the Owner's premises and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody, or control of the Contractor, a Subcontractor, or a Sub-subcontractor; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

§ 10.2.2 The Contractor shall comply with, and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities, bearing on safety of persons or property or their protection from damage, injury, or loss.

§ 10.2.3 The Contractor shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards. The Contractor shall also be responsible, at the Contractor's sole cost and expense, for all measures necessary to protect any property adjacent to the Project and improvements therein. Any damage to such property or improvements shall be promptly repaired by the Contractor.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 CONTRACTOR SHALL HOLD OWNER, ITS EMPLOYEES, AND ELECTED OFFICIALS HARMLESS FROM LIABILITY RESULTING FROM LOSS OF OR DAMAGE TO ANY PROPERTY THAT IS ON OR OFF THE SITE AND/OR IN TRANSIT AS REFERRED TO IN CLAUSE 10.2.1.2 EVEN IF SUCH LOSS OR DAMAGE RESULTS FROM OWNER'S, OWNER'S CONSULTANT'S, OR ARCHITECT'S NEGLIGENCE. AS TO PROPERTY REFERRED TO IN CLAUSE 10.2.1.3, CONTRACTOR SHALL HOLD OWNER FREE AND HARMLESS FROM LIABILITY RESULTING

FROM LOSS OF OR DAMAGE CAUSED IN WHOLE OR IN PART BY THE CONTRACTOR, ANY SUBCONTRACTOR, ANY SUB SUBCONTRACTOR, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY ANY OF THEM, ANYONE FOR WHOSE ACTS ANY OF THEM MAY BE LIABLE, REGARDLESS OF WHETHER OR NOT SUCH DAMAGE IS CAUSED IN PART BY THE NEGLIGENT ACTS OR OMISSIONS OF THE OWNER, OWNER'S CONSULTANTS, OR THE ARCHITECT. THE FOREGOING OBLIGATIONS ARE IN ADDITION TO THOSE SET FORTH IN SECTION 3.18; PROVIDED THAT WHERE THE NEGLIGENCE OF OWNER OR ARCHITECT IS A CONCURRING CAUSE, CONTRACTOR'S OBLIGATION TO INDEMNIFY IS LIMITED TO THE AMOUNT NECESSARY TO CAUSE THE RELATIVE LIABILITY OF OWNER, ARCHITECT, AND CONTRACTOR TO REFLECT THE COMPARATIVE NEGLIGENCE FINDINGS OF THE TRIER OF FACT (JUDGE OR JURY) OR AS AGREED IN A SETTLEMENT AGREEMENT TO WHICH OWNER, ARCHITECT AND CONTRACTOR ARE ALL PARTIES.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property

If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.2.9 The Contractor shall immediately report in writing to the Owner and Architect all accidents arising out of or in connection with the Work that cause death, personal injury, or property damage, giving full details and statements of any witnesses. In addition, if death, serious personal injuries, or serious damages are caused, the accident shall be reported immediately electronically, as well as by telephone or messenger to the Owner and the Architect.

§ 10.3 Hazardous Materials and Substances

§ 10.3.1 The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and notify the Owner and Architect of the condition.

§ 10.3.2 Upon receipt of the Contractor's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Contractor and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If either the Contractor or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable additional costs of shutdown, delay, and start-up.

§ 10.3.3 [INTENTIONALLY DELETED]

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site unless such materials or substances are required by the Contract Documents. The Owner

shall be responsible for hazardous materials or substances required by the Contract Documents, except to the extent of the Contractor's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 [INTENTIONALLY DELETED]

§ 10.4 Emergencies

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Contractor's Insurance and Bonds

§ 11.1.1 The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner, Architect, and Architect's consultants shall be named as additional insureds under the Contractor's commercial general liability policy or as otherwise described in the Contract Documents.

§ 11.1.2 The Contractor shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Contract Documents. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located.

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.1.4 Notice of Cancellation or Expiration of Contractor's Required Insurance. Within three (3) business days of the date the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

(Paragraphs deleted)

§ 11.2 [INTENTIONALLY DELETED]

§ 11. [INTENTIONALLY DELETED]

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Contractor and Architect for loss of use of the Owner's property, due to fire or other hazards however caused.

(Paragraphs deleted)

§11.5 [INTENTIONALLY DELETED]

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK

§ 12.1 Uncovering of Work

§ 12.1.1 If a portion of the Work has been covered and the specifically requested to see such Work, or if any known deficiencies exist, or the Contract Documents specifically request inspection prior to its being covered, the Architect may request to see that Work and it shall be uncovered by the Contractor. If the Work is not in accordance with the Contract Documents, it must be corrected and covered at the expense of the Contractor without change in the Contract Time. If Work is according to the Contract Documents, the cost to restore cover on the Work is at the sole expense of the Contractor.

§ 12.1.2 [INTENTIONALLY DELETED]

§ 12.2 Correction of Work

§ 12.2.1 Before Substantial Completion

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 In addition to the Contractor's obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of notice from the Owner to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.5.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.2.4 Upon request by the Owner and prior to the expiration of one (1) year from the date of Substantial Completion, the Architect will conduct and shall attend a meeting with the Owner to review the facility operations and performance.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

§ 12.2.6 Contractor shall i) re-execute any parts of the Work that fail to conform with the requirements of this Agreement that appear in the progress of the Work; ii) remedy any defects in the Work due to faulty materials or workmanship which appear within a period of one (1) year from Substantial Completion of the Work hereunder, or within such longer period of time as may be set forth in the Drawings and Specifications or other Contract Documents; and iii) replace, repair, or restore any parts of the Project or furniture, fixtures, equipment, or other items placed therein (whether by Owner or any other party) that are injured or damaged by any such parts of the Work that do not conform to the requirements of the Contract Documents or defects in the Work.

§ 12.2.7 The provisions of this Section 12.2 apply to Work done by Subcontractors of the Contractor as well as work done directly by employees of the Contractor. The provisions of this Section 12.2 shall not apply to corrective Work attributable solely to the acts or omissions of any separate contractor of Owner (unless Contractor is acting in such capacities). The cost to Contractor of performing any of its obligations under this section 12.2 herein to the extent not covered by insurance shall be borne by Contractor.

§ 12.2.8 If, however, Owner and Contractor deem it inexpedient to require the correction of Work damaged or not done in accordance with the Contract Documents, an equitable deduction from the Contract sum shall be made by agreement between Contractor and Owner. Until such settlement, Owner may withhold such sums as Owner deems just and reasonable from moneys, if any, due Contractor. The settlement shall not be unreasonably delayed by the Owner and the amount of money withheld shall be based on estimated actual costs of correction to Owner.

§ 12.2.9 Contractor's express warranty herein shall be in addition to, and not in lieu of, any other remedies Owner may have under the Contract Documents, at law, or in equity for defective Work.

§ 12.3 Acceptance of Nonconforming Work

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS

§ 13.1 Governing Law

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules.

§ 13.2 Successors and Assigns

§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

§ 13.3 Rights and Remedies

§ 13.3.1 Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.

§ 13.3.2 No action or failure to act by the Owner, Architect, or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

§ 13.3.3 The invalidity of any part or provision of the Contract Documents shall not impair or affect in any manner whatsoever the validity, enforceability or effect of the remainder of the Contract Documents.

§ 13.4 Tests and Inspections

§ 13.4.1 Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. Except for tests, inspections and approvals required to be provided by the Contractor in the Contract Documents, the Owner shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals to the extent said costs are related to tests, inspections, and approvals arranged by Owner. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

§ 13.4.2 If the Architect, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Section 13.4.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.4.3, shall be at the Owner's expense.

§ 13.4.3 If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure, including those of repeated procedures and compensation for the Architect's services and expenses, shall be at the Contractor's expense.

§ 13.4.4 Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.4.5 If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.4.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.5 Interest

Payments due and unpaid under the Contract Documents shall bear interest in accordance with the Texas Prompt Payment Act, Texas Government Code Chapter 2251. Any such payment shall be deemed overdue on the 31st day after Owner receives the Contractor's Certificate for Payment from the Architect. No interest shall be due on sums properly retained by Owner, except as provided by law, or on disputed sums unpaid by Owner.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 Termination by the Contractor

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, under direct or indirect contract with the Contractor, for any of the reasons set forth below, the Contractor may terminate the Contract upon thirty (30) days written notice to Owner and Architect if the Work is not allowed to commence within such period. The Sole grounds for termination under this Subsection 14.1.1 are as follow f:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped;
- .3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Contract Documents; or
- .4 [Intentionally Deleted]

§ 14.1.2 If, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less, , the Contractor may terminate the Contract, provided that Contractor has provided Owner and Architect with written notice of its intent to terminate in the event of additional delays of not less than thirty (30) days and has furnished written notice of termination to Owner and Architect no less than seven (7) days prior to the effective date of termination

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work in an amount which would have been recoverable had the termination been for Owner's convenience.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.2 Termination by the Owner for Cause

§ 14.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents.
- .5 becomes insolvent, enters bankruptcy, receivership or other like proceeding; or
- .6 fails to proceed continuously and diligently with the construction and completion of the Work, except as permitted by the Contract Documents.

§ 14.2.2 When any of the reasons described in Section 14.2.1 exist, , the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient.

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.2.5 When the Owner terminates the Contract for one of the reasons stated in 14.2.1, title to the Work and any products thereof, whether completed or partially complete, as well as all materials prepared, procured, or set aside by the Contractor for use in the Work shall vest in the Owner at Owner's option.

§ 14.3 Suspension by the Owner for Convenience

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such period of time as the Owner may determine.

§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 Termination by the Owner for Convenience

§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

§ 14.4.2 Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed; for profit only on that portion of the Work executed, and reasonable costs of demobilization..

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 Definition

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

(Paragraphs deleted)

§ 15.1.2 [INTENTIONALLY DELETED]

§ 15.1.3 Notice of Claims

§ 15.1.3.1 Claims by either party under this Section 15.1.3.1 shall be initiated within 21 days after occurrence of the event giving rise to such Claim. Claims made by the Contractor must be initiated by written notice to the Architect and the Owner.

§ 15.1.3.2 Claims by either the Owner or Contractor, where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Work set forth in Section 12.2.2, shall be initiated by notice to the other party. In such event, no decision by the Initial Decision Maker is required.

§ 15.1.4 Continuing Contract Performance

§ 15.1.4.1 Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

§ 15.1.4.2 The Contract Sum and Contract Time shall be adjusted in accordance with the Owner's decision, subject to the right of the Contractor to proceed in accordance with this Article 15. The Architect will issue Certificates for Payment in accordance with the decision of the Owner..

§ 15.1.5 Claims for Additional Cost

If the Contractor wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.6 Claims for Additional Time

§ 15.1.6.1 If the Contractor wishes to make a Claim for an increase in the Contract Time, notice as provided in Section 15.1.3 shall be given. The Contractor's Claim shall include an estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.6.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated, and had an adverse effect on the scheduled construction.

(Paragraphs deleted)

§ 15.1.7 Calculating Claims for Damages

Except as otherwise provided in this Agreement, in calculating the amount of any Claim recoverable by the Contractor, the following standards will apply:

- .1 No indirect or consequential damages will be permitted.
- .2 No recovery shall be based on a comparison of planned expenditures to total actual expenditures, or on estimated loss of labor efficiency, or on a comparison of planned manloading to actual manloading, or any other analysis that is used to show damages indirectly.
- .3 Damages are limited to extra costs specifically shown to have been directly caused by a proven wrong.
- .4 No damages will be allowed for home office overhead or other home office changes or any Eichlay formula calculation.

§ 15.2 Initial Decision

§ 15.2.1 Claims by the Contractor against the Owner, including those alleging an error or omission by the Architect but excluding those that arise under Section 10.3 shall be referred initially to the Architect for consideration and recommendation to the Owner. An initial recommendation by Architect shall be required as a condition precedent to mediation of any Claim arising prior to the date the final payment is due, unless thirty (30) days have passed after the Claim has been referred to the Architect with no recommendation having been rendered by the Architect.

§ 15.2.2 The Architect will review Claims and within ten (ten) days of receipt of the Claim take one or more of the following actions: 1) request additional supporting data from the Contractor; 2) issue an initial recommendation; 3) suggest a compromise; or 4) advise the parties that the Architect is unable to issue an initial recommendation due to a lack of sufficient information or conflict of interest.

§ 15.2.3 Following receipt of the Architect's initial recommendation regarding a Claim, the Owner and Contractor shall attempt to reach agreement as to any adjustment to the Contract Price and/or Contract Time. If no agreement can be reached, either party may request mediation of the dispute pursuant to Article 15.

§ 15.2.4 Architect requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either 1) provide a response on the requested supporting data, 2) advise the Initial Decision Maker when the response or supporting data will be furnished, or 3) advise the Initial Decision Maker that no supporting data will be furnished.

§ 15.2.5 [INTENTIONALLY DELETED]

(Paragraph deleted)

§ 15.2. [INTENTIONALLY DELETED]

§ 15.2.6.1 [INTENTIONALLY DELETED]

§ 15.2.7 In the event of a Claim against the Contractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

§ 15.2.8 WAIVER OF LIEN

It is distinctly understood that by virtue of this Contract, no mechanic, contractor, materialman, artisan, or laborer, whether skilled or unskilled, shall ever in any manner have, claim, or acquire any lien upon the Owner's property, building, or any of the improvements of whatever nature or kind so erected or to be erected by virtue of the Contract nor upon any of the land upon which said building or any of the improvements are so erected, built, or situated.

§ 15.3 Mediation

§ 15.3.1 In the event that the Owner or the Contractor shall contend that the other has committed a material breach of this Agreement, the party alleging such breach shall, as a condition precedent to filing any lawsuit, request mediation of the dispute.

§ 15.3.2.1 Any mediation occurring pursuant to this Article shall be held in Dallas County, Texas.

§ 15.3.2 Request for mediation shall be in writing and shall request that the mediation commence not less than thirty (30) or more than ninety (90) days following the date of the request, except upon agreement of both parties.

§ 15.3.3 In the event the Owner and the Contractor are unable to agree to a date for the mediation, or to the identity of the mediator or mediators within thirty (30) days following the date of the request for mediation, all conditions precedent in this article shall be deemed to have occurred.

§ 15.3.4 Nothing herein shall preclude the Owner or the Contractor from requesting that the Architect or one or more of the Subcontractors be joined as parties to the mediation, to the extent allowed by their respective contracts.

§ 15.3.5 Unless otherwise agreed to in writing by the Owner in the Owner's sole discretion, the Contractor may not bring a legal action against the Owner unless:

- .1 the Contractor has given written notice to the Owner of the Claim, dispute, or other matter giving rise to the legal action within ninety-one (91) days after the date of the start of the event giving rise to the Contractor's Claim, dispute, or other matter;
- .2 the Parties have attempted to resolve the issue in mediation pursuant to Article 15; and
- .3 the legal action is brought within two (2) years and one (1) day after the date of the start of the event giving rise to Contractor's Claim dispute, or other matter.

§ 15.4 Immunity

§ 15.4.1 Contractor stipulates that Owner is a political subdivision of the State of Texas and, as such, may enjoy immunities from suit and liability under the Constitution and laws of the State of Texas. By entering into this Agreement, Owner does not waive any of its immunities from suit and/or liability, except as otherwise specifically provided herein and as specifically provided by law.

§ 15.4.1.1 [INTENTIONALLY DELETED]

§ 15.4.2 [INTENTIONALLY DELETED]

§ 15.4.3 [INTENTIONALLY DELETED]

(Paragraphs deleted)

§ 15.4. [INTENTIONALLY DELETED]